



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

State of Arizona

Year Ended June 30, 2010



Debra K. Davenport
Auditor General

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State of Arizona
Single Audit Reporting Package
Year Ended June 30, 2010

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

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

The Honorable Janice K. Brewer, Governor
State of Arizona

The Honorable Russell Pearce, President
Arizona State Senate

The Honorable Kirk Adams, Speaker
Arizona House of Representatives

The Honorable Rebecca White Berch, Chief Justice
Arizona Supreme Court

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2010, which collectively comprise the State's basic financial statements, and have issued our report thereon dated March 4, 2011. Our report was modified to include a reference to our reliance on other auditors, for emphasis of matters regarding the Healthcare Group of Arizona and the Rio Nuevo Multipurpose Facilities District, and as to consistency because of the implementation of Governmental Accounting Standards Board Statement Nos. 51 and 53. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Department of Transportation, Arizona Health Care Cost Containment System, Lottery Department, Arizona State Retirement System, Public Safety Personnel Retirement System, Corrections Officer Retirement Plan, Elected Officials' Retirement Plan, and the discretely presented component units, as described in our report on the State's financial statements. The financial statements of the Rio Nuevo Multipurpose Facilities District, Greater Arizona Development Authority, Arizona Power Authority, University Medical Center, and the universities—affiliated component units, which were reported as discretely presented component units, were not audited by the other auditors in accordance with *Government Auditing Standards*. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we and the other auditors identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be 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 10-02 and 10-08 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 10-01, 10-03, 10-04, 10-05, 10-06, and 10-07 to be significant deficiencies.

Compliance and Other Matters

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

The State's responses to the findings identified in our audit are presented on pages 125 through 128. The response for the finding noted by the other auditors is included in the body of the finding (see finding 10-08). We did not audit the State's responses and, accordingly, we express no opinion on them.

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

Debbie Davenport
Auditor General

March 4, 2011



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

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

The Honorable Janice K. Brewer, Governor
State of Arizona

The Honorable Russell Pearce, President
Arizona State Senate

The Honorable Kirk Adams, Speaker
Arizona House of Representatives

The Honorable Rebecca White Berch, Chief Justice
Arizona Supreme Court

Compliance

We have audited the State of Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010, except for that portion of the federal programs administered by the Arizona Health Care Cost Containment System, the Department of Transportation, and the Water Infrastructure Finance Authority. Those entities were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the compliance of those entities with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, is based solely on the reports of the other auditors. The State's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit and the reports of the other auditors.

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

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

<u>Program Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
SNAP Cluster: Supplemental Nutrition Assistance Program (10.551) State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10.561) ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (10.561)	Special Tests and Provisions	10-104
Unemployment Insurance (17.225) ARRA—Unemployment Insurance (17.225)	Reporting, Special Test and Provisions	10-105, 10-106
Title I, Part A Cluster: Title I Grants to Local Educational Agencies (84.010) Title I Grants to Local Educational Agencies, Recovery Act (84.389)	Subrecipient Monitoring	10-117, 10-118, 10-120
Special Education Cluster (IDEA): Special Education—Grants to States (84.027) Special Education—Preschool Grants (84.173) Special Education Grants to States, Recovery Act (84.391) Special Education—Preschool Grants, Recovery Act (84.392)	Level of Effort, Subrecipient Monitoring	10-117, 10-118, 10-123
Vocational Rehabilitation Cluster: Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126) Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act (84.390)	Eligibility	10-108
Educational Technology State Grants Cluster: Educational Technology State Grants (84.318)	Subrecipient Monitoring	10-117, 10-118, 10-120

Education Technology State Grants,
Recovery Act (84.386)

Improving Teacher Quality State Grants (84.367)	Subrecipient Monitoring	10-117, 10-120
Public Health Emergency Preparedness (93.069)	Level of Effort, Subrecipient Monitoring	10-129, 10-130

In our opinion, based on our audit and the reports of the other auditors, except for the noncompliance described in the preceding table, the State of Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The results of our auditing procedures and the reports of the other auditors also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and that are described in the accompanying Schedule of Findings and Questioned Costs as items 10-101, 10-102, 10-103, 10-107, 10-110, 10-111, 10-112, 10-113, 10-116, 10-117, 10-119, 10-122, 10-124, 10-125, 10-126, 10-127, 10-128, 10-131, 10-132, 10-133, 10-134, and 10-135.

Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 10-104, 10-105, 10-106, 10-108, 10-115, 10-117, 10-118, 10-119, 10-120, 10-122, 10-123, 10-124, 10-127, 10-129, 10-130, 10-132, 10-133, 10-134, and 10-135 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 10-107, 10-109, 10-110, 10-111, 10-112, 10-113, 10-114, 10-116, 10-121, 10-125, 10-126, 10-128, 10-131, 10-136, and 10-137 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State as of and for the year ended June 30, 2010, and have issued our report thereon dated March 4, 2011. Our report was modified to include a reference to our reliance on other auditors, for emphasis of matters regarding the Healthcare Group of Arizona and the Rio Nuevo Multipurpose Facilities District, and as to consistency because of the implementation of Governmental Accounting Standards Board Statement Nos. 51 and 53. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The State's responses to the findings identified in our audit are presented on pages 129 through 153. We did not audit the State's responses and, accordingly, we express no opinion on them.

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

Debbie Davenport
Auditor General

March 30, 2011, except for the
Schedule of Expenditures of Federal
Awards, for which the date is March 4, 2011

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>WHITE HOUSE OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
07.HT18-08-1110, HT18-08-1510, HT18-08-2410, HT18-08-0510, G10SA0004A	High Intensity Drug Trafficking Areas, <i>Arizona Alliance Planning Committee</i>	AGA	\$ 621,839
07.I6PSAP501Z, I7PSAP501Z, I8PSAP501Z	High Intensity Drug Trafficking Areas, <i>Arizona Alliance Planning Committee</i>	JCA	5,044,158
07.G09SA0006A, HT16-06-0212, HT16-06-0511, HT17-07-0210, HT17-07-1111, HT17-07-1710, HT18-08-0210, HT18-08-0511, HT18-08-0710, HT18-08-0910, HT18-08-1111, HT18-08-1410, HT18-08-1511, HT18-08-1710, HT18-08-1810, HT18-08-1911, HT18-08-2312, HT18-08-2810, I8PSAP006Z, I8PSAP501Z	High Intensity Drug Trafficking Areas, <i>Arizona Alliance Planning Committee</i>	PSA	2,554,231
Total White House Office of National Drug Control Policy			<u>\$ 8,220,228</u>
<u>PEACE CORPS</u>			
08.PC-08-8-123, PC-09-8-099	Peace Corps Coordinator	NAA	\$ 19,021
Total Peace Corps			<u>\$ 19,021</u>
<u>DEPARTMENT OF AGRICULTURE</u>			
<u>SNAP Cluster</u>			
10.551	Supplemental Nutrition Assistance Program	DEA	\$ 1,545,002,543
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DEA	38,173,264
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	HSA	10,398,384
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	UAA	2,931,086
10.561	ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	DEA	3,364,768
10.561 Subtotal			<u>54,867,502</u>
SNAP Cluster Subtotal			<u>1,599,870,045</u>
<u>Child Nutrition Cluster</u>			
10.553	School Breakfast Program	DCA	82,826
10.553	School Breakfast Program	DJA	430,972
10.553	School Breakfast Program	EDA	61,851,247
10.553 Subtotal			<u>62,365,045</u>
10.555	National School Lunch Program	DCA	90,708
10.555	National School Lunch Program	DJA	700,145
10.555	National School Lunch Program	EDA	247,725,147
10.555	National School Lunch Program	SDA	251,684
10.555 Subtotal			<u>248,767,684</u>
10.556	Special Milk Program for Children	EDA	63,235
10.559	Summer Food Service Program for Children	EDA	3,447,526
Child Nutrition Cluster Subtotal			<u>314,643,490</u>
<u>Emergency Food Assistance Cluster</u>			
10.568	Emergency Food Assistance Program (Administrative Costs)	DEA	1,451,048
10.568	ARRA—Emergency Food Assistance Program (Administrative Costs)	DEA	1,013,858
10.568 Subtotal			<u>2,464,906</u>
10.569	Emergency Food Assistance Program (Food Commodities)	DEA	11,238,854
10.569	ARRA—Emergency Food Assistance Program (Food Commodities)	DEA	1,158,289
10.569 Subtotal			<u>12,397,143</u>
Emergency Food Assistance Cluster Subtotal			<u>14,862,049</u>
<u>Schools and Roads Cluster</u>			
10.665	Schools and Roads—Grants to States	TRA	16,688,162
10.665	Schools and Roads—Grants to States, <i>Yavapai County</i> , Contract # CK40229118	UAA	5,249
Schools and Roads Cluster Subtotal			<u>16,693,411</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
Other Department of Agriculture Programs			
10.001	Agricultural Research—Basic and Applied Research	AHA	68,232
10.001	Agricultural Research—Basic and Applied Research	UAA	48,429
	10.001 Subtotal		116,661
10.025	Plant and Animal Disease, Pest Control, and Animal Care	AHA	3,418,725
10.025	Plant and Animal Disease, Pest Control, and Animal Care	GFA	73,721
10.025	Plant and Animal Disease, Pest Control, and Animal Care	UAA	8,250
	10.025 Subtotal		3,500,696
10.156	Federal-State Marketing Improvement Program	AHA	73,400
10.163	Market Protection and Promotion	AHA	11,702
10.168	Farmers' Market Promotion Program	ASA	22,637
10.169	Specialty Crop Block Grant Program	AHA	40,060
10.169	Specialty Crop Block Grant Program	UAA	18,139
	10.169 Subtotal		58,199
10.170	Specialty Crop Block Grant Program—Farm Bill	AHA	236,224
10.170	Specialty Crop Block Grant Program—Farm Bill	UAA	18,200
	10.170 Subtotal		254,424
10.200	Grants for Agricultural Research, Special Research Grants	UAA	2,169
10.200	Grants for Agricultural Research, Special Research Grants, <i>University of California-Davis</i> , Contract # 07001492ARI12	UAA	178
	10.200 Subtotal		2,347
10.206	Grants for Agricultural Research—Competitive Research Grants	UAA	10,349
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants	ASA	36,000
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants	UAA	45,905
	10.210 Subtotal		81,905
10.215	Sustainable Agriculture Research and Education, <i>Utah State University</i> , Contract # 2007- 38640-18047	ASA	2,087
10.215	Sustainable Agriculture Research and Education, <i>New Mexico State University</i> , Contract # Q01406	UAA	8,530
	10.215 Subtotal		10,617
10.217	Higher Education Challenge Grants	UAA	25,706
10.217	Higher Education Challenge Grants, <i>New Mexico State University</i> , Contract # Q01429	UAA	14,307
	10.217 Subtotal		40,013
10.303	Integrated Programs	UAA	405,196
10.303	Integrated Programs, <i>University of California-Davis</i> , Contract #s 07001492ARI10, 07001492UA2, 07001492UA3	UAA	48,250
	10.303 Subtotal		453,446
10.304	Homeland Security—Agricultural	UAA	260,649
10.304	Homeland Security—Agricultural, <i>University of California-Davis</i> , Contract # K007797-18	AHA	6,908
	10.304 Subtotal		267,557
10.310	Agriculture and Food Research Initiative (AFRI)	UAA	6,222
10.435	State Mediation Grants	ASA	67,497
10.443	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	UAA	38,194
10.455	Community Outreach and Assistance Partnership Program	UAA	73,732
10.459	Commodity Partnerships for Small Agricultural Risk Management Education Sessions	UAA	52,746
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	AHA	98,409
10.479	Food Safety Cooperative Agreements	HSA	747,681
10.500	Cooperative Extension Service	UAA	3,785,339
10.500	Cooperative Extension Service, <i>Kansas State University</i> , Contract #s S08024, S08102, S09143, S10090, S10145	UAA	151,967
10.500	Cooperative Extension Service, <i>University of Wyoming</i> , Contract #s UTSTUNV46466AZ, UTSTUNV46467AZ, UTSTUNV46467AZ2	UAA	6,951
10.500	Cooperative Extension Service, <i>Washington State University</i> , Contract # G002642	UAA	6,710
	10.500 Subtotal		3,950,967

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	HSA	166,098,372
10.558	Child and Adult Care Food Program	EDA	46,924,455
10.560	State Administrative Expenses for Child Nutrition	EDA	3,757,952
10.565	Commodity Supplemental Food Program	HSA	3,850,217
10.572	WIC Farmers' Market Nutrition Program (FMNP)	HSA	123,538
10.574	Team Nutrition Grants	EDA	55,630
10.576	Senior Farmers Market Nutrition Program	HSA	122,214
10.578	ARRA—WIC Grants to States (WGS)	HSA	81,345
10.579	Child Nutrition Discretionary Grants Limited Availability	EDA	2,202,663
10.582	Fresh Fruit and Vegetable Program	EDA	1,279,911
10.652	Forestry Research	GFA	40,976
10.652	Forestry Research	NAA	3,022
	10.652 Subtotal		<u>43,998</u>
10.664	Cooperative Forestry Assistance	FOA	4,316,124
10.664	Cooperative Forestry Assistance	LDA	14,904
10.664	Cooperative Forestry Assistance	PRA	61,955
10.664	Cooperative Forestry Assistance	UAA	1,087
10.664	Cooperative Forestry Assistance, <i>Coconino County</i> , Contract # 071542	UAA	39,381
10.664	Cooperative Forestry Assistance, <i>Navajo County Board of Supervisors</i> , Contract # SFA1005	UAA	64,702
	10.664 Subtotal		<u>4,498,153</u>
10.679	Collaborative Forest Restoration	GFA	8,867
10.683	National Fish and Wildlife Foundation	GFA	37,139
10.688	Recovery Act of 2009: Wildland Fire Management	FOA	25,500
10.762	Solid Waste Management Grants	NAA	196,694
10.769	Rural Business Enterprise Grants	EPA	126,986
10.773	Rural Business Opportunity Grants	NAA	21,413
10.901	Resource Conservation and Development	LDA	306
10.912	Environmental Quality Incentives Program	AHA	163,430
10.912	Environmental Quality Incentives Program	GFA	28,538
	10.912 Subtotal		<u>191,968</u>
10.921	Conservation Security Program	UAA	54,620
10.960	Technical Agricultural Assistance	ASA	17,820
10.961	Scientific Cooperation and Research	UAA	2,801
10.962	Cochran Fellowship Program—International Training—Foreign Participation, <i>Texas AgriLife Research</i> , Contract # 570563	UAA	26,776
10.05-CR-11031600-079, 07-CR-11031600-147, 09-PA-11030420-048, 09-JV-11221635-330, 09-JV-11221635-304, 10-DG-11031600-050, AG-3187-P-08-0044	Forest Service	NAA	2,031,044
10.06CS011031200036	AZ Bald Eagle Management Program	GFA	28,950
10.07CS11132422195	Wildcat5 Hydrograph Program	UAA	2,883
10.08CS11030504027	Rangeland Monitoring and Inventory	UAA	16,675
10.09CR11031600085	Education and Monitoring Program Related to Rangeland Resources Monitoring and Data Collection on National Forest System Lands Within the State of Arizona	UAA	31,789
10.1001001773CA	The Arizona AG Discovery Summer Enrichment Program	UAA	18,340
10.AG9457P090039	Webinar on Geographic Variation and Seed Transfer Guidelines Within Plant Materials Programs	UAA	1,312
10.PNW09JV11261975012	Saving the Wide Open Spaces	UAA	7,726
10.HG050143	FY2010 Arizona Nutrition Network	ASA	10,070
10.HS961116	Nutrition Education for Food Bank Clients	ASA	1,547
10.Unknown	Solid Waste Training, <i>Shonto Community</i>	NAA	1,110
10.Unknown	Coca Cola 4-H2O Replenish Project Grant—Arizona 4-H Proposal Plan of Action, <i>National 4h Council</i> , Contract #s LTD DTD 022409, LTD DTD 042409	UAA	9,917
10.Unknown	Wildfire Risk Reduction for Yavapai County Homeowners, <i>Prescott Area Wildland Urban Interface Commission</i> , Contract # LTR DTD 121709	UAA	13,541
	Total Department of Agriculture		<u>\$ 2,187,932,638</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
DEPARTMENT OF COMMERCE			
Public Works and Economic Development Cluster			
11.300	ARRA—Investments for Public Works and Economic Development Facilities	UAA	\$ 992,920
	Public Works and Economic Development Cluster Subtotal		<u>992,920</u>
Other Department of Commerce Programs			
11.302	Economic Development—Support for Planning Organizations	EPA	50,720
11.303	Economic Development—Technical Assistance	NAA	96,206
11.303	Economic Development—Technical Assistance	UAA	65,630
	11.303 Subtotal		<u>161,836</u>
11.431	Climate and Atmospheric Research	ASA	16,464
11.550	Public Telecommunications Facilities Planning and Construction	ASA	446,278
11.555	Public Safety Interoperable Communications Grant Program	GTA	200,429
11.555	Public Safety Interoperable Communications Grant Program	HLA	4,101,353
11.555	Public Safety Interoperable Communications Grant Program	PSA	648,221
	11.555 Subtotal		<u>4,950,003</u>
11.557	Broadband Technology Opportunities Program (BTOP)	LAA	24,421
11.558	ARRA—State Broadband Data and Development Grant Program	GTA	282,303
11.558	ARRA—State Broadband Data and Development Grant Program	LDA	124,886
	11.558 Subtotal		<u>407,189</u>
11.IPA DTD 120109	NOAA Intergovernmental Personnel Act Mobility Assignment	UAA	150,126
	Total Department of Commerce		<u>\$ 7,199,957</u>
DEPARTMENT OF DEFENSE			
12.110	Planning Assistance to States	GFA	\$ 197,633
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	EVA	690,464
12.300	Basic and Applied Scientific Research	ASA	308,692
12.300	Basic and Applied Scientific Research	GFA	98,410
12.300	Basic and Applied Scientific Research	UAA	27,020
	12.300 Subtotal		<u>434,122</u>
12.400	Military Construction, National Guard	MAA	9,165,784
12.401	National Guard Military Operations and Maintenance (O&M) Projects	MAA	41,538,535
12.401	ARRA—National Guard Military Operations and Maintenance (O&M) Projects	MAA	3,165,345
	12.401 Subtotal		<u>44,703,880</u>
12.404	National Guard ChalleNGe Program	MAA	1,308,692
12.431	Basic Scientific Research	ASA	52,869
12.431	Basic Scientific Research, <i>Academy of Applied Science</i> , Contract # W911NF-04-1-0001	ASA	16,035
	12.431 Subtotal		<u>68,904</u>
12.550	National Flagship Language Program Grants to U.S. Institutions of Higher Education, <i>Institute of International Education</i> , Contract # HQ0034-07-C-1010	ASA	33,400
12.630	Basic, Applied, and Advanced Research in Science and Engineering, <i>Institute of International Education</i> , Contract # HQ0034-08-2-0024	ASA	83,359
12.800	Air Force Defense Research Sciences Program	GFA	249,978
12.800	Air Force Defense Research Sciences Program	UAA	13,188
	12.800 Subtotal		<u>263,166</u>
12.901	Mathematical Sciences Grants Program	ASA	74,420
12.F1ATA09012PD01	Intergovernmental Personnel Act (IPA) Assignment—Dr. Douglas Cochran	ASA	259,648
12.H9823006C0483	Technical Consultation Services for ADIR Project Oversight	ASA	409,284
12.HR0011-09-C-0034	Plant Fund: DARPA-BAA 08-07JP-8 Biofuel Program Proposal—General Atomics—Phase 1 Effort, <i>General Atomics</i> , Contract # HR0011-09-C-0034	ASA	5,979

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
12.MEM0308	IPA for Ronald Pace (Working for Tricaremanagement Activity/Office of the Chief Information Officer = TMA/OCIO)	UAA	100,323
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca	DEA	6,073,213
12.W9137B070064	CLI+: Islamic Rim Language and Culture Training for ROTC Cadets, <i>Institute of International Education</i> , Contract # W9137B070064	ASA	211,656
Total Department of Defense			\$ 64,083,927

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 8 Project-Based Cluster

14.195	Section 8 Housing Assistance Payments Program	HDA	\$ 45,227,167
Section 8 Project-Based Cluster Subtotal			45,227,167

CDBG—Entitlement Grants Cluster

14.218	Community Development Block Grants/Entitlement Grants, <i>City of Tucson</i> , Contract #s 000407, 000508	UAA	2,128
CDBG—Entitlement Grants Cluster Subtotal			2,128

CDBG—State-Administered Small Cities Program Cluster

14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	EPA	25,770
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	HDA	34,758,702
14.228 Subtotal			34,784,472
14.255	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)	HDA	230,229
CDBG—State-Administered Small Cities Program Cluster Subtotal			35,014,701

Housing Voucher Cluster

14.871	Section 8 Housing Choice Vouchers	HDA	741,713
Housing Voucher Cluster Subtotal			741,713

Other Department of Housing and Urban Development Programs

14.171	Manufactured Home Construction and Safety Standards	MMA	125,351
14.231	Emergency Shelter Grants Program	DEA	756,760
14.235	Supportive Housing Program	HDA	2,327,947
14.238	Shelter Plus Care	HDA	7,611,278
14.239	Home Investment Partnerships Program	HDA	7,558,841
14.241	Housing Opportunities for Persons with AIDS	HDA	169,111
14.257	Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	HDA	315,281
14.258	Tax Credit Assistance Program (Recovery Act Funded)	HDA	26,502,963
14.401	Fair Housing Assistance Program—State and Local	AGA	662,367
14.866	Demolition and Revitalization of Severely Distressed Public Housing, <i>City of Tucson</i> , Contract #s 032906, 033306	UAA	19,830
14.AZLHH0200-09	Health Performance, Benefit-Cost & Cost Effectiveness of Green Retrofit Housing for Low-Income Seniors in Phoenix, Arizona	ASA	15,280
14.Unknown	IGA Summer—Social Justice Education Project, <i>Pima County, Arizona</i> , Contract # 0170A1414921008	UAA	3,474
14.Unknown	Social Justice Education Project Summer Leadership Camp, <i>Pima County Community Development and Neighborhood Conservation Department</i> , Contract # 0710A1425291009	UAA	6,489
Total Department of Housing and Urban Development			\$ 127,060,681

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Cluster

15.605	Sport Fish Restoration Program	GFA	\$ 7,666,129
15.611	Wildlife Restoration	GFA	7,801,227
Fish and Wildlife Cluster Subtotal			15,467,356

Other Department of the Interior Programs

15.059	Indian Graduate Student Scholarships	ASA	54,650
15.224	Cultural Resource Management	FOA	29,326
15.224	Cultural Resource Management	NAA	151

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.224	Cultural Resource Management	UAA	47,209
	15.224 Subtotal		<u>76,686</u>
15.225	Recreation Resource Management	GFA	4,000
15.227	Distribution of Receipts to State and Local Governments	DTA	123,507
15.228	National Fire Plan—Wildland Urban Interface Community Fire Assistance	FOA	321,311
15.231	Fish, Wildlife and Plant Conservation Resource Management	GFA	530,576
15.231	Fish, Wildlife and Plant Conservation Resource Management	NAA	19,660
	15.231 Subtotal		<u>550,236</u>
15.237	Rangeland Resource Management	UAA	63,570
15.238	Challenge Cost Share	GFA	47,870
15.517	Fish and Wildlife Coordination Act	GFA	102,575
15.519	Indian Tribal Water Resources Development, Management, and Protection	ASA	190,547
15.530	Water Conservation Field Services Program (WCFSP)	UAA	38,169
15.530	Water Conservation Field Services Program (WCFSP)	WCA	22,500
	15.530 Subtotal		<u>60,669</u>
15.608	Fish and Wildlife Management Assistance	GFA	124,916
15.615	Cooperative Endangered Species Conservation Fund	GFA	864,408
15.616	Clean Vessel Act	GFA	103,692
15.622	Sportfishing and Boating Safety Act	GFA	110,000
15.623	North American Wetlands Conservation Fund	GFA	75,000
15.632	Conservation Grants Private Stewardship for Imperiled Species	ASA	6,330
15.633	Landowner Incentive Program	GFA	671,313
15.634	State Wildlife Grants	GFA	1,700,284
15.637	Migratory Bird Joint Ventures	GFA	11,213
15.642	Challenge Cost Share	GFA	5,447
15.647	Migratory Bird Conservation	GFA	23,753
15.649	Service Training and Technical Assistance (Generic Training)	GFA	39,994
15.650	Research Grants (Generic)	GFA	12,869
15.656	Recovery Act Funds—Habitat Enhancement, Restoration and Improvement	GFA	86,572
15.808	U.S. Geological Survey—Research and Data Collection	GFA	488,566
15.808	U.S. Geological Survey—Research and Data Collection	UAA	27,674
	15.808 Subtotal		<u>516,240</u>
15.809	National Spatial Data Infrastructure Cooperative Agreements Program	NAA	14,766
15.810	National Cooperative Geologic Mapping Program	GSA	164,200
15.814	National Geological and Geophysical Data Preservation Program	GSA	13,020
15.904	Historic Preservation Fund Grants-In-Aid	ASA	599
15.904	Historic Preservation Fund Grants-In-Aid	PRA	74,335
	15.904 Subtotal		<u>74,934</u>
15.916	Outdoor Recreation—Acquisition, Development and Planning	PRA	1,166,678
15.04FG320270	Projects to Enhance Arizona's Environment: Their Functions, Water Requirements and Public Benefits	UAA	7,440
15.06FC340008	Flat Tailed Horn Lizard Study	GFA	37,685
15.06FG300040	Razorback Sucker Production & Bubbling Ponds Hatchery	GFA	123,433
15.07FG320790	Bald Eagle Surveys	GFA	26,879
15.08FG320150	Water Festival Evaluation—Demonstration of Program Impact	UAA	9,003
15.09PG32029A	Bureau of Reclamation	NAA	5,993
15.1 07 34 CO165	Mumme Farm	GFA	109
15.50730W0330	Bureau of Reclamation Restricted Endowment	ASA	6,483,752
15.624109M061	Fish and Wildlife Service	NAA	2,952
15.8FG3200540	Roosevelt Lake Goose Mitigation Project	GFA	68,972
15.99FC320140	Bureau of Reclamation	WCA	10,000
15.CA124800002J1242040804	Administrative History—Chiricahua National Monument/Fort Bowie National Historic Site	UAA	28,758
15.CA124800002UAZ153	Conference on Saving the Wide Open Spaces	UAA	744
15.G09PX02660	U.S. Geological Survey	NAA	19,958
15.H1200040002	National Park Service	NAA	67,631
15.H1200040002J1596080283	Pine Creek Historic District National Register Nomination from Amendment Zion National Park (UAZCP168)	UAA	2,795
15.H1200040002J719005011	Architectural Documentation and Preservation Planning Earl Head Homestead (UAZ16)	UAA	7,816

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.H1200040002J7481080014	Parkwide Cultural Landscape Inventory and National Register Nominations—Tumacacori National Historical Park (UAZCP169)	UAA	41,642
15.H1200040002J7481G019	Cultural Resource Management Technical Assistance—Intermountain Regional Parks	UAA	7,739
15.H1200040002J8100070114	Provide Registrar Assistance at the Western Archaeological and Conservation Center	UAA	765
15.H1200040002J8100070196	Migrate Electronic Data and Maintain Computer Hardware (UAZCP93)	UAA	227
15.H1200040002J8100080193	Manage FY Museum Collection Reporting and Correct Documentation Deficiencies for Tonto National Monument (UAZCP136)	UAA	13,614
15.H1200040002J8100080200	Conduct Collection Condition Survey at Chiricahua National Monument (UAZCP161)	UAA	212
15.H1200040002J8100080205	Provide Exhibit Assistance to Tuzigoot National Monument and Tumacacori National Historical Park (UAZCP160)	UAA	1,679
15.H1200040002J8100080216	Upgrade Objects Repository Storage at the Western Archeological and Conservation Center (UAZCP146)	UAA	19,236
15.H1200040002J8100080216	Maintain Library & Respond to Research Requests at Western Archaeological Conservation Center (UAZCP157)	UAA	4,968
15.H1200040002J8100080223	Provide Library Assistance to Grand Teton National Park (UAZCP148)	UAA	1,501
15.H1200040002J8100080224	Implement Corrective Action Plan, Improve Access, and Manage FY08 Year-End Reporting—CASA Grande Ruins/Saguaro National Park (UAZCP156)	UAA	17,215
15.H1200040002J8100080240	Move Santa Fe and WACC Libraries and Archives (UAZCP162)	UAA	15,308
15.H1200040002J8100080242	Provide Museum Assistance	UAA	13,912
15.H1200040002J8100080245	Improve Archives Storage and Access at the Western Archeological and Conservation Center (UAZCP163)	UAA	6,487
15.H1200040002J8100080246	Move Chiricahua National Monument Collections to the Western Archeological Center (WACC)	UAA	4,274
15.H1200040002J8100080312	Improve Accountability & Access Information at Western Archeological & Conservation Center (UAZCP171)	UAA	11,954
15.H1200040002J8100090117	Manage FY09 Museum Collection Reporting and Assist with Digital Imaging Project	UAA	7,885
15.H1200040002J8100090209	Prepare Museum Management Plan for San Antonio Missions National Historical Park	UAA	25,311
15.H1200040002J8219070419	Preparation of Historic Structure Report First Administration Building—Grand Canyon National Park	UAA	13,519
15.H1200040002J8430080089	Performing Energy Audit & Developing an Energy Plan (UAZCP140)	UAA	8,140
15.H1200040002J8430080810	Cultural Affiliation Study NAGPRA Inventory Completion & Improved Visitor Interpretation of Native American Culture & History Phase I	UAA	475
15.H1200050003J1242030603	Missions Initiative Project Administration—Tumacacori National Park, Pecos National Monument, Salinas Pueblo Missions National Monument, San Antonio Missions National Park (UAZDS202)	UAA	6,562
15.H1200050003J1242070003	Speaker Series Graduate Planning Seminar564—Desert Southwest CESU (UAZDS219)	UAA	1,949
15.H1200050003J12420700057	Missions Initiative Project Administration—Tumacacori National Park, Pecos National Monument, Salinas Pueblo Missions National Monument, San Antonio Missions National Park (UAZDS257)	UAA	106
15.H1200050003J12420700062	Missions Initiative Project Administration—Tumacacori National Park, Pecos National Monument, Salinas Pueblo Missions National Monument, San Antonio Missions National Park (UAZDS259)	UAA	7,401
15.H1200050003J1242090061	Conservation Plan for PEFO Housing Complex (UAZDS322)	UAA	6,035
15.H1200050003J1550090020	Tica Visitor Center Investigation—Tica Park (UAZDS309)	UAA	12,685
15.H1200050003J7180090440	Williams Ranch & Pratt Cabin Historic Structure Reports Guadalupe Mountains National Park (UAZDS304)	UAA	10,634
15.H1200050003J7213090035	Exhibit Plan, Chamizal National Memorial Visitor Center—Phase I (UAZCP214)	UAA	533
15.H1200050003J7220070111	Conceptual Master Plan for Interpretative Spaces and Signage at Fort Davis National Historical Site (UAZDS284)	UAA	12,324
15.H1200050003J7250090029	Exhibit Rehabilitation at Gila (UAZDS317)	UAA	23,834
15.H1200050003J7481090021	Cultural Landscape Inventories Mission Espada & Mission San Juan (UAZDS299)	UAA	14,323
15.H1200050003J7580090231	Resaca De La Plama Plan (UAZDS313)	UAA	6,632
15.H1200050003J7600090027	Missions Initiative Project—Inventory Mission Sites (2009-2011) San Antonio Missions National Historical Park (UAZDS296)	UAA	8,454
15.H1200050003J8100090376	Speaker Series for UA Graduate Planning Seminar 564 (UAZDS319)	UAA	1,590
15.H1200050003J8100100245	Web-Accessible Database of Standard Fish Sampling Data (UAZDS336)	UAA	749
15.H1200050003J8610080006	Formalize Sister Parks Agreement & Paquime	UAA	1,243
15.H1200050003J8610080010	Develop Schematic Design for New Multi-Purpose Room Existing Visitor Center (UAZDS288)	UAA	18,127
15.H1200050003J8650060011	Exhibit Production at Various Southern Arizona National Park Service Sites	UAA	32,561
15.H1200050003J8660090080	Document, Assess, & Stabilize Cultural Resources Impacted by Border Activities (UAZDS314)	UAA	29,713
15.H1200050003J8670090079	Space Utilization Study (UAZDS302)	UAA	6,905
15.H1200090005J1596090299	Southern Paiute Basketry—A Video Documentary Year 3 (UAZCP197)	UAA	4,758
15.H1200090005J8219091297	Backcountry Ethnographic Resource Inventory (UAZCP211)	UAA	34,670
15.H1200090005J8650100008, ASU-57	Wayside Exhibit Planning and Design	ASA	62,067
15.H2623050831J2275090006	Assistance with Professional Training for Afghan Cultural Heritage Officials	UAA	20,258

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
15.H2623050831J2370091671	Assessing the Impacts of Climate Change to National Park Service Resources and Park Operations	UAA	29,961
15.H8660040001	Sonoran Pronghorn Semi Captive Breeding Activity	GFA	40,168
15.L08AC13646	Rangeland Monitoring Years 5 & 6	UAA	49,292
15.L08AC14260	Arizona Strip Rangeland Monitoring	UAA	11,558
15.R06AP30039	Razorback Growth Studies	GFA	93,913
15.Unknown	Bureau of Land Management	NAA	2,286
15.Unknown	Indian Children's Program, <i>Utah State University</i> , Contract # 100249-002	NAA	256,082
Total Department of the Interior			\$ 30,775,962
<u>DEPARTMENT OF JUSTICE</u>			
16.017	Sexual Assault Services Formula Program	HSA	\$ 10,168
16.110	Education and Enforcement of the Antidiscrimination Provision of the Immigration and Nationality Act	AGA	5,179
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	DCA	428,070
16.523	Juvenile Accountability Block Grants	DJA	61,473
16.523	Juvenile Accountability Block Grants	GVA	554,520
16.523	Juvenile Accountability Block Grants	SPA	62,865
16.523 Subtotal			678,858
16.526	OWW Technical Assistance Initiative	NAA	140,234
16.527	Supervised Visitation, Safe Havens for Children	GVA	109,908
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	DJA	15,000
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	GVA	1,173,147
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	SPA	10,217
16.540 Subtotal			1,198,364
16.547	Victims of Child Abuse, <i>National CASA</i> , Contract #AZ10765-09-0709-S	SPA	54,000
16.548	Title V—Delinquency Prevention Program	GVA	64,675
16.550	State Justice Statistics Program for Statistical Analysis Centers	JCA	4,838
16.554	National Criminal History Improvement Program (NCHIP)	PSA	122,962
16.554	National Criminal History Improvement Program (NCHIP)	SPA	369
16.554 Subtotal			123,331
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	AGA	65,385
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	JCA	397,037
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	PSA	638,654
16.560 Subtotal			1,101,076
16.575	Crime Victim Assistance	AGA	111,732
16.575	Crime Victim Assistance	DCA	60,982
16.575	Crime Victim Assistance	DJA	46,394
16.575	Crime Victim Assistance	PSA	7,606,886
16.575 Subtotal			7,825,994
16.576	Crime Victim Compensation	JCA	298,935
16.579	Edward Byrne Memorial Formula Grant Program	AGA	18,109
16.579	Edward Byrne Memorial Formula Grant Program, <i>City of Tucson</i> , Contract #s 027705, 16061	UAA	168,536
16.579 Subtotal			186,645
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	PMA	4,071
16.588	Violence Against Women Formula Grants	GVA	1,829,674
16.588	ARRA—Violence Against Women Formula Grants	GVA	475,748
16.588	ARRA—Violence Against Women Formula Grants	SPA	30,524
16.588 Subtotal			2,335,946
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	GVA	499,368

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	UAA	44,852
	16.589 Subtotal		544,220
16.593	Residential Substance Abuse Treatment for State Prisoners	DCA	45,358
16.593	Residential Substance Abuse Treatment for State Prisoners	DJA	138,559
16.593	Residential Substance Abuse Treatment for State Prisoners	JCA	79,587
	16.593 Subtotal		263,504
16.606	State Criminal Alien Assistance Program	DCA	12,806,731
16.607	Bulletproof Vest Partnership Program	ADA	93,070
16.607	Bulletproof Vest Partnership Program	DCA	29,819
	16.607 Subtotal		122,889
16.609	Project Safe Neighborhoods	JCA	324,930
16.609	Project Safe Neighborhoods	PSA	83,754
	16.609 Subtotal		408,684
16.610	Regional Information Sharing Systems	PSA	5,818,837
16.727	Enforcing Underage Drinking Laws Program	ASA	4,821
16.727	Enforcing Underage Drinking Laws Program	GHA	488,030
16.727	Enforcing Underage Drinking Laws Program	LLA	23,864
16.727	Enforcing Underage Drinking Laws Program	PSA	6,401
16.727	Enforcing Underage Drinking Laws Program	UAA	8,001
	16.727 Subtotal		531,117
16.738	Edward Byrne Memorial Justice Assistance Grant Program	AGA	2,534
16.738	Edward Byrne Memorial Justice Assistance Grant Program	JCA	1,184,060
16.738	Edward Byrne Memorial Justice Assistance Grant Program	PDA	136,766
16.738	Edward Byrne Memorial Justice Assistance Grant Program	PSA	82,528
16.738	Edward Byrne Memorial Justice Assistance Grant Program	SPA	873,202
	16.738 Subtotal		2,279,090
16.741	Forensic DNA Backlog Reduction Program	JCA	399,894
16.742	Paul Coverdell Forensic Science Improvement Grant Program	JCA	158,654
16.742	Paul Coverdell Forensic Science Improvement Grant Program	PSA	199,145
	16.742 Subtotal		357,799
16.743	Forensic Casework DNA Backlog Reduction Program	JCA	241,050
16.744	Anti-Gang Initiative	DJA	119,802
16.744	Anti-Gang Initiative	JCA	476,524
	16.744 Subtotal		596,326
16.746	Capital Case Litigation	JCA	60,293
16.746	Capital Case Litigation	SPA	35,183
	16.746 Subtotal		95,476
16.801	Recovery Act—State Victim Assistance Formula Grant Program	PSA	231,459
16.802	Recovery Act—State Victim Compensation Formula Grant Program	JCA	293,150
16.803	Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	AGA	1,977,616
16.803	Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	JCA	8,841,714
16.803	Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	PSA	908,935
	16.803 Subtotal		11,728,265
16.808	Recovery Act—Edward Byrne Memorial Competitive Grant Program	PSA	149,280
16.809	Recovery Act—State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	AGA	953,503

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
16.809	Recovery Act—State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	PSA	961,326
	16.809 Subtotal		1,914,829
16.DPCONTRT2006009A2	Drug Enforcement Administration Financial Investigations Team	PSA	11,642
16.SWAZP447 MN070146, SWAZP410 MN060018, SWAZ0427 KL070013, SWAZP0469 MT090016, SWAZP0466 MT080064, SWAZP0476	Drug Enforcement Administration OCDEF	PSA	81,487
16.Unknown	Federal Asset Sharing	AGA	184,739
16.Unknown	Southwest Border Prosecution Initiative (SWBPI)	AGA	1,367,337
	Total Department of Justice		\$ 54,998,097
DEPARTMENT OF LABOR			
Employment Service Cluster			
17.207	Employment Service/Wagner-Peyser Funded Activities	AFA	\$ 36,053
17.207	Employment Service/Wagner-Peyser Funded Activities	DEA	9,861,450
17.207	ARRA—Employment Service/Wagner-Peyser Funded Activities	DEA	4,541,961
17.207	Employment Service/Wagner-Peyser Funded Activities	GVA	714,267
	17.207 Subtotal		15,153,731
17.801	Disabled Veterans' Outreach Program (DVOP)	DEA	1,642,419
17.804	Local Veterans' Employment Representative Program (LVER)	DEA	1,439,538
	Employment Services Cluster Subtotal		18,235,688
WIA Cluster			
17.258	WIA Adult Program	DEA	11,482,828
17.258	ARRA—WIA Adult Program	DEA	5,561,809
17.258	WIA Adult Program	EDA	297,671
17.258	ARRA—WIA Adult Program	EDA	1,966
	17.258 Subtotal		17,344,274
17.259	WIA Youth Activities	DEA	14,107,981
17.259	ARRA—WIA Youth Activities	DEA	9,891,754
17.259	WIA Youth Activities	EPA	335,932
17.259	WIA Youth Activities	GVA	71,150
	17.259 Subtotal		24,406,817
17.260	WIA Dislocated Workers	DEA	11,882,761
17.260	ARRA—WIA Dislocated Workers	DEA	11,362,122
17.260	WIA Dislocated Workers	EPA	28,767
	17.260 Subtotal		23,273,650
	WIA Cluster Subtotal		65,024,741
Other Department of Labor Programs			
17.002	Labor Force Statistics	EPA	1,061,139
17.005	Compensation and Working Conditions	ICA	94,176
17.225	Unemployment Insurance	DEA	1,935,209,376
17.225	ARRA—Unemployment Insurance	DEA	220,195,543
	17.225 Subtotal		2,155,404,919
17.235	Senior Community Service Employment Program, <i>National Council on Aging</i> , Contract # AD18965-09-60-A-4	DEA	1,571,057
17.235	ARRA—Senior Community Service Employment Program, <i>National Council on Aging</i> , Contract # AD-18354-09-60-A4	DEA	300,500
	17.235 Subtotal		1,871,557
17.245	Trade Adjustment Assistance	DEA	2,710,319
17.252	Attestations by Employers Using Alien Crewmembers for Longshore Activities in U.S. Ports	EPA	187,132
17.266	Work Incentive Grants	DEA	417,661
17.267	Incentive Grants—WIA Section 503	ASA	314,508
17.267	Incentive Grants—WIA Section 503	EDA	717,789
	17.267 Subtotal		1,032,297

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
17.268	H-1B Job Training Grants	EPA	37,006
17.268	H-1B Job Training Grants, <i>County of Pima-Community Services</i> , Contract # P.L. 105-277, Title IV	ASA	119
	17.268 Subtotal		37,125
17.271	Work Opportunity Tax Credit Program (WOTC)	DEA	330,783
17.273	Temporary Labor Certification for Foreign Workers	DEA	68,071
17.275	ARRA—Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	DEA	334,866
17.275	ARRA—Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	EPA	325,941
	17.275 Subtotal		660,807
17.503	Occupational Safety and Health—State Program	ICA	1,678,546
17.504	Consultation Agreements	ICA	615,616
17.600	Mine Health and Safety Grants	MIA	266,594
17.Unknown	Reed Act Distribution	DEA	3,552,602
17.Unknown	Workforce Innovation in Regional Economic Development (WIRED) Program, <i>Pima County, Arizona</i> , Contract # 0169A1404080707	UAA	525,978
	Total Department of Labor		\$ 2,253,775,751

DEPARTMENT OF STATE

19.SECAA09CA010DT	Western Hemisphere Institute, <i>Institute for Training and Development</i> , Contract # SECAA09CA010DT	UAA	\$ 233,361
19.SECAA09CA029TG	Western Hemisphere Institute, <i>Institute for Training and Development</i> , Contract # SECAA09CA029DG	UAA	131,082
19.SECAA09CA077	African English Language Study Program, <i>Institute of International Education</i> , Contract # LTR DTD 052309	UAA	77,903
19.SECAPE07GR218	Faith Communities and Civil Society: A Dialogue Linking Bosnian, Kosovar, and American Clergy, Laypeople, and Scholars	ASA	36,173
19.SIZ10008GR079	Contemporary Issues—The Environment and Society, <i>World Learning</i> , Contract # SIZ10008GR079	UAA	107,179
19.SLMAQM08GR538	Kids Voting in Kosovo: Advancing Democracy and Human Rights in Southeastern Europe	ASA	209,521
19.Unknown	Hubert H. Humphrey Fellowship Program, <i>Institute of International Education</i> , Contract # LTR DTD 051109	UAA	264,001
19.Unknown	IIE's Indonesia English Language Study Program, <i>Institute of International Education</i> , Contract #s CK447085, LTR DTD 022009	UAA	55,064
	Total Department of State		\$ 1,114,284

DEPARTMENT OF TRANSPORTATION

Highway Planning and Construction Cluster

20.205	Highway Planning and Construction	ADA	\$ 136,264
20.205	Highway Planning and Construction	DTA	447,875,461
20.205	ARRA—Highway Planning and Construction	DTA	206,648,668
20.205	Highway Planning and Construction	GFA	104,060
20.205	Highway Planning and Construction	PSA	10,319
	20.205 Subtotal		654,774,772

20.219	Recreational Trails Program	DTA	2,111,136
20.219	Recreational Trails Program	GFA	45,707
20.219	Recreational Trails Program	PRA	1,574,117
	20.219 Subtotal		3,730,960
	Highway Planning and Construction Cluster Subtotal		658,505,732

Transit Services Program Cluster

20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	DTA	4,254,309
20.516	Job Access—Reverse Commute	DTA	347,407
20.521	New Freedom Program	DTA	186,431
	Transit Services Program Cluster Subtotal		4,788,147

Highway Safety Cluster

20.600	State and Community Highway Safety	DTA	120,026
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See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
20.600	State and Community Highway Safety	GHA	4,704,393
20.600	State and Community Highway Safety	PSA	1,620,112
20.600	State and Community Highway Safety	UAA	14,188
	20.600 Subtotal		<u>6,458,719</u>
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	GHA	4,024,640
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	LLA	82,554
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	PSA	1,125,424
	20.601 Subtotal		<u>5,232,618</u>
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	GHA	4,566
20.610	State Traffic Safety Information System Improvement Grants	GHA	66,683
20.610	State Traffic Safety Information System Improvement Grants	HSA	49,986
	20.610 Subtotal		<u>116,669</u>
	Highway Safety Cluster Subtotal		<u>11,812,572</u>
	<u>Other Department of Transportation Programs</u>		
20.100	Aviation Education	ASA	27,591
20.106	Airport Improvement Program	DTA	7,937,548
20.215	Highway Training and Education	ASA	31,643
20.218	National Motor Carrier Safety	DTA	3,915,311
20.218	National Motor Carrier Safety	PSA	4,934,389
	20.218 Subtotal		<u>8,849,700</u>
20.233	Border Enforcement Grants	PSA	1,508,639
20.237	Commercial Vehicle Information Systems and Networks	DTA	233,105
20.505	Metropolitan Transportation Planning	DTA	2,236,430
20.509	Formula Grants for Other Than Urbanized Areas	DTA	9,057,943
20.509	ARRA—Formula Grants for Other Than Urbanized Areas	DTA	6,660,475
	20.509 Subtotal		<u>15,718,418</u>
20.514	Public Transportation Research	DTA	25,585
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	GHA	371,553
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	PSA	50,127
	20.614 Subtotal		<u>421,680</u>
20.700	Pipeline Safety Program Base Grants	CCA	724,161
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	MAA	245,919
20.05093566	Education on the Implementation of Performance Based Service Contracting, <i>Northern Taiga Ventures Inc.</i> , Contract # 05093566	ASA	1,504
20.Unknown	DUI Enforcement	UAA	7,076
20.Unknown	Safe Routes to School	UAA	32,416
	Total Department of Transportation		<u>\$ 713,107,866</u>
	<u>DEPARTMENT OF THE TREASURY</u>		
21.000	National Foreclosure Mitigation Counseling (NFMC), <i>Neighborhood Reinvestment Corporation</i> , Contract #s PL110-161:95X1350, PL110-289:95X1350, and PL111-8:95X1350	HDA	\$ 1,378,769
	Total Department of the Treasury		<u>\$ 1,378,769</u>
	<u>OFFICE OF PERSONNEL MANAGEMENT</u>		
27.011	Intergovernmental Personnel Act (IPA) Mobility Program	ASA	\$ 8,445
	Total Office of Personnel Management		<u>\$ 8,445</u>
	<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>		
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964	AGA	\$ 297,572
	Total Equal Employment Opportunity Commission		<u>\$ 297,572</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
<u>GENERAL SERVICES ADMINISTRATION</u>			
39.003	Donation of Federal Surplus Personal Property	ADA	\$ 1,814,208
39.GS06P09GYD0027	Capital Construction Conference	ASA	2,412
	Total General Services Administration		<u>\$ 1,816,620</u>
<u>LIBRARY OF CONGRESS</u>			
42.GA08C0011	Persistent Digital Archives and Library Systems	LAA	\$ 258,834
42.GA09C0049	Persistent Digital Archives and Library Systems	LAA	104,201
	Total Library of Congress		<u>\$ 363,035</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>			
43.001	Science	ASA	\$ 123,288
43.LTR DTD 121509	NASA IPA—I. Wygnanski	UAA	106,716
43.NAS526555	Hubble's Diverse Universe—A Film on Extragalactic Research by Minority Astronomers, <i>Space Telescope Science Institute</i> , Contract # HSTEO1175103A	UAA	5,106
43.NAS71407	Curriculum and Training Support for Navigators Extra-Solar Planet Research, <i>Jet Propulsion Laboratory</i> , Contract # 1251186	UAA	140,260
43.Unknown	Space Grant Program	NAA	140,416
	Total National Aeronautics and Space Administration		<u>\$ 515,786</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>			
45.024	Promotion of the Arts—Grants to Organizations and Individuals	ASA	\$ 42,945
45.024	Promotion of the Arts—Grants to Organizations and Individuals	UAA	17,501
	45.024 Subtotal		<u>60,446</u>
45.025	Promotion of the Arts—Partnership Agreements	HUA	681,333
45.025	ARRA—Promotion of the Arts—Partnership Agreements	HUA	258,222
45.025	Promotion of the Arts—Partnership Agreements	UAA	4,299
	45.025 Subtotal		<u>943,854</u>
45.Unknown	Creative Photo Term Endowment	UAA	39,228
45.Unknown	NEA Challenge Permanent Endowment	UAA	58,578
	Total National Endowment for the Arts		<u>\$ 1,102,106</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
45.129	Promotion of the Humanities—Federal/State Partnership	PRA	\$ 23,698
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract #s GG0747062007, GG0847072007, GG06-5343-2010, GG14-5237-2009, GG23- 5264-2009, OA07-5230-2009, OA09-5244-2009, OA13-5251-2009	ASA	19,155
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract # GG05-5342-2010	NAA	2,621
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract #s GG0453412010, GG1352362009, GG1852592009, GG2052612009, GG2652672009, GG2852692009	UAA	18,265
	45.129 Subtotal		<u>63,739</u>
45.149	Promotion of Humanities—Division of Preservation and Access	HIA	1,800
45.149	Promotion of Humanities—Division of Preservation and Access	LAA	171,470
	45.149 Subtotal		<u>173,270</u>
45.161	Promotion of the Humanities—Research	UAA	37,418
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development	NAA	67,513
45.163	Promotion of the Humanities—Professional Development	ASA	184,976
45.163	Promotion of the Humanities—Professional Development	UAA	76,396
	45.163 Subtotal		<u>261,372</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
45.164	Promotion of the Humanities—Public Programs	ASA	106,142
45.164	Promotion of the Humanities—Public Programs	NAA	6,800
	45.164 Subtotal		112,942
45.169	Promotion of the Humanities—Office of Digital Humanities	UAA	11,879
45.Unknown	NEH/ASM Education Endowment	UAA	335,874
	Total National Endowment for the Humanities		\$ 1,064,007
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
45.310	Grants to States	ASA	\$ 67,065
45.310	Grants to States	LAA	3,035,935
45.310	Grants to States	NAA	951
45.310	Grants to States	UAA	1,501
	45.310 Subtotal		3,105,452
45.313	Laura Bush 21st Century Librarian Program	UAA	867,766
45.Unknown	Medallion Papers: Arizona Memory Project	UAA	226
	Total Institute of Museum and Library Services		\$ 3,973,444
<u>NATIONAL SCIENCE FOUNDATION</u>			
47.041	Engineering Grants	ASA	\$ 142,896
47.041	Engineering Grants	UAA	85,028
47.041	Engineering Grants, <i>University of Alaska-Anchorage</i> , Contract # G5065	UAA	9,930
	47.041 Subtotal		237,854
47.049	Mathematical and Physical Sciences	ASA	1,757,083
47.049	Mathematical and Physical Sciences	UAA	889,804
	47.049 Subtotal		2,646,887
47.050	Geosciences	ASA	74,137
47.050	Geosciences	GSA	164,782
47.050	Geosciences	NAA	11,489
47.050	Geosciences	UAA	285,373
	47.050 Subtotal		535,781
47.070	Computer and Information Science and Engineering	UAA	178,171
47.074	Biological Sciences	ASA	170,082
47.074	Biological Sciences	NAA	55,251
47.074	Biological Sciences	UAA	80,452
	47.074 Subtotal		305,785
47.075	Social, Behavioral, and Economic Sciences	ASA	304,797
47.075	Social, Behavioral, and Economic Sciences	NAA	1,172
47.075	Social, Behavioral, and Economic Sciences	UAA	51,058
	47.075 Subtotal		357,027
47.076	Education and Human Resources	ASA	4,366,333
47.076	Education and Human Resources	NAA	1,462,762
47.076	Education and Human Resources	UAA	4,228,387
47.076	Education and Human Resources, <i>Boston College</i> , Contract # 9304	UAA	3,631
47.076	Education and Human Resources, <i>Southern Oregon Public Television</i> , Contract # LTR DTD 040609	UAA	3,000
47.076	Education and Human Resources, <i>University of California-San Diego</i> , Contract # 10251211	UAA	35,970
47.076	Education and Human Resources, <i>University of Montana</i> , Contract # PG086598002	UAA	60,041
47.076	Education and Human Resources, <i>University of Nebraska</i> , Contract # 2505360004002	UAA	14,304
	47.076 Subtotal		10,174,428
47.079	International Science and Engineering (OISE)	UAA	108,379
47.080	Office of Cyberinfrastructure, <i>University of Texas at Austin</i> , Contract # 0622780	ASA	29,491
47.082	Trans-NSF Recovery Act Research Support	ASA	156,093
47.082	Trans-NSF Recovery Act Research Support	UAA	60,186
	47.082 Subtotal		216,279

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.0845720	IPA—S. Penfield	UAA	75,159
47.0962157	IPA—K. Dienes	UAA	150,905
47.0968944	Intergovernmental Personnel Act (IPA) Assignment of Mr. Justin Poll	ASA	52,597
47.CBA200810NSYDYE	Regional Participation in the US-Japan Workshop on Monsoon Asia Tropical Forest, <i>Asian-Pacific Network for Global Change Research</i> , Contract # CBA200810NSYDYE	UAA	1,821
47.Unknown	NSF IPA Agreement	NAA	57,596
	Total National Science Foundation		<u>\$ 15,128,160</u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>			
64.005	Grants to States for Construction of State Home Facilities	VSA	\$ 357,039
64.005	ARRA—Grants to States for Construction of State Home Facilities	VSA	1,022,405
	64.005 Subtotal		<u>1,379,444</u>
64.124	All-Volunteer Force Educational Assistance	VSA	575,354
64.LTR DTD 033110	IPA Agreement for Dr. A. Escalante	UAA	12,870
64.LTR DTD 101609	IPA Agreement for Dr. R. Adam	UAA	2,600
64.LTR DTD 101609	IPA Agreement for Dr. S. Hoover	UAA	780
64.Unknown	VA Headcount	UAA	4,543
	Total Department of Veterans Affairs		<u>\$ 1,975,591</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.001	Air Pollution Control Program Support	EVA	\$ 6,318,936
66.032	State Indoor Radon Grants	AEA	61,347
66.034	Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	EVA	320,114
66.034	Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	NAA	14,719
	66.034 Subtotal		<u>334,833</u>
66.037	Internships, Training and Workshops for the Office of Air and Radiation	NAA	8,237
66.040	State Clean Diesel Grant Program	EVA	598
66.040	ARRA—State Clean Diesel Grant Program	EVA	395,049
	66.040 Subtotal		<u>395,647</u>
66.202	Congressionally Mandated Projects, <i>San Diego State University</i> , Contract # EM 83395501	ASA	64,854
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	EVA	205,088
66.454	Water Quality Management Planning	EVA	106,543
66.454	ARRA—Water Quality Management Planning	EVA	170,617
	66.454 Subtotal		<u>277,160</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds	WFA	4,321,415
66.458	ARRA—Capitalization Grants for Clean Water State Revolving Funds	WFA	16,838,248
	66.458 Subtotal		<u>21,159,663</u>
66.460	Nonpoint Source Implementation Grants	EVA	2,475,547
66.461	Regional Wetland Program Development Grants	EVA	5,790
66.468	Capitalization Grants for Drinking Water State Revolving Funds	EVA	514,064
66.468	ARRA—Capitalization Grants for Drinking Water State Revolving Funds	EVA	1,752,169
66.468	Capitalization Grants for Drinking Water State Revolving Funds	WFA	7,437,596
66.468	ARRA—Capitalization Grants for Drinking Water State Revolving Funds	WFA	41,341,291
	66.468 Subtotal		<u>51,045,120</u>
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	EVA	309,941
66.474	Water Protection Grants to the States	EVA	48,569
66.513	Greater Research Opportunities (GRO) Fellowships For Undergraduate Environmental Study	NAA	4,935
66.514	Science To Achieve Results (STAR) Fellowship Program	ASA	13,478
66.605	Performance Partnership Grants	EVA	3,614,843

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
66.607	Training and Fellowships for the Environmental Protection Agency	EVA	2,670
66.607	Training and Fellowships for the Environmental Protection Agency	NAA	1,582,325
	66.607 Subtotal		1,584,995
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	EVA	265,857
66.608	Environmental Information Exchange Network Grant Program and Related Assistance, <i>Walker River Paiute Tribe</i>	NAA	20,859
	66.608 Subtotal		286,716
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	AHA	386,367
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	SBA	123,065
	66.700 Subtotal		509,432
66.708	Pollution Prevention Grants Program	EVA	27,653
66.708	Pollution Prevention Grants Program	UAA	56,622
	66.708 Subtotal		84,275
66.709	Multi-Media Capacity Building Grants for States and Tribes	EVA	119,666
66.709	Multi-Media Capacity Building Grants for States and Tribes	NAA	185,529
	66.709 Subtotal		305,195
66.801	Hazardous Waste Management State Program Support	EVA	1,435,977
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	EVA	747,967
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	EVA	681,635
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	EVA	936,090
66.805	ARRA—Leaking Underground Storage Tank Trust Fund Corrective Action Program	EVA	1,609,683
	66.805 Subtotal		2,545,773
66.808	Solid Waste Management Assistance Grants	NAA	140,168
66.817	State and Tribal Response Program Grants	EVA	786,001
66.931	International Financial Assistance Projects Sponsored by the Office of International Affairs	AHA	132,516
66.931	International Financial Assistance Projects Sponsored by the Office of International Affairs	EVA	39,645
	66.931 Subtotal		172,161
66.940	Environmental Policy and State Innovation Grants	EVA	14,690
66.951	Environmental Education Grants	NAA	12,116
66.TAA07013	Indoor Air Quality "Tools for Schools" Program	UAA	2,756
66.X4 96908001	Binational Process for Recycling Used Oil in Nogales, Sonora Mexico, <i>Border Environmental Cooperation Commission, Contract # X4 96908001</i>	ASA	16,603
66.Unknown	Preparing Emission Inventories, <i>Portage, Inc., Contract # PEI-2155S01</i>	NAA	89,883
66.Unknown	Transferable Training Modules on Environmental Health for Promotoras on the U.S.-Mexico Border, <i>Border Environment Cooperative Commission, Contract # TAA10006</i>	UAA	9,183
	Total Environmental Protection Agency		\$ 95,769,514
<u>NUCLEAR REGULATORY COMMISSION</u>			
77.006	U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	ASA	\$ 95,924
	Total Nuclear Regulatory Commission		\$ 95,924
<u>DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	ADA	\$ 162,175
81.041	State Energy Program	EPA	336,989
81.041	ARRA—State Energy Program	EPA	1,210,205
81.041	ARRA—State Energy Program	LDA	43,744
81.041	ARRA—State Energy Program	SFA	59,607
	81.041 Subtotal		1,812,720
81.042	Weatherization Assistance for Low-Income Persons	EPA	2,125,471
81.042	ARRA—Weatherization Assistance for Low-Income Persons	EPA	11,903,893
	81.042 Subtotal		14,029,364
81.087	ARRA—Renewable Energy Research and Development	GSA	169,484

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
81.087	Renewable Energy Research and Development	NAA	51,637
81.087	Renewable Energy Research and Development, <i>Hopi Tribe</i> , Contract # 08-024	NAA	7,212
	81.087 Subtotal		228,333
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	AEA	115,210
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	EPA	44,993
81.119	State Energy Program Special Projects	EPA	199,457
81.121	Nuclear Energy Research, Development and Demonstration	ASA	174,858
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis	CCA	39,500
81.122	ARRA—Electricity Delivery and Energy Reliability, Research, Development and Analysis	EPA	23,357
	81.122 Subtotal		62,857
81.127	ARRA—Energy Efficient Appliance Rebate Program (EEARP)	EPA	1,852,403
81.128	ARRA—Energy Efficiency and Conservation Block Grant Program (EECBG)	EPA	252,511
81.U215X060247	Teaching American History Grant, <i>Tucson Unified School District</i> , Contract # TUSD0000167668	UAA	33,033
81.Unknown	Petroleum Escrow Funds	EPA	593,642
	Total Department of Energy		\$ 19,399,381

DEPARTMENT OF EDUCATION

Title I, Part A Cluster

84.010	Title I Grants to Local Educational Agencies	EDA	\$ 273,824,339
84.389	Title I Grants to Local Educational Agencies, Recovery Act	EDA	87,410,540
	Title I, Part A Cluster Subtotal		361,234,879

Special Education Cluster (IDEA)

84.027	Special Education—Grants to States	ASA	2,672,070
84.027	Special Education—Grants to States	DCA	94,572
84.027	Special Education—Grants to States	DJA	155,949
84.027	Special Education—Grants to States	EDA	169,664,003
84.027	Special Education—Grants to States	HSA	2,409
84.027	Special Education—Grants to States	NAA	311,322
84.027	Special Education—Grants to States	SDA	695,520
84.027	Special Education—Grants to States	SPA	367,648
84.027	Special Education—Grants to States	UAA	399,054
84.027	Special Education—Grants to States, <i>Navajo Nation</i> , Contract # C07623	NAA	284,873
	84.027 Subtotal		174,647,420
84.173	Special Education—Preschool Grants	EDA	4,534,157
84.173	Special Education—Preschool Grants	SDA	47,701
	84.173 Subtotal		4,581,858
84.391	Special Education Grants to States, Recovery Act	DCA	36,817
84.391	Special Education Grants to States, Recovery Act	DJA	20,190
84.391	Special Education Grants to States, Recovery Act	EDA	78,457,138
84.391	Special Education Grants to States, Recovery Act	HSA	1,279
84.391	Special Education Grants to States, Recovery Act	SDA	93,943
84.391	Special Education Grants to States, Recovery Act	SPA	209,828
	84.391 Subtotal		78,819,195
84.392	Special Education—Preschool Grants, Recovery Act	EDA	3,301,653
84.392	Special Education—Preschool Grants, Recovery Act	SDA	2,634
	84.392 Subtotal		3,304,287
	Special Education Cluster (IDEA) Subtotal		261,352,760

TRIO Cluster

84.042	TRIO—Student Support Services	ASA	548,297
84.042	TRIO—Student Support Services	NAA	283,770
84.042	TRIO—Student Support Services	UAA	269,647
	84.042 Subtotal		1,101,714
84.044	TRIO—Talent Search	NAA	375,883

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.047	TRIO—Upward Bound	ASA	939,733
84.047	TRIO—Upward Bound	NAA	710,146
	84.047 Subtotal		1,649,879
84.066	TRIO—Educational Opportunity Centers	NAA	447,162
84.217	TRIO—McNair Post-Baccalaureate Achievement	UAA	216,118
	TRIO Cluster Subtotal		3,790,756
	<u>Vocational Rehabilitation Cluster</u>		
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	DEA	52,922,666
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	HSA	6,263
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	SDA	1,850,790
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	UAA	1,024
	84.126 Subtotal		54,780,743
84.390	Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act	DEA	1,495,817
	Vocational Rehabilitation Cluster Subtotal		56,276,560
	<u>Independent Living State Grants Cluster</u>		
84.169	Independent Living—State Grants	DEA	365,104
84.398	Independent Living State Grants, Recovery Act	DEA	143,065
	Independent Living State Grants Cluster Subtotal		508,169
	<u>Independent Living Services for Older Individuals Who Are Blind Cluster</u>		
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind	DEA	679,676
84.399	Independent Living Services for Older Individuals Who are Blind, Recovery Act	DEA	343,736
	Independent Living Services for Older Individuals Who Are Blind Cluster Subtotal		1,023,412
	<u>Early Intervention Services (IDEA) Cluster</u>		
84.181	Special Education—Grants for Infants and Families	DEA	9,946,608
84.181	Special Education—Grants for Infants and Families	NAA	426,673
84.181	Special Education—Grants for Infants and Families	SDA	441,802
	84.181 Subtotal		10,815,083
84.393	Special Education—Grants for Infants and Families, Recovery Act	DEA	56,983
	Early Intervention Services (IDEA) Cluster Subtotal		10,872,066
	<u>Education of Homeless Children and Youth Cluster</u>		
84.196	Education for Homeless Children and Youth	EDA	1,483,364
84.387	Education for Homeless Children and Youth, Recovery Act	EDA	1,086,785
	Education of Homeless Children and Youth Cluster Subtotal		2,570,149
	<u>Educational Technology State Grants Cluster</u>		
84.318	Educational Technology State Grants	EDA	4,558,862
84.386	Education Technology State Grants, Recovery Act	EDA	5,417,736
	Educational Technology State Grants Cluster Subtotal		9,976,598
	<u>Teacher Quality Partnership Grants Cluster</u>		
84.336	Teacher Quality Partnership Grants	ASA	1,948,427
	Teacher Quality Partnership Grants Cluster Subtotal		1,948,427
	<u>Statewide Data Systems Cluster</u>		
84.372	Statewide Data Systems	EDA	1,344,524
	Statewide Data Systems Cluster Subtotal		1,344,524
	<u>School Improvement Grants Cluster</u>		
84.377	School Improvement Grants	EDA	3,692,890
84.388	School Improvement Grants, Recovery Act	EDA	175,989
	School Improvement Grants Cluster Subtotal		3,868,879
	<u>State Fiscal Stabilization Fund Cluster</u>		
84.394	State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	ASA	32,501,560
84.394	State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	GVA	530,515,268
84.394	State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	NAA	10,935,040
84.394	State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act	UAA	28,312,996
	84.394 Subtotal		602,264,864
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	ADA	1,700,000

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	DCA	50,000,000
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	DEA	43,136,434
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	EDA	44,755
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	GVA	1,946,253
84.397	State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act	HSA	11,374,899
	84.397 Subtotal		<u>108,202,341</u>
	SFSF Cluster Subtotal		<u>710,467,205</u>
	<u>Other Department of Education Programs</u>		
84.002	Adult Education—Basic Grants to States	EDA	10,504,995
84.004	Civil Rights Training and Advisory Services	ASA	911,507
84.011	Migrant Education—State Grant Program	ASA	171,281
84.011	Migrant Education—State Grant Program	EDA	5,920,323
	84.011 Subtotal		<u>6,091,604</u>
84.013	Title I State Agency Program for Neglected and Delinquent Children	DCA	276,766
84.013	Title I State Agency Program for Neglected and Delinquent Children	DJA	463,950
84.013	Title I State Agency Program for Neglected and Delinquent Children	EDA	762,468
84.013	Title I State Agency Program for Neglected and Delinquent Children	SPA	776,087
	84.013 Subtotal		<u>2,279,271</u>
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	UAA	593,546
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, <i>University of California-Berkeley</i> , Contract # CK11773956	UAA	2,128
	84.015 Subtotal		<u>595,674</u>
84.016	Undergraduate International Studies and Foreign Language Programs	UAA	57,874
84.017	International Research and Studies	UAA	18,452
84.019	Overseas Programs—Faculty Research Abroad	ASA	63,609
84.021	Overseas Programs—Group Projects Abroad	UAA	112,514
84.031	Higher Education—Institutional Aid, <i>Central Arizona College</i> , Contract # P031S050056	ASA	144,040
84.048	Career and Technical Education—Basic Grants to States	ASA	1,048,165
84.048	Career and Technical Education—Basic Grants to States	DJA	178,713
84.048	Career and Technical Education—Basic Grants to States	EDA	25,361,979
84.048	Career and Technical Education—Basic Grants to States	UAA	238,829
	84.048 Subtotal		<u>26,827,686</u>
84.069	Leveraging Educational Assistance Partnership	NAA	96,668
84.069	Leveraging Educational Assistance Partnership	PEA	1,752,523
	84.069 Subtotal		<u>1,849,191</u>
84.116	Fund for the Improvement of Postsecondary Education	ASA	3,645
84.116	Fund for the Improvement of Postsecondary Education	NAA	40,609
84.116	Fund for the Improvement of Postsecondary Education	UAA	714,193
	84.116 Subtotal		<u>758,447</u>
84.129	Rehabilitation Long-Term Training	UAA	129,937
84.144	Migrant Education—Coordination Program	EDA	40,474
84.170	Javits Fellowships	ASA	75,413
84.184	Safe and Drug-Free Schools and Communities—National Programs	ASA	5,490
84.184	Safe and Drug-Free Schools and Communities—National Programs	EDA	43,811
84.184	Safe and Drug-Free Schools and Communities—National Programs	UAA	103,639
	84.184 Subtotal		<u>152,940</u>
84.185	Byrd Honors Scholarships	EDA	900,750
84.185	Byrd Honors Scholarships	UAA	297,000
	84.185 Subtotal		<u>1,197,750</u>
84.186	Safe and Drug-Free Schools and Communities—State Grants	EDA	3,628,784
84.186	Safe and Drug-Free Schools and Communities—State Grants	GVA	865,534
84.186	Safe and Drug-Free Schools and Communities—State Grants	SPA	597

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.186	Safe and Drug-Free Schools and Communities—State Grants 84.186 Subtotal	UAA	2,140 <hr/> 4,497,055
84.187	Supported Employment Services for Individuals with Significant Disabilities	DEA	512,107
84.195	Bilingual Education—Professional Development	ASA	284,225
84.195	Bilingual Education—Professional Development 84.195 Subtotal	NAA	269,535 <hr/> 553,760
84.200	Graduate Assistance in Areas of National Need	ASA	150,469
84.200	Graduate Assistance in Areas of National Need 84.200 Subtotal	UAA	77,489 <hr/> 227,958
84.213	Even Start—State Educational Agencies	EDA	954,706
84.215	Fund for the Improvement of Education, <i>Deer Valley Unified School District</i> , Contract # 06085789	ASA	29,941
84.215	Fund for the Improvement of Education, <i>Young Men's Christian Association</i> , Contract # LTR DTD070108 84.215 Subtotal	UAA	134,513 <hr/> 164,454
84.224	Assistive Technology	NAA	755,284
84.229	Language Resource Centers	UAA	405,642
84.243	Tech-Prep Education	EDA	1,835,971
84.243	Tech-Prep Education, <i>Valley Academy for Career and Technology Education</i> , Contract # 04FCTDTP-470045-01A 84.243 Subtotal	ASA	158 <hr/> 1,836,129
84.264	Rehabilitation Training—Continuing Education, <i>San Diego State University Foundation</i> , Contract #s 55587AP26997802212, 55587BP26997802212	UAA	76,658
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training	DEA	158,503
84.282	Charter Schools	EDA	1,406,311
84.286	Ready to Teach, <i>Public Broadcasting Service (PBS)</i> , Contract # U286A050005	ASA	58,777
84.287	Twenty-First Century Community Learning Centers	EDA	18,855,094
84.295	Ready-To-Learn Television, <i>Corporation for Public Broadcasting (CPB)</i> , Contract # U295B050003	ASA	47,522
84.298	State Grants for Innovative Programs	EDA	274,644
84.299	Indian Education—Special Programs for Indian Children	ASA	329,230
84.299	Indian Education—Special Programs for Indian Children 84.299 Subtotal	NAA	306,666 <hr/> 635,896
84.303	Technology Innovation Challenge Grants, <i>Creighton Elementary School District</i> , Contract # 9800012	ASA	816
84.315	Capacity Building for Traditionally Underserved Populations	NAA	262,620
84.323	Special Education—State Personnel Development	EDA	546,765
84.323	Special Education—State Personnel Development	NAA	20,375
84.323	Special Education—State Personnel Development 84.323 Subtotal	UAA	35,178 <hr/> 602,318
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	ASA	450,260
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	NAA	748,490
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	UAA	1,340,782
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities, <i>Michigan State University</i> , Contract # 611669A 84.325 Subtotal	UAA	700 <hr/> 2,540,232
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SDA	160,853
84.327	Special Education—Technology and Media Services for Individuals with Disabilities	SDA	2,553
84.329	Special Education—Studies and Evaluations	NAA	68,234
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	EDA	362,882

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	DCA	520,250
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	NAA	2,821,589
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	UAA	1,588,309
	84.334 Subtotal		<u>4,409,898</u>
84.335	Child Care Access Means Parents in School	ASA	241,401
84.335	Child Care Access Means Parents in School	NAA	81,483
	84.335 Subtotal		<u>322,884</u>
84.350	Transition to Teaching	ASA	411,693
84.350	Transition to Teaching	EDA	556,549
	84.350 Subtotal		<u>968,242</u>
84.351	Arts in Education, <i>Childsplay, Inc.</i> , Contract #s 07057476, U351D060128	ASA	41,286
84.351	Arts in Education, <i>J.F. Kennedy Center for the Performing Arts</i> , Contract # AGR 11/06/09	ASA	15,147
	84.351 Subtotal		<u>56,433</u>
84.357	Reading First State Grants	ASA	5,451
84.357	Reading First State Grants	EDA	8,488,832
	84.357 Subtotal		<u>8,494,283</u>
84.358	Rural Education	EDA	723,544
84.360	High School Graduation Initiative	EDA	195,584
84.363	School Leadership	ASA	417,683
84.364	Improving Literacy Through School Libraries	DJA	88,900
84.365	English Language Acquisition Grants	EDA	21,671,142
84.366	Mathematics and Science Partnerships	EDA	3,878,032
84.366	Mathematics and Science Partnerships, <i>Pendergast Elementary School District</i> , Contract # S366B070003	ASA	14,937
84.366	Mathematics and Science Partnerships, <i>Coconino County Education Service Agency</i> , Contract # 08-0637	NAA	121,355
84.366	Mathematics and Science Partnerships, <i>Navajo County Education Service Agency</i>	NAA	94,966
84.366	Mathematics and Science Partnerships, <i>Pima County Education Service Agency</i>	NAA	55,936
84.366	Mathematics and Science Partnerships, <i>Yavapai County Education Service Agency</i> , Contract # 10FSDPPR-070744-04A	NAA	78,510
84.366	Mathematics and Science Partnerships, <i>Pima County, Arizona</i> , Contract # CK33547977	UAA	48,633
	84.366 Subtotal		<u>4,292,369</u>
84.367	Improving Teacher Quality State Grants	ASA	216,438
84.367	Improving Teacher Quality State Grants	BRA	188,412
84.367	Improving Teacher Quality State Grants	DCA	7,929
84.367	Improving Teacher Quality State Grants	DJA	169,897
84.367	Improving Teacher Quality State Grants	EDA	38,725,109
84.367	Improving Teacher Quality State Grants	NAA	699,119
84.367	Improving Teacher Quality State Grants	SPA	191,561
84.367	Improving Teacher Quality State Grants	UAA	247,311
	84.367 Subtotal		<u>40,445,776</u>
84.369	Grants for State Assessments and Related Activities	EDA	4,801,424
84.373	Special Education—Technical Assistance on State Data Collection	EDA	59,096
84.378	College Access Challenge Grant Program	EPA	1,290,445
84.928	National Writing Project, <i>National Writing Project</i> , Contract # 09-AZ04	ASA	21,206
84.928	National Writing Project, <i>National Writing Project Corporation</i> , Contract # 0516221	NAA	72,070
	84.928 Subtotal		<u>93,276</u>
84.Unknown	Gear Up Continuous Improvement Planning Award, <i>Research Triangle Institute</i> , Contract # 0209234002.016-12	NAA	24,000
84.Unknown	Persian Assessment Instrument Development for NMELRC, <i>Brigham Young University</i> , Contract # LTR DTD 011310	UAA	826
84.Unknown	Financial Literacy Professional Development, <i>Maryland State Department of Education</i> , Contract # 104698	UAA	28,635

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
84.Unknown	Application for National Writing Project Matching Funds, <i>National Writing Project</i> , Contract # 92AZ03	UAA	78,346
	Total Department of Education		<u>\$ 1,601,449,806</u>
<u>SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS</u>			
85.E4018802	Morris K. Udall Workplan FY 2008	UAA	\$ 7,378
85.E4059735	Morris K. Udall Workplan FY 2010	UAA	139,371
85.LTR DTD 031609	Morris K. Udall Workplan FY 2009	UAA	149,723
85.NN1001	Native Nations Institute for Leadership, Management, and Policy	UAA	782,640
	Total Scholarship and Fellowship Foundations		<u>\$ 1,079,112</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>			
89.003	National Historical Publications and Records Grants	ASA	\$ 11,170
89.003	National Historical Publications and Records Grants	LAA	24,548
	Total National Archives and Records Administration		<u>\$ 35,718</u>
<u>ELECTION ASSISTANCE COMMISSION</u>			
90.401	Help America Vote Act Requirements Payments	STA	\$ 2,280,851
	Total Election Assistance Commission		<u>\$ 2,280,851</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Aging Cluster</u>			
93.044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers	DEA	\$ 9,787,954
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services	DEA	11,416,703
93.053	Nutrition Services Incentive Program	DEA	2,271,810
93.705	ARRA—Aging Home-Delivered Nutrition Services for States	DEA	476,982
93.707	ARRA—Aging Congregate Nutrition Services for States	DEA	937,372
	Aging Cluster Subtotal		<u>24,890,821</u>
<u>Immunization Cluster</u>			
93.268	Immunization Grants	HSA	84,668,397
93.712	ARRA—Immunization	HSA	3,227,646
	Immunization Cluster Subtotal		<u>87,896,043</u>
<u>TANF Cluster</u>			
93.558	Temporary Assistance for Needy Families	DEA	172,904,004
93.558	Temporary Assistance for Needy Families	GVA	29,682
	93.558 Subtotal		<u>172,933,686</u>
93.716	ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants	DEA	23,924,877
	TANF Cluster Subtotal		<u>196,858,563</u>
<u>CSBG Cluster</u>			
93.569	Community Services Block Grant	DEA	5,296,601
93.710	ARRA—Community Services Block Grant	DEA	6,504,769
	CSBG Cluster Subtotal		<u>11,801,370</u>
<u>CCDF Cluster</u>			
93.575	Child Care and Development Block Grant	DEA	48,597,005
93.575	Child Care and Development Block Grant	GVA	216,076
93.575	Child Care and Development Block Grant	HSA	517,120
93.575	Child Care and Development Block Grant	UAA	89,572
	93.575 Subtotal		<u>49,419,773</u>
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DEA	61,091,030
93.713	ARRA—Child Care and Development Block Grant	DEA	15,800,000
	CCDF Cluster Subtotal		<u>126,310,803</u>

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
Head Start Cluster			
93.600	Head Start	GVA	158,305
	Head Start Cluster Subtotal		158,305
Medicaid Cluster			
93.775	State Medicaid Fraud Control Units	AGA	935,672
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	BNA	324,679
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	HSA	4,557,049
	93.777 Subtotal		4,881,728
93.778	Medical Assistance Program	DEA	48,546,950
93.778	ARRA—Medical Assistance Program	DEA	4,425
93.778	Medical Assistance Program	HCA	6,315,850,000
93.778	ARRA—Medical Assistance Program	HCA	920,995,000
93.778	Medical Assistance Program	HSA	85,007,795
93.778	Medical Assistance Program	SDA	259,471
	93.778 Subtotal		7,370,663,641
	Medicaid Cluster Subtotal		7,376,481,041
Other Department of Health and Human Services Programs			
93.003	Public Health and Social Services Emergency Fund	AEA	17,226
93.003	Public Health and Social Services Emergency Fund	HSA	118,943
	93.003 Subtotal		136,169
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	HSA	116,053
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	HSA	298,202
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DEA	113,293
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals	DEA	352,431
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services	DEA	379,882
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	DEA	420,596
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	GVA	14,194
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	HSA	311,601
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	UAA	15,091
	93.048 Subtotal		761,482
93.051	Alzheimer's Disease Demonstration Grants to States	DEA	75,414
93.052	National Family Caregiver Support, Title III, Part E	DEA	3,149,771
93.069	Public Health Emergency Preparedness	ADA	192,591
93.069	Public Health Emergency Preparedness	HSA	45,052,034
93.069	Public Health Emergency Preparedness	UAA	611,091
	93.069 Subtotal		45,855,716
93.071	Medical Enrollment Assistance Program	DEA	94,147
93.087	Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	DEA	469,380
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards	UAA	484,349
93.110	Maternal and Child Health Federal Consolidated Programs	CDA	50,800
93.110	Maternal and Child Health Federal Consolidated Programs	HSA	756,023
93.110	Maternal and Child Health Federal Consolidated Programs	UAA	725,127
93.110	Maternal and Child Health Federal Consolidated Programs, <i>Texas Health Institute</i> , Contract # MEM0408	UAA	2,885
93.110	Maternal and Child Health Federal Consolidated Programs, <i>University of Colorado</i> , Contract # FY08003006H30MC00008	UAA	60,422
	93.110 Subtotal		1,595,257
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	HSA	1,203,755
93.127	Emergency Medical Services for Children	HSA	114,218
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	HSA	327,044

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.136	Injury Prevention and Control Research and State and Community Based Programs	ASA	53,805
93.136	Injury Prevention and Control Research and State and Community Based Programs	HSA	560,635
93.136	Injury Prevention and Control Research and State and Community Based Programs	UAA	75,899
93.136	Injury Prevention and Control Research and State and Community Based Programs, <i>Pennsylvania Coalition Against Rape, Contract # LTR DTD 090808</i>	UAA	12,227
	93.136 Subtotal		702,566
93.142	NIEHS Hazardous Waste Worker Health and Safety Training, <i>University of California-Los Angeles, Contract # U45 ES006173</i>	ASA	207,672
93.145	AIDS Education and Training Centers, <i>University of California-San Francisco, Contract # 2943SC</i>	UAA	195,417
93.150	Projects for Assistance in Transition from Homelessness (PATH)	HSA	1,056,099
93.161	Health Program for Toxic Substances and Disease Registry	HSA	43,962
93.165	Grants to States for Loan Repayment Program	HSA	66,350
93.178	Nursing Workforce Diversity	UAA	302,153
93.197	Childhood Lead Poisoning Prevention Projects—State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	HSA	116,469
93.210	Tribal Self-Governance Program: IHS Compacts/Funding Agreements	ASA	6,409
93.211	Telehealth Network Grants	UAA	266,025
93.213	Research and Training in Complementary and Alternative Medicine	UAA	11,164
93.217	Family Planning—Services, <i>Arizona Family Planning Council, Contract #s AGR 02/24/09, AGR 01/01/08</i>	ASA	307,605
93.226	Research on Healthcare Costs, Quality and Outcomes	UAA	44,477
93.226	Research on Healthcare Costs, Quality and Outcomes, <i>Michigan Public Health Institute, Contract # R18HS017191</i>	ASA	1,601
	93.226 Subtotal		46,078
93.231	Epidemiology Cooperative Agreements, <i>Inter Tribal Council of Arizona, Inc., Contract #s U26IHA300007, U26IHS300007</i>	UAA	76,712
93.234	Traumatic Brain Injury State Demonstration Grant Program	DEA	247,655
93.235	Abstinence Education Program	HSA	142,791
93.236	Grants for Dental Public Health Residency Training	HSA	202,984
93.240	State Capacity Building	HSA	181,571
93.242	Mental Health Research Grants	ASA	29,944
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	ASA	254,528
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	DCA	95,066
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	DJA	133,489
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	GVA	3,551,513
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	HSA	1,559,725
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	UAA	2,007,311
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>Community Bridges, Contract # 1H79TI018924-01</i>	ASA	40,087
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>TERROS Behavioral Health Services, Contract # SP 13318-01</i>	ASA	37,180
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>University of California-Los Angeles, Contract # 2000GJG913</i>	ASA	85,500
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>Pima County Juvenile Courts, Contract # B504013</i>	UAA	34,168
	93.243 Subtotal		7,798,567
93.247	Advanced Education Nursing Grant Program	ASA	218,632
93.247	Advanced Education Nursing Grant Program	UAA	566,645
	93.247 Subtotal		785,277
93.251	Universal Newborn Hearing Screening	HSA	215,013
93.253	Poison Control Stabilization and Enhancement Grants	UAA	140,392
93.264	Nurse Faculty Loan Program (NFLP)	UAA	631,163
93.265	Comprehensive Geriatric Education Program (CGEP)	ASA	78,298
93.265	Comprehensive Geriatric Education Program (CGEP)	NAA	10,490

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.265	Comprehensive Geriatric Education Program (CGEP)	UAA	12,619
	93.265 Subtotal		<u>101,407</u>
93.275	Substance Abuse and Mental Health Services—Access to Recovery	GVA	4,148,969
93.278	Drug Abuse National Research Service Awards for Research Training	ASA	29,641
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	DCA	42,929
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	HSA	4,037,503
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	UAA	478,223
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>Hispanic Serving Health Professions Schools, Contract # 325128UAAHCOE</i>	UAA	14,543
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>University of Colorado, Contract # FY07003006U01DD000198</i>	UAA	17,791
	93.283 Subtotal		<u>4,590,989</u>
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	UAA	10,000
93.301	Small Rural Hospital Improvement Grant Program	UAA	141,278
93.307	Minority Health and Health Disparities Research	UAA	21,089
93.358	Advanced Education Nursing Traineeships	ASA	70,368
93.358	Advanced Education Nursing Traineeships	NAA	21,459
93.358	Advanced Education Nursing Traineeships	UAA	72,421
	93.358 Subtotal		<u>164,248</u>
93.359	Nurse Education, Practice and Retention Grants	ASA	1,259,796
93.361	Nursing Research	ASA	80,584
93.361	Nursing Research, <i>Caracal Inc., Contract # R43NR010441</i>	UAA	17,339
	93.361 Subtotal		<u>97,923</u>
93.389	National Center for Research Resources	UAA	218,548
93.395	Cancer Treatment Research, <i>Gynecologic Oncology Group Administration, Contract # CA101165</i>	UAA	180,916
93.396	Cancer Biology Research, <i>University of Utah</i>	HSA	1,874
93.398	Cancer Research Manpower	UAA	18,936
93.407	ARRA—Scholarships for Disadvantaged Students	ASA	133,798
93.407	ARRA—Scholarships for Disadvantaged Students	NAA	186,759
	93.407 Subtotal		<u>320,557</u>
93.414	ARRA—State Primary Care Offices	HSA	19,419
93.448	Food Safety and Security Monitoring Project	HSA	274,861
93.556	Promoting Safe and Stable Families	DEA	6,683,099
93.563	Child Support Enforcement	DEA	31,496,177
93.563	ARRA—Child Support Enforcement	DEA	14,746,120
	93.563 Subtotal		<u>46,242,297</u>
93.566	Refugee and Entrant Assistance—State Administered Programs	DEA	13,565,995
93.566	Refugee and Entrant Assistance—State Administered Programs	HSA	97,301
	93.566 Subtotal		<u>13,663,296</u>
93.568	Low-Income Home Energy Assistance	DEA	17,182,780
93.568	Low-Income Home Energy Assistance	EPA	2,538,894
	93.568 Subtotal		<u>19,721,674</u>
93.576	Refugee and Entrant Assistance—Discretionary Grants	DEA	720,614
93.576	Refugee and Entrant Assistance—Discretionary Grants	EDA	377,730
	93.576 Subtotal		<u>1,098,344</u>
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants	DEA	1,374,178
93.586	State Court Improvement Program	SPA	695,921
93.590	Community-Based Child Abuse Prevention Grants	DEA	711,602
93.597	Grants to States for Access and Visitation Programs	DEA	125,667
93.599	Chafee Education and Training Vouchers Program (ETV)	DEA	337,297
93.603	Adoption Incentive Payments	DEA	1,410,000
93.604	Assistance for Torture Victims, <i>International Rescue Committee, Inc., Contract # 90ZT0092</i>	UAA	3,554

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.617	Voting Access for Individuals with Disabilities—Grants to States	STA	236,832
93.623	Basic Center Grant	GVA	8,459
93.630	Developmental Disabilities Basic Support and Advocacy Grants	DEA	456,140
93.630	Developmental Disabilities Basic Support and Advocacy Grants	GVA	28,965
	93.630 Subtotal		<u>485,105</u>
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	NAA	474,397
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UAA	543,103
	93.632 Subtotal		<u>1,017,500</u>
93.643	Children's Justice Grants to States	DJA	6,198
93.643	Children's Justice Grants to States	GVA	321,567
93.643	Children's Justice Grants to States	NAA	98,693
	93.643 Subtotal		<u>426,458</u>
93.645	Child Welfare Services—State Grants	DEA	1,488,231
93.648	Child Welfare Research Training or Demonstration	ASA	465,036
93.658	Foster Care—Title IV-E	ASA	2,075,628
93.658	Foster Care—Title IV-E	DEA	68,375,626
93.658	ARRA—Foster Care—Title IV-E	DEA	2,684,064
93.658	Foster Care—Title IV-E	SPA	401,976
	93.658 Subtotal		<u>73,537,294</u>
93.659	Adoption Assistance	DEA	73,383,737
93.659	ARRA—Adoption Assistance	DEA	8,046,310
	93.659 Subtotal		<u>81,430,047</u>
93.667	Social Services Block Grant	ADA	1,133
93.667	Social Services Block Grant	DEA	46,959,954
	93.667 Subtotal		<u>46,961,087</u>
93.669	Child Abuse and Neglect State Grants	DEA	666,398
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters—Grants to States and Indian Tribes	HSA	1,685,576
93.674	Chafee Foster Care Independence Program	DEA	822,119
93.717	ARRA—Preventing Healthcare-Associated Infections	HSA	64,418
93.720	ARRA—Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	HSA	1,285
93.723	ARRA—Prevention and Wellness—State, Territories and Pacific Islands	HSA	44,021
93.725	ARRA—Communities Putting Prevention to Work: Chronic Disease Self-Management Program	HSA	3,472
93.767	Children's Health Insurance Program	HCA	66,680,000
93.767	Children's Health Insurance Program	HSA	2,035,687
	93.767 Subtotal		<u>68,715,687</u>
93.768	Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities	HCA	622,000
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	DEA	864,999
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	UAA	96,342
	93.779 Subtotal		<u>961,341</u>
93.793	Medicaid Transformation Grants	HCA	3,041,000
93.837	Cardiovascular Diseases Research	UAA	28,238
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	ASA	10,943
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	ASA	233,547
93.855	Allergy, Immunology and Transplantation Research	ASA	42,895
93.855	Allergy, Immunology and Transplantation Research	UAA	12,000
	93.855 Subtotal		<u>54,895</u>

See accompanying notes to schedule.

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.859	Biomedical Research and Research Training	ASA	2,070
93.884	Grants for Training in Primary Care Medicine and Dentistry	UAA	192,028
93.889	National Bioterrorism Hospital Preparedness Program	HSA	11,363,704
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	UAA	468,595
93.913	Grants to States for Operation of Offices of Rural Health	UAA	181,860
93.914	HIV Emergency Relief Project Grants	DCA	69,216
93.914	HIV Emergency Relief Project Grants	HSA	697,827
	93.914 Subtotal		<u>767,043</u>
93.917	HIV Care Formula Grants	HSA	14,616,477
93.917	HIV Care Formula Grants	UAA	24,456
	93.917 Subtotal		<u>14,640,933</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UAA	198,846
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	HSA	2,309,856
93.923	Disadvantaged Health Professions Faculty Loan Repayment (FLRP) and Minority Faculty Fellowship Program (MFFP)	NAA	56,105
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	EDA	625,274
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	HSA	98,626
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	UAA	48,804
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems, <i>National 4H Club Foundation</i> , Contract # U58DP000456	UAA	107,027
	93.938 Subtotal		<u>879,731</u>
93.940	HIV Prevention Activities—Health Department Based	HSA	2,832,205
93.940	HIV Prevention Activities—Health Department Based	UAA	11,302
	93.940 Subtotal		<u>2,843,507</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	HSA	1,051,585
93.958	Block Grants for Community Mental Health Services	HSA	9,628,757
93.959	Block Grants for Prevention and Treatment of Substance Abuse	HSA	34,299,542
93.969	Geriatric Education Centers	UAA	341,228
93.970	Health Professions Recruitment Program for Indians	ASA	301,444
93.970	Health Professions Recruitment Program for Indians	UAA	270,793
	93.970 Subtotal		<u>572,237</u>
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants	HSA	1,255,053
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	UAA	127,375
93.991	Preventive Health and Health Services Block Grant	HSA	1,044,651
93.994	Maternal and Child Health Services Block Grant to the States	GVA	25,488
93.994	Maternal and Child Health Services Block Grant to the States	HSA	7,336,692
	93.994 Subtotal		<u>7,362,180</u>
93.3 312 0211557	Health Information Security & Privacy Collaboration	GTA	19,280
93.6H79SP12923011	South Tucson Drug Free Communities, <i>City of South Tucson</i> , Contract # H79SP12923	UAA	48,456
93.90IC0058	Self-Assessment and Quality Improvement Trainings, <i>United Way</i> , Contract # 90IC0058	UAA	2,647
93.C08166	Evaluation of the Navajo Nation's Promoting Safe and Stable Families Program, <i>Navajo Nation—Division of Social Services</i> , Contract # C08166	ASA	80,363
93.GSTOOO8AZ0015	Bodyworks—Best Bones Forever, <i>Arizona Osteoporosis Coalition</i> , Contract # GSTOOO8AZ0015	UAA	28,634
93.H79T1019911	Step Forward, <i>Codac Behavioral Health Services of Pima County</i> , Contract # 1H79TI01991UOFASIROW01	UAA	80,364
93.HG032151	ADHS Youth Suicide Prevention Evaluation	ASA	5,452
93.HHSH230200432004C	U.S. Mexico Border Center of Excellence Consortium, <i>University of Texas Health Science Center San Antonio</i> , Contract # 12221312209	UAA	57,790

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.IPA 10/29/09	Intergovernmental Personnel Assignment-Office of the National Coordinator for Health Information Technology	ASA	95,243
93.LTRDTD011910	IPA for Donato Romagnolo	UAA	36,607
93.R10RH12714	Santa Cruz County Adolescent Wellness Network (SCC AWN), <i>Mariposa Community Health Center</i> , Contract # R10RH12714	UAA	665
93.Unknown	NAU Dental Hygiene	NAA	4,237
93.Unknown	Guiding Star Pregnant and Postpartum Women's Project, <i>Native American Connections, Inc.</i> , Contract # T119593	UAA	85
93.Unknown	Impact on Poverty with Mobile Health, <i>Pima County, Arizona</i> , Contract # 1170A1414210708	UAA	47,463
93.Unknown	Provide Services to Assist in Alleviating Poverty, Revitalizing Communities and Empowering Low Income Families to Become Self Sufficient, <i>Pima County Community Action Agency</i> , Contract # 0769A1427860709	UAA	50,078
93.Unknown	Support for Knowledge River Library School Internships, <i>Center for Public Service Communications, LLC</i> , Contract # CK2312	UAA	93,974
93.Unknown	YAC-AZ Youth Health and Wellness Web-based Fact Sheets, <i>Southwest Institute for Families and Children with SPE</i> , Contract # MEM0308	UAA	7,280
93.Unknown	Yavapai Misc.—CDC Survey, <i>Iowa State University</i> , Contract # CK459196	UAA	500
Total Department of Health and Human Services			\$ 8,370,627,920

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Foster Grandparent/Senior Companion Cluster

94.011	Foster Grandparent Program	NAA	\$ 574,213
94.016	Senior Companion Program	NAA	327,245
Foster Grandparent/Senior Companion Cluster Subtotal			901,458

Other Corporation for National and Community Service Programs

94.002	Retired and Senior Volunteer Program	NAA	130,548
94.003	State Commissions	GVA	243,051
94.004	Learn and Serve America—School and Community Based Programs	EDA	404,817
94.005	Learn and Serve America—Higher Education, <i>Community Campus Partnerships for Healthcare</i> , Contract # HDSLCAZ07	UAA	15,837
94.005	Learn and Serve America—Higher Education, <i>Morehouse School of Medicine</i> , Contract # 06LHHGA001	UAA	5,000
94.005 Subtotal			20,837
94.006	AmeriCorps	GVA	1,665,543
94.006	ARRA—AmeriCorps	GVA	503,426
94.006	AmeriCorps	NAA	539,737
94.006	ARRA—AmeriCorps	NAA	78,876
94.006	AmeriCorps	UAA	25,556
94.006	ARRA—AmeriCorps	UAA	96,855
94.006	AmeriCorps, <i>Public Allies</i> , Contract # 06NDHWI0010004	ASA	68,912
94.006	AmeriCorps, <i>Public Allies</i> , Contract # 09NDHWI0010001/09RNHWI002	ASA	285,015
94.006	ARRA—AmeriCorps, <i>Public Allies</i> , Contract # 09NDHWI0010001/09RNHWI002	ASA	141,798
94.006	AmeriCorps, <i>Public Allies</i> , Contract # OP0079400607PAAZ	ASA	842
94.006 Subtotal			3,406,560
94.007	Planning and Program Development Grants	GVA	147,761
94.009	Training and Technical Assistance	GVA	123,516
94.009	Training and Technical Assistance	UAA	108,119
94.009 Subtotal			231,635
Total Corporation for National and Community Service			\$ 5,486,667

SOCIAL SECURITY ADMINISTRATION

Disability Insurance/SSI Cluster

96.001	Social Security—Disability Insurance	DEA	\$ 34,448,359
Disability Insurance/SSI Cluster Subtotal			34,448,359
Total Social Security Administration			\$ 34,448,359

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
DEPARTMENT OF HOMELAND SECURITY			
<u>Homeland Security Cluster</u>			
97.067	Homeland Security Grant Program	AEA	\$ 178,936
97.067	Homeland Security Grant Program	DCA	93
97.067	Homeland Security Grant Program	GTA	378,094
97.067	Homeland Security Grant Program	GVA	20,931
97.067	Homeland Security Grant Program	HLA	40,625,705
97.067	Homeland Security Grant Program	MAA	577,613
97.067	Homeland Security Grant Program	PSA	3,154,483
	Homeland Security Cluster Subtotal		<u>44,935,855</u>
<u>Other Department of Homeland Security Programs</u>			
97.001	Pilot Demonstration or Earmarked Projects	GTA	2,343
97.001	Pilot Demonstration or Earmarked Projects	HLA	494,892
	97.001 Subtotal		<u>497,235</u>
97.008	Non-Profit Security Program	HLA	477,831
97.012	Boating Safety Financial Assistance	GFA	1,668,585
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	GSA	74,101
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	MAA	257,231
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants, <i>Arizona Geological Survey</i>	NAA	37,469
	97.017 Subtotal		<u>368,801</u>
97.021	Hazardous Materials Assistance Program	MAA	10,000
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	WCA	137,686
97.029	Flood Mitigation Assistance	MAA	8,087
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)	MAA	2,054,952
97.039	Hazard Mitigation Grant	GSA	5,433
97.039	Hazard Mitigation Grant	MAA	19,965
	97.039 Subtotal		<u>25,398</u>
97.041	National Dam Safety Program	WCA	28,274
97.042	Emergency Management Performance Grants	HLA	40,259
97.042	Emergency Management Performance Grants	MAA	6,293,413
97.042	Emergency Management Performance Grants	PSA	31,765
	97.042 Subtotal		<u>6,365,437</u>
97.045	Cooperating Technical Partners	WCA	73,946
97.068	Competitive Training Grants	ASA	318,854
97.070	Map Modernization Management Support	WCA	55,837
97.073	State Homeland Security Program (SHSP)	PSA	236,271
97.075	Rail and Transit Security Grant Program	HLA	206,724
97.078	Buffer Zone Protection Program (BZPP)	HLA	1,363,204
97.078	Buffer Zone Protection Program (BZPP)	PSA	48,843
	97.078 Subtotal		<u>1,412,047</u>
97.082	Earthquake Consortium	GSA	18,286
	Total Department of Homeland Security		<u>\$ 58,900,106</u>
<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</u>			
98.012	USAID Development Partnerships for University Cooperation and Development, <i>Higher Education for Development (HED)</i> , Contract #s AEGA00050000700, 523A00060000900	ASA	\$ 78,649
98.185A0009000101	Integrated Telemedicine and E-Health Program of Albania, <i>International Virtual E-Hospital Foundation</i> , Contract # 185A000900010100	UAA	63,705
98.306A00060052400	Afghan Digital Libraries Alliance, <i>Washington State University</i> , Contract # G002117	UAA	60,321
98.AEGI18040001000	Farmer-to-Farmer Aquaculture Niche Project, <i>Weidemann Associates, Inc.</i> , Contract # 1071205023	UAA	4,045
98.EDHA00030000400	Project Cass—Teacher Training, <i>Georgetown University</i> , Contract # UARRX205085208L12	UAA	23,144

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
98.RLAA00090000400	Scholarships for Education and Economic Development Program (SEED), <i>Georgetown University</i> , Contract # UARRX205070509J1	UAA	355,514
Total United States Agency for International Development			\$ 585,378

MISCELLANEOUS FEDERAL AGENCIES

99.SJI 10 E 016	Develop Performance Measurement System for Appellate Courts, <i>State Justice Institute</i> , Contract # SJI-10-E-016	SPA	\$ 9,184
99.Unknown	CPB FY09—Radio Community Service Grant, <i>Corporation for Public Broadcasting</i> , Contract # 1281	UAA	292,557
99.Unknown	CPB FY09—Television Community Service Grant, <i>Corporation for Public Broadcasting</i> , Contract # 1707	UAA	945,638
99.Unknown	CPB FY09—Television Interconnection Grant, <i>Corporation for Public Broadcasting</i> , Contract # 1707	UAA	18,875
99.Unknown	Digital Distribution Fund Grants, <i>Corporation for Public Broadcasting</i> , Contract # 11861	UAA	275,480
99.Unknown	Digital Radio Conversion KUAZ, <i>Corporation for Public Broadcasting</i> , Contract # 12215	UAA	70,000
99.Unknown	Digital Television Transition Grants, <i>Corporation for Public Broadcasting</i> , Contract # 052282630	UAA	35,067
Total Miscellaneous Federal Agencies			\$ 1,646,801

STUDENT FINANCIAL AID CLUSTER

Department of Education

84.007	Federal Supplemental Educational Opportunity Grants	ASA	\$ 2,175,937
84.007	Federal Supplemental Educational Opportunity Grants	NAA	557,263
84.007	Federal Supplemental Educational Opportunity Grants	UAA	639,595
84.007 Subtotal			3,372,795
84.033	Federal Work-Study Program	AGA	26,668
84.033	Federal Work-Study Program	ASA	2,258,826
84.033	Federal Work-Study Program	NAA	835,726
84.033	ARRA—Federal Work-Study Program	NAA	152,845
84.033	Federal Work-Study Program	UAA	1,809,893
84.033 Subtotal			5,083,958
84.063	Federal Pell Grant Program	ASA	72,871,271
84.063	Federal Pell Grant Program	NAA	26,043,739
84.063	Federal Pell Grant Program	UAA	36,449,777
84.063 Subtotal			135,364,787
84.375	Academic Competitiveness Grants	ASA	155,135
84.375	Academic Competitiveness Grants	NAA	938,120
84.375	Academic Competitiveness Grants	UAA	1,438,003
84.375 Subtotal			2,531,258
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	ASA	2,382,751
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	NAA	910,075
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	UAA	1,127,898
84.376 Subtotal			4,420,724
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	ASA	4,094,728
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	NAA	74,209
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	UAA	451,353
84.379 Subtotal			4,620,290
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	ASA	317,169
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	NAA	418,646
93.925 Subtotal			735,815
Total Student Financial Aid Cluster			\$ 156,129,627

RESEARCH AND DEVELOPMENT CLUSTER

Department of Agriculture

10.RD	Agricultural Marketing Service	ASA	\$ 17,999
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See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
10.RD	Agricultural Research Service	ASA	19,849
10.RD	Department of Agriculture	ASA	58,385
10.RD	Department of Agriculture	UAA	9,776,512
10.RD	Economic Research Service	ASA	142,139
10.RD	Farm Service Agency	ASA	64,615
10.RD	Forest Service	ASA	5,460
10.RD	Forest Service	NAA	953,415
10.RD	Forest Service	UAA	705,089
10.RD	ARRA—Forest Service	UAA	4,527
10.RD	National Institute of Food and Agriculture	ASA	624,961
10.RD	National Institute of Food and Agriculture	NAA	711,952
10.RD	Natural Resources Conservation Service	UAA	4,613
10.RD	Rural Business-Cooperative Service	ASA	75,931
10.RD	Arizona Department of Agriculture, Contract #s SCBGP0706, SCBGP0713, SCBGP0717, SCBGP0721, SCBGP0722, SCBGPFB0802, SCBGPFB0803, SCBGPFB0905, SCBGPFB0907, SCBGPFB0909, SCBGPFB0910, SCBGPFB0911, SCBGPFB0912, SCBGPFB0913, SCBGPFB0915, SCBGPFB0916, SCBGPFB0917, SCBGPFB0919, SCBGPFB0924, SCBGPFB0925, SCGBP0803	UAA	390,776
10.RD	Arizona State Forestry Division, Contract #s WFHF 09-014, SFA 09-003, SFA 08-011	NAA	120,394
10.RD	Arizona State Land Department, Contract #s CCG 7-8, CCG 08-005	NAA	20,633
10.RD	Arizona State University, Contract # 09123	UAA	35,502
10.RD	Bat Conservation International, Contract # CK9174	UAA	14,026
10.RD	California Polytechnic State University, Contract # 2010-65400-20441	ASA	3,504
10.RD	Colorado State University, Contract # 2009-51181-05739	ASA	2,720
10.RD	Inbios International, Contract # 20073361018620	UAA	66,692
10.RD	Interregional Research Project No. 4, Contract # 07009ETX	UAA	16,709
10.RD	Los Alamos National Laboratory, Contract # 76748-001-09	NAA	78,695
10.RD	New Mexico Highland University, Contract # P0095991	UAA	4,240
10.RD	New Mexico State University, Contract #s Q01239, Q01431, SUBJ90Q01274	UAA	42,816
10.RD	North Carolina State University, Contract #s 2004157802, 2007037639	UAA	24,235
10.RD	Oceanic Institute, Contract #s USMSFP200819163UAZ, USMSFP200819163UAZAPL, USMSFP200919851UAZ	UAA	350,991
10.RD	Penn State University, Contract # 3044-NAU-USDA-6179	NAA	8,409
10.RD	Physical Sciences, Inc., Contract # SC497216177	UAA	13,219
10.RD	Portland State University, Contract # 207JOH051	UAA	9,998
10.RD	Rutgers, The State University of New Jersey, Contract #s 2007AZ001TT, 2008AZ001BDP	UAA	12,179
10.RD	Texas A&M University, Contract # 570590	UAA	10,452
10.RD	Texas AgriLife Research, Contract # 570493	UAA	7,379
10.RD	Texas Technology University, Contract # 2007-35100-18382	ASA	39,478
10.RD	The Research Corp. of the University of Hawaii, Contract # Z892287	UAA	43,251
10.RD	Tucson Community Food Bank, Contract # LTR DTD 102309	UAA	11,197
10.RD	United Sorghum Checkoff Program, Contract #s R001209, R003609	UAA	42,989
10.RD	University of Arizona, Contract # Y554532	NAA	142
10.RD	University of California-Davis, Contract #s 0600158, 06010ETX, 07001492UA4, 0700255801, 08001766ARIZ8, 0800399603, 09002101ARIZONA1, 09002101ARIZONA2, 200911201ARI11	UAA	85,229
10.RD	University of California-Santa Cruz, Contract # S0181771	UAA	52,641
10.RD	University of Cincinnati, Contract #s 0049061005015, 0060241006782	UAA	63,928
10.RD	University of Delaware, Contract # 15713	UAA	32,226
10.RD	University of Guam, Contract # BC090148	UAA	12,788
10.RD	University of Kentucky, Contract # 304810436508396	UAA	10,680
10.RD	University of Missouri-Columbia, Food & Ag Policy Research, Contract # 2008-34318-19107	ASA	36,772
10.RD	University of Rhode Island, Contract # 2007-51130-03873	ASA	42,808
10.RD	Utah State University, Contract #s 080861047, 080861048, 080861049, 09092201	UAA	55,604
10.RD	Washington State University, Contract # 108493G002325	UAA	42,805
	Department of Agriculture Subtotal		14,971,554
Department of Commerce			
11.RD	Economic Development Administration	ASA	110,613
11.RD	National Institute for Standards and Technology	ASA	14,344
11.RD	ARRA—National Institute of Standards and Technology	ASA	63,382
11.RD	National Institute of Standards and Technology	UAA	69,502
11.RD	ARRA—National Institute of Standards and Technology	UAA	388,019
11.RD	National Oceanic and Atmospheric Administration	ASA	114,583
11.RD	National Oceanic and Atmospheric Administration	UAA	1,906,295
11.RD	Acellent Technologies, Inc., Contract # 70NANB9H9015	UAA	41,470
11.RD	Autenti-Corp, Contract # ACNISTIRIS01	UAA	13,914

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
11.RD	Colorado State University, Contract # G12071	UAA	73,093
11.RD	Columbia University, Contract # NA08OAR4320912	ASA	44,345
11.RD	Columbia University, Contract # 562164	UAA	55,056
11.RD	Pacific States Marine Fisheries Commission, Contract # NA08NMF4370485	ASA	11,445
11.RD	Seagate, Contract # 70NANB1H3056	UAA	167
11.RD	University Corporation for Atmospheric Research, Contract # S0975794	UAA	34,368
11.RD	University of Maryland, Contract # Z765202	UAA	55,281
11.RD	University of Nebraska-Lincoln, Contract # 2562380372002	UAA	18,472
	Department of Commerce Subtotal		3,014,349
Department of Defense			
12.RD	Air Force Research Laboratory	UAA	62,363
12.RD	Army, Research, Development and Engineering Command Public Communications Office	UAA	489,791
12.RD	Defense Advanced Research Projects Agency	ASA	309,631
12.RD	ARRA—Defense Advanced Research Projects Agency	ASA	197,543
12.RD	Defense Advanced Research Projects Agency	UAA	402,825
12.RD	Defense Threat Reduction Agency	NAA	107,828
12.RD	Defense Threat Reduction Agency	UAA	103,451
12.RD	Department of the Air Force	ASA	3,475,722
12.RD	Department of the Air Force	UAA	3,669,302
12.RD	Department of the Army	NAA	16,167
12.RD	Department of the Army	UAA	861,717
12.RD	Department of Defense	ASA	2,483,603
12.RD	Department of Defense	NAA	135,654
12.RD	Department of Defense	UAA	455,444
12.RD	Department of the Navy	ASA	4,033,557
12.RD	Department of the Navy	UAA	2,124,075
12.RD	National Security Agency	ASA	261,334
12.RD	National Security Agency	UAA	65,025
12.RD	Naval Facilities Engineering Command Southwest	NAA	15,086
12.RD	Office of the Secretary	ASA	231,201
12.RD	SPAWAR Systems Center-San Diego	UAA	157,644
12.RD	The Missile Defense Agency	UAA	187,932
12.RD	U.S. Army Material Command	ASA	13,483,935
12.RD	U.S. Army Medical Command	ASA	2,311,993
12.RD	U.S. Army Medical Command	UAA	696,330
12.RD	Aptima, Inc., Contract # N00014-09-M-0327	ASA	21,000
12.RD	ASR Corporation, Contract #s 03160701068, 05210801071, 06140701061, 06140702068, W9113M10P0046	UAA	110,896
12.RD	Atmospheric and Environmental Research, Inc., Contract # N00039-8-0017	ASA	7,373
12.RD	Ball Aerospace Systems Division, Contract # 07RDK00458	UAA	248,835
12.RD	ARRA—Ball Aerospace Systems Division, Contract # 07RDK00458	UAA	3,656
12.RD	Banner Health, Contract # W18XWH-08-2-0186	ASA	239,260
12.RD	Barrows Neurological Institute (St. Josephs Hospital), Contract # W81XWH-09-1-0121	ASA	40,640
12.RD	Battelle, Contract # W911NF-07-D-0001	ASA	88,345
12.RD	Battelle Memorial Institute, Contract # TCN09116	UAA	26,327
12.RD	BBN Technologies, Contract #s 13251, 9500009791	UAA	166,911
12.RD	Boeing Company, Contract # HDTRA1-05-D-0001.DO-0002	ASA	33,874
12.RD	Boeing Company, Contract # Q0970816	UAA	749
12.RD	California Institute of Technology, Contract # 38A1077196	UAA	76,852
12.RD	Carnegie Mellon University, Contract #s MARCO 2003-CT-888, W911NF-07-2-0062	ASA	117,853
12.RD	Cherokee CRC, Contract # W9127S-07-D-0017	ASA	28,825
12.RD	Colorado State University, Contract # G23341	UAA	151,439
12.RD	Dow Corning Corporation, Contract #s DAAD190230001, N00014-07-C-0918, N00014-08-C-0398	ASA	36,989
12.RD	Duke University, Contract #s FA8650-09-C-2944, W911NF-05-1-0248	ASA	152,422
12.RD	Duke University, Contract # 10DARPA1099	UAA	20,620
12.RD	Dynetics, Contract # FA8650-08-D-1303	ASA	40,960
12.RD	Ehosgen, LLC., Contract # LTR DTD 011510	UAA	82,740
12.RD	EWA Government Systems, Inc., Contract #s EWAGSI08SC0010, EWAGSI09SC0004014578	UAA	231,240
12.RD	General Atomics, Contract # HR0011-09-C-0034	ASA	286,035
12.RD	Geneva Foundation, Contract # W81XWH-06-2-0074	ASA	49,025
12.RD	Georgia Institute of Technology, Contract # 2009-IT-2005	ASA	75,101
12.RD	Georgia Institute of Technology, Contract #s E216WGG1, RA231GA	UAA	279,054
12.RD	Harvard University, Contract # 123572	UAA	31,029
12.RD	High Performance Technologies, Inc., Contract #s GS04T01BFC0061, GS04T09DBC0017	ASA	50,432
12.RD	Indiana University, Contract # N00014-07-1-1049	ASA	156,534

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
12.RD	<i>Institute for the Study of Learning and Expertise (ISLE), Contract # FA8750-05-2-0283</i>	ASA	25,302
12.RD	<i>Institute of International Education, Contract # HQ0034-07-C-1010</i>	ASA	553,799
12.RD	<i>Intelligent Automation, Inc., Contract #s FA9550-09-C-0008, FA9550-09-C-0155, HQ0006-07-C-7377</i>	ASA	40,938
12.RD	<i>Ionatron, Inc., Contract # 202200</i>	UAA	11,134
12.RD	<i>Iowa State University, Contract # 4212553</i>	UAA	7,024
12.RD	<i>John Hopkins University Applied Physics Laboratory, Contract # JPL 1277793</i>	ASA	13,462
12.RD	<i>Leaf Networks, Contract # FA8750-09-C-0082</i>	ASA	7,391
12.RD	<i>Lockheed Martin Aeronautics, Contract # FA8650-06-C-7605</i>	ASA	23,035
12.RD	<i>Massachusetts Institute of Technology, Contract # 5710002102</i>	UAA	256,034
12.RD	<i>Materials and Electrochemical Research Corp, Contract #s 91832, W911NF09C0112</i>	UAA	129,897
12.RD	<i>Michigan State University, Contract # FA8650-09-C-1619</i>	ASA	74,209
12.RD	<i>Microelectronics Research and Development Corporation, Contract # HQ0006-07-C-7655</i>	ASA	42,227
12.RD	<i>Minnesota Wire & Cable Co.—Minnesota Defense, Contract # A07047RESS</i>	ASA	1,248
12.RD	<i>MITRE Corporation, Contract # 78043</i>	UAA	39,305
12.RD	<i>Motorola Labs, Contract # NMA4010292002</i>	ASA	7,459
12.RD	<i>NanoRTD LLC, Contract # W911NF-08-C-0084</i>	ASA	97,952
12.RD	<i>New York University, Contract # N00014-09-1-0181</i>	ASA	199,366
12.RD	<i>North Carolina Agriculture and Technology State University, Contract # H98230-07-1-0122</i>	ASA	19,680
12.RD	<i>Northrop Grumman, Contract #s FA8002-05-C-7002, HR0011-09-C-0062, PO 7600006186</i>	ASA	386,386
12.RD	<i>Northrop Grumman, Contract # ACIMSSC04033</i>	UAA	3,525
12.RD	<i>NP Photonics, Inc., Contract # LTR DTD 060210</i>	UAA	2,025
12.RD	<i>NuTrek, Contract # HQ0006-09-C-7071</i>	ASA	8,884
12.RD	<i>Oracle America, Inc., Contract # HR0011-08-9-0001</i>	ASA	3,309
12.RD	<i>Pennsylvania State University, Contract #s W911NF-06-1-0265, W911NF-09-1-0525, W91CRB-04-C-0039</i>	ASA	123,125
12.RD	<i>ARRA—Peregrine Power, LLC, Contract # N00014-08-C-0253</i>	ASA	27,843
12.RD	<i>Portland State University, Contract #s N00014-07-1-0457, N0014-08-1-1237</i>	ASA	43,926
12.RD	<i>Prewitt & Associates, Inc., Contract # 207042</i>	UAA	11,457
12.RD	<i>Princeton University, Contract #s FA9550-09-1-0643, N00014-08-1-1110</i>	ASA	54,308
12.RD	<i>Purdue University, Contract # 531089501</i>	UAA	154,196
12.RD	<i>Raytheon Company, Contract #s 2599, 4200103482</i>	UAA	454,491
12.RD	<i>Renasslaer Polytechnic Institute, Contract # N00014-09-1-1029</i>	ASA	222,647
12.RD	<i>Rutgers, The State University of New Jersey, Contract # 3796</i>	UAA	1,542
12.RD	<i>SA Photonics, Contract # 7061UAZ0907</i>	UAA	21,000
12.RD	<i>Sandia Research Corporation, Contract #s N00014-07-M-0352, N00014-09-C-0138</i>	ASA	196,131
12.RD	<i>Science & Engineering Associates, Inc., Contract # S497301</i>	UAA	4,392
12.RD	<i>Scientific Systems Company Inc., Contract # 14661</i>	UAA	179,088
12.RD	<i>SET Corporation, Contract # FA9550-09-C-0173</i>	ASA	106,205
12.RD	<i>Signal Processing, Inc., Contract # W31P4Q-09-C-0229</i>	ASA	11,115
12.RD	<i>Silicon Photonics Group, Contract # A2-2369</i>	ASA	54,025
12.RD	<i>SJT Micropower Inc., Contract # W31P4Q-10-C-0020</i>	ASA	20,803
12.RD	<i>SRI International, Contract # 27001328</i>	UAA	1,152,302
12.RD	<i>Technology Solutions Experts, Inc., Contract # W911Q406C0062</i>	ASA	75,049
12.RD	<i>Teravision Inc., Contract # POG0204</i>	UAA	35,277
12.RD	<i>Texas AgriLife Research, Contract # 570540</i>	UAA	4,691
12.RD	<i>Texas Engineering Experiment Station, Contract # A5931</i>	UAA	221,161
12.RD	<i>The Rendon Group Inc., Contract # N41756-08-C-3072</i>	ASA	71,836
12.RD	<i>Thorpe SEEO, Contract # N09B-039-0019</i>	ASA	11,301
12.RD	<i>TIPD, LLC, Contract # FA865010C7034</i>	UAA	816
12.RD	<i>Translational Genomics Research Institute, Contract # W81XWH-06-1-090</i>	ASA	16,714
12.RD	<i>Translational Genomics Research Institute, Contract # 09-01</i>	NAA	115,144
12.RD	<i>Universal Technology Corporation, Contract # 08S50800925C1</i>	UAA	32,915
12.RD	<i>University of Alaska-Fairbanks, Contract #s UAF080079, UAF090041, UAF100053</i>	UAA	263,725
12.RD	<i>University of California-Berkeley, Contract # W911NF-07-1-0314</i>	ASA	373,229
12.RD	<i>University of California-San Diego, Contract #s B9U564042, N00014-07-1-0739</i>	ASA	169,502
12.RD	<i>University of Central Florida, Contract # N00014-06-1-0446</i>	ASA	153,580
12.RD	<i>University of Central Florida, Contract # 105755</i>	UAA	366,346
12.RD	<i>University of Hawaii, Contract #s FA9550-09-1-0261, N00014-09-1-0805</i>	ASA	165,439
12.RD	<i>University of Hawaii, Contract # Z891173</i>	UAA	172,411
12.RD	<i>University of Illinois-Champaign/Urbana, Contract #s FA9550-09-1-0098, HR0011-07-1-0002</i>	ASA	96,342
12.RD	<i>University of Illinois-Chicago, Contract # FA9550-05-1-0443</i>	ASA	239,773
12.RD	<i>University of Iowa, Contract # 4000516859</i>	UAA	38,725
12.RD	<i>University of Maryland, Contract # FA9550-08-1-0406</i>	ASA	79,425
12.RD	<i>University of Michigan, Contract # N66001-07-1-2006</i>	ASA	103,840
12.RD	<i>University of New Mexico, Contract # DTRA01-03-D-0009</i>	ASA	2,124
12.RD	<i>University of New Mexico, Contract # 707195873W</i>	UAA	54,995

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
12.RD	University of North Carolina at Chapel Hill, Contract # 536924	UAA	35,672
12.RD	University of Pennsylvania, Contract # N00014-08-1-0696	ASA	45,768
12.RD	University of Southern California, Contract # HR0011-10-C-0034	ASA	2,588
12.RD	University of Southern California, Contract # 1284284400157007	UAA	2,292
12.RD	University of Tennessee, Contract # R041303040	UAA	25,870
12.RD	University of Texas at Austin, Contract # UTA09000620	UAA	40,114
12.RD	University of Texas Health Science Center at Houston, Contract # W81XWH-08-2-2005	ASA	6,794
12.RD	University of Virginia, Contract # N00014-07-1-0723	ASA	18,108
12.RD	University of Waterloo, Contract # 4041901	UAA	66,665
12.RD	Vanderbilt University, Contract # FA9550-05-1-0306	ASA	43,617
12.RD	Ventana Research Company, Contract # LTR DTD 070308	UAA	64,907
12.RD	Virginia Commonwealth University, Contract # N00014-08-1-1050	ASA	8,783
12.RD	Zona Technology, Inc., Contract # FA9550-08-C-0004	ASA	14,553
	Department of Defense Subtotal		47,226,447
<u>Department of Housing and Urban Development</u>			
14.RD	City of Mesa, Contract # 2101-4010-09	ASA	20,000
	Department of Housing and Urban Development Subtotal		20,000
<u>Department of the Interior</u>			
15.RD	Bureau of Land Management	ASA	20,956
15.RD	Bureau of Land Management	NAA	33,616
15.RD	Bureau of Land Management	UAA	67,302
15.RD	Bureau of Reclamation	ASA	98,086
15.RD	Bureau of Reclamation	NAA	184,033
15.RD	Bureau of Reclamation	UAA	594,522
15.RD	Department of the Interior	ASA	43,506
15.RD	Department of the Interior	UAA	33,476
15.RD	Fish and Wildlife Service	NAA	361
15.RD	National Park Service	ASA	241,100
15.RD	National Park Service	NAA	1,145,894
15.RD	National Park Service	UAA	1,429,508
15.RD	U.S. Fish and Wildlife Service	UAA	261,769
15.RD	U.S. Geological Survey	ASA	39,147
15.RD	U.S. Geological Survey	NAA	833,954
15.RD	ARRA—U.S. Geological Survey	NAA	20,829
15.RD	U.S. Geological Survey	UAA	2,120,109
15.RD	Valles Caldera Trust	UAA	19,835
15.RD	Arizona Department of Agriculture, Contract # AZE66	UAA	10,087
15.RD	Arizona Game and Fish Department	NAA	2,560
15.RD	Arizona State University, Contract # 10231	UAA	13,198
15.RD	Southern California Earthquake Center, Contract # 07HQAG0008	ASA	51,099
15.RD	University of Arizona, Contract #s P502159, Y502729	NAA	20,585
15.RD	University of Houston, Contract #s R070077, R080140	UAA	115,521
	Department of the Interior Subtotal		7,401,053
<u>Department of Justice</u>			
16.RD	Federal Bureau of Investigation	NAA	1,965
16.RD	National Institute of Justice	ASA	180,736
16.RD	ARRA—National Institute of Justice	ASA	77,218
16.RD	National Institute of Justice	UAA	97,906
16.RD	Office of Juvenile Justice & Delinquency Prevention	ASA	48,397
16.RD	Glendale, City of—Police Department, Contract # 2009-DG-BX-0020	ASA	50,141
16.RD	Johns Hopkins University, Contract # 2008-WG-BX-0002	ASA	161,350
16.RD	Pima County, Arizona, Contract # 0702A1406430208	UAA	21,190
16.RD	Pima Prevention Partnership, Inc., Contract #s 0809RE5485001, 0910RE5485001	UAA	38,323
16.RD	University of Pittsburgh, Contract #s 2007-MU-FX-0002, 2008-IJ-CX-0023	ASA	376,707
16.RD	Westat, Inc., Contract # 2008-BJ-CX-K067	ASA	2,288
	Department of Justice Subtotal		1,056,221
<u>Department of Labor</u>			
17.RD	Employment & Training Administration	ASA	85,926
	Department of Labor Subtotal		85,926
<u>Department of State</u>			
19.RD	National Council for Eurasian and East Europe, Contract # 82307	UAA	20,015
	Department of State Subtotal		20,015

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
Department of Transportation			
20.RD	Department of Transportation	UAA	16,121
20.RD	Federal Aviation Administration	ASA	139,135
20.RD	Federal Highway Administration	ASA	249,894
20.RD	Federal Highway Administration	UAA	88,199
20.RD	Federal Motor Carrier Safety Administration	ASA	108,797
20.RD	Pipeline and Hazardous Materials Safety Administration	ASA	168,587
20.RD	Arizona Department of Transportation, Contract #s 07014, 08010T, JPA 09-017T, KR060225TRN, P001-2009-001476	ASA	76,204
20.RD	Arizona Department of Transportation, Contract #s 09-019T, P001-2009-003359	NAA	35,085
20.RD	Arizona Department of Transportation, Contract #s JPA07001TR060418P, JPA08009T, JPA08019M, JPA08020T	UAA	114,790
20.RD	Arizona Governor's Office of Highway Safety, Contract # 2009-TR-003	ASA	48,135
20.RD	Arizona State University, Contract # 09022	UAA	64,702
20.RD	BRE-Fugro, Contract # DTFH61-08-H-000035	ASA	18,741
20.RD	Cambridge Systems, Inc., Contract #s 7661120, 8254001	UAA	135,636
20.RD	Illinois Institute of Technology, Contract # SA42102126629	UAA	8,171
20.RD	Louis Berger Group, Inc., Contract # JA2806	UAA	37,561
20.RD	NAS-TRB-National Cooperative Highway Research Program, Contract #s DTFH61-08-H-000035, HR 09-23A	ASA	396,957
20.RD	Ohio State University Research Foundation, Contract # 60011901	UAA	184,224
20.RD	Oregon State University, Contract # T0013GE	UAA	79,446
20.RD	University of Arizona, Contract # Y553600	ASA	25,028
20.RD	University of California-Santa Barbara, Contract # 09-031-C1	ASA	24,128
	Department of Transportation Subtotal		2,019,541
Office of Personnel Management			
27.RD	Office of Personnel Management	ASA	21,071
	Office of Personnel Management Subtotal		21,071
National Aeronautics and Space Administration			
43.RD	Ames Research Center	ASA	1,927,931
43.RD	Ames Research Center	UAA	424,240
43.RD	George C. Marshall Space Flight Center	ASA	55,527
43.RD	Goddard Space Flight Center	ASA	6,734,091
43.RD	Goddard Space Flight Center	UAA	43,401,799
43.RD	ARRA—Goddard Space Flight Center	UAA	10,000,000
43.RD	John H. Glenn Research Center, Lewis Field	ASA	229,935
43.RD	Johnson Space Center	UAA	26,315
43.RD	Kennedy Space Center	UAA	152,592
43.RD	Langley Research Center	UAA	557,773
43.RD	Lyndon B. Johnson Space Center	ASA	369,889
43.RD	Marshall Space Flight Center	UAA	181,468
43.RD	National Aeronautics and Space Administration	NAA	237,641
43.RD	National Aeronautics and Space Administration	UAA	9,520,661
43.RD	Advanced Fluidics, LLC, Contract # LTR DTD 040609	UAA	108,609
43.RD	Arizona State University, Contract #s 07790, 08980, 10381, 10394	UAA	469,143
43.RD	Aura, Inc., Contract #s 44286, C10556A	UAA	54,461
43.RD	California Institute of Technology, Contract # NNX09AC35G	ASA	69,957
43.RD	California Institute of Technology, Contract #s 21062198, 21083117, 21085182, 65P1080063	UAA	174,169
43.RD	Carnegie Institution of Washington, Contract # NASW-00002	ASA	313,620
43.RD	Carnegie Institution of Washington, Contract #s DTM325002, DTM325008 (PHASE E)	UAA	291,478
43.RD	Colorado State University, Contract # G653701	UAA	59,807
43.RD	Cornell University, Contract # 1223696	ASA	190,546
43.RD	Desert Research Institute, Contract # 65603011	UAA	7,239
43.RD	Florida Institute for Human and Machine Cognition, Contract # NNX09AT06A	ASA	7,121
43.RD	Harvard University, Contract # 123362	UAA	55,583
43.RD	Institute of Global Environment and Society, Contract # 3113	UAA	154,924
43.RD	Jet Propulsion Laboratory, Contract #s 1288470, 1313375, 1383500, 710819, NAS7-03001, NAS7-1407, NMO710076, NMO710621, NMO710805, NMO710819, NMO710824, NMO710829, NMO710830, NMO710843, NMO710846, NMO710947, NMO711085	ASA	4,556,021
43.RD	Jet Propulsion Laboratory, Contract #s 1367672, 1364775, 1365676, 1373682, 1379658	NAA	179,865
43.RD	Jet Propulsion Laboratory, Contract #s 1216369, 1226582, 1228726, 1243073, 1254725, 1255094, 1256318, 1256424, 1270067, 1272218, 1278361, 1279652, 1282867, 1287326, 1306547, 1319248, 1322190, 1332204, 1342544, 1343576, 1347772, 1350371, 1350372, 1350373, 1352424, 1352485, 1352487, 1354929, 1376810, 1376987, 1380793, 1392727, 1400570, 1401517	UAA	12,334,107

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
43.RD	John Hopkins University, Contract #s 782694, NNX07AC51GTSA	UAA	8,901
43.RD	John Hopkins University Applied Physics Laboratory, Contract # NNN06AA01C	ASA	33,945
43.RD	National Space Biomedical Research Institute, Contract # NCC958166HPF01605	UAA	29,442
43.RD	Rensselaer Polytechnic Institute, Contract # B10554	UAA	50,690
43.RD	SJT Micropower Inc., Contract # NNX10CF02P	ASA	20,141
43.RD	Smithsonian Astrophysics Observatory, Contract # NAS803060	ASA	52,935
43.RD	Southwest Research Institute, Contract #s 699051X, 699053X, 699083KC	UAA	77
43.RD	Space Telescope Science Institute, Contract # HST-GO-10912.02-A	ASA	385,309
43.RD	Space Telescope Science Institute, Contract # HST-AR-11778.05-A	NAA	1,979
43.RD	Space Telescope Science Institute, Contract #s HSTAR1069101A, HSTAR1094901A, HSTAR1097102A, HSTAR1125901A, HSTAR1127901, HSTAR1130301A, HSTAR1175101A, HSTGO1017701A, HSTGO1022903, HSTGO1083905A, HSTGO1084705A, HSTGO1085201A, HSTGO1086404A, HSTGO1111701A, HSTGO1112009A, HSTGO1112904A, HSTGO1114901A, HSTGO1114904A, HSTGO1117805A, HSTGO11157201A, HSTGO1157601A, HSTGO1159101A, HSTGO1159806A, HSTGO1160001A, HSTGO1164301A, HSTGO1167301A, HSTHF0118201A, HSTHF0122402A, HSTHF51247, HSTHF5125001A	UAA	556,894
43.RD	United Negro College Fund Special Program, Contract # CK013008	UAA	17,332
43.RD	Universities Space Research Association, Contract # NNJ06HG25A	ASA	5,815
43.RD	Universities Space Research Association, Contract #s 0217301, 0345031, 0804101	UAA	48,613
43.RD	University of Arizona, Contract #s NNG05GE72H, NNX10AC32A	ASA	191,060
43.RD	University of California-Los Angeles, Contract # 1000SKC673	UAA	75,061
43.RD	University of California-San Diego, Contract # 10299360	UAA	19,614
43.RD	University of Cincinnati, Contract # 0060611006840	UAA	4,890
43.RD	University of Illinois at Urbana-Champaign, Contract # 20070637401A3824	UAA	9,857
43.RD	University of Maryland, Contract # Z649502	UAA	1,565
43.RD	University of New Mexico, Contract #s 985003873W, 985070873W	UAA	129,786
43.RD	University of Notre Dame, Contract # 201255	UAA	4,032
43.RD	University of Tennessee, Contract # NNX08AU47G	ASA	1,058
43.RD	University of Texas-Austin, Contract # UTA8140	UAA	157,957
43.RD	Xinetics Inc., Contract # 22399	UAA	55,500
43.RD	Zona Technology, Inc., Contract #s NNX08CD34P, NNX09CB19C	ASA	259,130
	National Aeronautics and Space Administration Subtotal		94,968,095
	<u>National Endowment for the Arts</u>		
45.RD	National Endowment for the Arts	ASA	1,095
	National Endowment for the Arts Subtotal		1,095
	<u>National Endowment for the Humanities</u>		
45.RD	Institute of Museum and Library Services	UAA	252,945
45.RD	National Endowment for the Humanities	ASA	41,788
45.RD	National Endowment for the Humanities	NAA	69,850
45.RD	National Endowment for the Humanities	UAA	4,745
45.RD	Arizona Department of Library, Archives and Public Records, Contract # LTR DTD 070708	UAA	17,733
	National Endowment for the Humanities Subtotal		387,061
	<u>National Science Foundation</u>		
47.RD	National Science Foundation	ASA	36,991,865
47.RD	ARRA—National Science Foundation	ASA	5,629,184
47.RD	National Science Foundation	NAA	4,235,729
47.RD	ARRA—National Science Foundation	NAA	175,141
47.RD	National Science Foundation	UAA	46,032,970
47.RD	ARRA—National Science Foundation	UAA	5,638,672
47.RD	Advanced Diamond Technologies, Inc., Contract # 0945935	UAA	50,184
47.RD	American Educational Research Association, Contract # DRL-0634035	ASA	3,270
47.RD	American Physical Society, Contract # AGR 01/05/09	ASA	13,931
47.RD	Arizona State University, Contract #s KMS00191151F08UR011, KMS00191152S09UR006, KMS00191153V09UR001, KMS00191153V09UR002, KMS00191153V09UR003, KMS00191153V09UR004, KMS00191153V09UR011, KMS00191154F09UR003, KMS00191154F09UR004, KMS00191154F09UR005, KMS00191154F09UR010, KMS00191154F09UR012, KMS00191154F09UR019, KMS00191155S10UR013	UAA	6,738
47.RD	Astrophysical Research Consortium, Contract #s SSP315, SSP321	UAA	23,698
47.RD	Aura, Inc., Contract #s C10527A, C10554A, C10563N, C10566A, C10602A, C10627A	UAA	142,434
47.RD	Ball Aerospace Systems Division, Contract # LTR DTD 021109	UAA	32,118
47.RD	BBN Technologies Corp., Contract # 9500009455	UAA	97,267
47.RD	Bermuda Institute of Ocean Sciences, Inc., Contract # 072050	UAA	72,019
47.RD	Biological Sciences Curriculum Studies, Contract # ESI-0455846	NAA	82,358
47.RD	California State University-San Bernardino, Contract # GT90960	UAA	5,424

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.RD	ARRA— <i>Cal Poly Pomona Foundation, Inc.</i> , Contract # AST0847170	UAA	6,626
47.RD	<i>Carnegie Institution of Washington</i> , Contract #s GMTO041208A, GMTO070213A, GMTO070313A	UAA	2,560,183
47.RD	<i>Carnegie Mellon University</i> , Contract #s 0354420, 0442618, 0836012	ASA	308,354
47.RD	<i>Colorado State University</i> , Contract #s G30628, G30881	UAA	85,645
47.RD	<i>Columbia University</i> , Contract # 0543256	ASA	22,178
47.RD	<i>Columbia University</i> , Contract # 1SES0637151	UAA	9,759
47.RD	<i>Computing Research Association</i> , Contract # CIF443	UAA	100,258
47.RD	<i>Cornell University</i> , Contract #s 0109936, 0335765	ASA	408,439
47.RD	ARRA— <i>Cornell University</i> , Contract # 0335765	ASA	518,480
47.RD	<i>Creighton University</i> , Contract # 0809214	ASA	53,459
47.RD	<i>Energy Derived LLC</i> , Contract # 09125175	ASA	16,771
47.RD	<i>Florida Institute of Technology</i> , Contract # P0040228	UAA	4,136
47.RD	<i>Georgia Institute of Technology</i> , Contract # 0654275	ASA	2,210
47.RD	<i>Inter-American Institute for Global Change Research</i> , Contract # SGPHD005	UAA	40,280
47.RD	<i>LG Synoptic Survey Telescope Corp.</i> , Contract #s C44007L, C44022L, C44064L	UAA	240,737
47.RD	<i>Louisiana State University</i> , Contract # 0907261	ASA	63,702
47.RD	<i>Maricopa Community Colleges</i> , Contract # 053469	ASA	12,972
47.RD	<i>Medipacs, LLC</i> , Contract #s LTR DTD043009, IIP083329	UAA	104,068
47.RD	<i>Mesa Community College</i>	NAA	29,749
47.RD	<i>Michigan State University</i> , Contract # 612554UA	UAA	36,359
47.RD	<i>Montana State University</i>	NAA	1,284
47.RD	<i>Montana State University</i> , Contract # G15107Z2484	UAA	3,537
47.RD	<i>National Optical Astronomy Observatories</i> , Contract #s C10616A, C10646A	UAA	36,167
47.RD	<i>New Mexico State University</i> , Contract # Q01298	UAA	6,529
47.RD	<i>North Carolina State University</i> , Contract # 0812121	ASA	400,199
47.RD	<i>Observatories of the Carnegie Institution of Washington</i> , Contract # GMTO091008	UAA	29,636
47.RD	<i>Pennsylvania State University</i> , Contract # 3980-ASU-NSF-0013	ASA	176,762
47.RD	<i>Peregrine Power, LLC</i> , Contract # N00014-08-C-0253	ASA	11,946
47.RD	ARRA— <i>Pomona College</i> , Contract # 0925043	ASA	7,846
47.RD	<i>Portland State University</i> , Contract # 0554379	ASA	64,183
47.RD	<i>Protein Genomics, Inc.</i> , Contract # 0945065	UAA	33,582
47.RD	<i>Rockefeller University</i> , Contract # DMS0443803	UAA	34,394
47.RD	<i>SRI International</i> , Contract # 0354453	ASA	200,394
47.RD	<i>Stanford University</i> , Contract # 0936421	ASA	52,618
47.RD	<i>SUNY-Buffalo</i> , Contract #s 060105, 0603421	ASA	14,034
47.RD	<i>SUNY-Stony Brook</i> , Contract #s 0135554, 0649658, 0808678	ASA	75,659
47.RD	<i>Temple University</i> , Contract # DRL-0822308	ASA	123,274
47.RD	<i>Teravision Inc.</i> , Contract # POE0164	UAA	28,344
47.RD	<i>U.S. Civilian Research and Development Foundation</i> , Contract # UKC2-2925-55-07	ASA	10,277
47.RD	<i>U.S. Civilian Research and Development Foundation</i> , Contract #s RUG12921NO07, RUG12950K209	UAA	10,405
47.RD	<i>University Corporation for Atmospheric Research</i> , Contract # S0971499	UAA	36,870
47.RD	<i>University of Arizona</i> , Contract #s 0735191, 9876800	ASA	50,151
47.RD	ARRA— <i>University of Arizona</i> , Contract # 0724958	ASA	6,877
47.RD	<i>University of California-Berkeley</i> , Contract # 0334199	ASA	13,969
47.RD	<i>University of California-Davis</i> , Contract # 002865	ASA	47,276
47.RD	<i>University of California-Riverside</i> , Contract #s S00000216, S0000334, S000210	UAA	151,821
47.RD	<i>University of California-San Diego</i> , Contract # 0744229	ASA	41,771
47.RD	<i>University of California-Santa Barbara</i> , Contract #s BCS-0826871, DBI-0753144	ASA	96,957
47.RD	<i>University of Cincinnati</i> , Contract #s 0403897, 0618003	ASA	71,872
47.RD	<i>University of Colorado-Boulder</i> , Contract # 0345604	ASA	114,667
47.RD	<i>University of Houston</i> , Contract # 0824215	ASA	31,953
47.RD	<i>University of Illinois</i> , Contract # 20060687701	UAA	14,979
47.RD	<i>University of Iowa</i> , Contract # 0830269	ASA	348
47.RD	<i>University of Kansas</i> , Contract # 0624720	ASA	12,562
47.RD	<i>University of Maine</i> , Contract # 0817282	ASA	21,749
47.RD	<i>University of Maine</i> , Contract # UMS672	UAA	17,401
47.RD	<i>University of Maryland</i> , Contract # 0548366	ASA	165,720
47.RD	<i>University of Massachusetts</i> , Contract # 060105	ASA	12,883
47.RD	<i>University of Michigan</i> , Contract # 0729709	ASA	69,839
47.RD	<i>University of Minnesota</i> , Contract # A528605648	UAA	53,001
47.RD	ARRA— <i>University of Missouri</i> , Contract # 00022329	UAA	18,456
47.RD	<i>University of Missouri, Columbia</i> , Contract # 090830	ASA	15,270
47.RD	<i>University of New Mexico</i> , Contract #s 271276873W, 707474873W	UAA	121,179
47.RD	<i>University of North Carolina</i> , Contract # LTR DTD 061809	UAA	15,000
47.RD	<i>University of North Carolina-Greensboro</i> , Contract # 0615502	ASA	1,904
47.RD	<i>University of Notre Dame</i> , Contract # 0822648	ASA	53,052

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
47.RD	University of Southern California, Contract #s 0529922, 0636438	ASA	61,656
47.RD	University of Southern California, Contract # 119519	UAA	1,647
47.RD	University of Texas-Austin, Contract # UTA09000956	UAA	9,713
47.RD	ARRA—University of Texas-Pan American, Contract # 41BIOL01002	UAA	1,380
47.RD	University of Virginia, Contract # GA107501311846	UAA	119,295
47.RD	University of Washington, Contract # BCS-0508002	ASA	68,870
47.RD	University of Washington, Contract # 594594	UAA	581,480
47.RD	Vanderbilt University, Contract # 0822370	ASA	3,702
47.RD	Virginia Tech, Contract # 0938047	ASA	54,388
47.RD	Voltaix, Inc., Contract # 0539750	ASA	61,233
47.RD	W.M. Keck Observatory, Contract # 29280	UAA	49,135
47.RD	Washington State University, Contract # Preadward Costs	UAA	158,603
47.RD	Washington University, Contract # WU0818429871M	UAA	20,420
47.RD	Western Alliance to Expand Student Opportunities, Contract #s KMS00191151F08UR003, KMS00191151F08UR006	UAA	686
47.RD	Wofford College, Contract # 0964955	ASA	6,191
	National Science Foundation Subtotal		107,634,363
<u>Smithsonian Institution</u>			
60.RD	Smithsonian Astrophysical Observatory	UAA	1,116,922
	Smithsonian Institution Subtotal		1,116,922
<u>Department of Veterans Affairs</u>			
64.RD	Department of Veterans Affairs	ASA	157,175
64.RD	Veterans Administration	UAA	321,148
	Department of Veterans Affairs Subtotal		478,323
<u>Environmental Protection Agency</u>			
66.RD	Environmental Protection Agency	ASA	556,881
66.RD	Environmental Protection Agency	NAA	89,882
66.RD	Environmental Protection Agency	UAA	830,586
66.RD	Border Environmental Cooperative Commission, Contract #s TAA08025, TAA09012	UAA	8,953
66.RD	Drexel University, Contract # 2398653663	UAA	3,282
66.RD	Health Effects Institute, Contract # 4761RFPA064072	UAA	48,359
66.RD	Michigan State University, Contract # 61-3383C	NAA	139,886
66.RD	Michigan State University, Contract # 613383D	UAA	82,302
66.RD	San Diego State University Foundation, Contract # EM 83395501	ASA	32,134
66.RD	Southwest Consortium for Environmental Research & Policy, Contract # 55573A-7801	ASA	63,373
66.RD	University of Arizona, Contract #s CD969762010, RD 83302501	ASA	142,360
66.RD	University of Nevada at Reno, Contract # UNR0740	UAA	38,842
	Environmental Protection Agency Subtotal		2,036,840
<u>Department of Energy</u>			
81.RD	Department of Energy	ASA	6,071,194
81.RD	ARRA—Department of Energy	ASA	3,487,503
81.RD	Department of Energy	NAA	1,756,534
81.RD	Department of Energy	UAA	3,344,790
81.RD	ARRA—Department of Energy	UAA	2,091,875
81.RD	National Nuclear Security Administration	UAA	399,892
81.RD	Argonne National Laboratory, Contract #s DE-AC02-06CH11357, W-31-109-ENG-38	ASA	47,697
81.RD	ARRA—Argonne National Laboratory, Contract # DE-AC02-06CH11357	ASA	114,337
81.RD	Argonne National Laboratory, Contract # 6F00866	UAA	102,365
81.RD	Battelle, Contract # DE-AC05-76RL01830	ASA	28,392
81.RD	Battelle Energy Alliance, Contract #s 00090304, 00095573	UAA	18,931
81.RD	Battelle Memorial Institute, Contract # 38318	UAA	309,203
81.RD	Bechtel Corporation, Contract # 24590CMHC9W00000257	UAA	8,740
81.RD	BP Solar International, Inc., Contract # DE-FC36-007GO17049	ASA	192,486
81.RD	Brookhaven National Laboratory, Contract #s 101340, 74201	UAA	491,021
81.RD	Brookhaven Science Associates LLC, Contract # 107946	UAA	9,150
81.RD	Carnegie Institution of Washington, Contract #s 4-10114-01, DE-FC52-08NA28554	ASA	120,268
81.RD	Carnegie Institution of Washington, Contract # 4325308	UAA	42,289
81.RD	ARRA—Donald Danforth Plant Science Center, Contract # 28302Q	UAA	49,564
81.RD	Fermi National Accelerator Lab, Contract #s 557734, 591354	UAA	49,334
81.RD	Georgia Institute of Technology, Contract # DE-FC26-08NT01580	ASA	188,703
81.RD	Jefferson Labs, Contract # DE-AC05-06OR23177	ASA	77,653
81.RD	Lawrence Berkeley National Laboratory, Contract # DE-AC02-05CH11231	ASA	91,576
81.RD	Lawrence Livermore Laboratory, Contract #s B556909, B573255, B581027, B583529	UAA	355,812
81.RD	Leland Stanford Junior University, Contract # 85948	UAA	688

See accompanying notes to schedule.

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CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
81.RD	Los Alamos National Laboratory, Contract #s DE-AC52-06NA25396, W-7405-ENG-36	ASA	184,782
81.RD	Los Alamos National Laboratory, Contract # 81661-001-10	NAA	158,483
81.RD	Los Alamos National Laboratory, Contract #s 4912400107, 5503000107F3, 7228400109, 7360500109	UAA	357,612
81.RD	MetroLaser, Inc., Contract # DE-FG02-05ER84329	ASA	17,549
81.RD	Mississippi State University, Contract # 03881436296401	UAA	77,462
81.RD	National Renewable Energy Laboratory, Contract # DE-AC36-08GO28308	ASA	166,994
81.RD	National Renewable Energy Laboratory, Contract # XXL-7-77283-01	NAA	276,808
81.RD	National Renewable Energy Laboratory, Contract # ZEJ99903401	UAA	51,997
81.RD	New Mexico Institute of Mining and Technology, Contract # DE-FC26-05NT42439	ASA	6,032
81.RD	Northern Arizona University, Contract # DE-FC02-06ER64159	ASA	2,970
81.RD	Northern Arizona University, Contract #s FUND35WW-MPC35WX, MPC35TV, MPC35UX01	UAA	90,124
81.RD	Oak Ridge National Laboratory, Contract # DE-AC05-00OR22725	ASA	133
81.RD	Oak Ridge National Laboratory, Contract # 4000050618	UAA	8,503
81.RD	Pennsylvania State University, Contract # 3594UAUSDOE4157	UAA	146,462
81.RD	PowerMark Corporation, Contract # DE-FC36-07GO17034	ASA	50,364
81.RD	Princeton Plasma Physics Laboratory, Contract #s S008663F, S009463F	UAA	47,721
81.RD	Radiation Monitoring Devices, Inc., Contract #s C0826, C1012, C1028, C1032	UAA	119,297
81.RD	Rensselaer Polytechnic Institute, Contract # DE-FG36-08GO18053	ASA	19,349
81.RD	Sandia National Laboratories, Contract # DE-AC04-94AL85000	ASA	33,993
81.RD	Sandia National Laboratories, Contract #s A0334677767, A0334861538, A0344752278, A0334866763, A0334866775, A0334870642, A0334880604	UAA	284,150
81.RD	University of Arizona, Contract # DE-FG36-GO16029	ASA	18,342
81.RD	University of California-Davis, Contract #s DE-FG52-06NA26213, DE-FGS2-09NA29451	ASA	34,985
81.RD	University of Cincinnati, Contract # DE-FG36-05GO15043	ASA	190,027
81.RD	University of Michigan, Contract # DE-SC0002644	ASA	24,632
81.RD	University of Michigan, Contract # 3001376450	UAA	22,652
81.RD	University of New Mexico, Contract # 433283873W	UAA	9,662
81.RD	University of Southern California, Contract # 120355	ASA	3,427
81.RD	University of Wisconsin-Milwaukee, Contract # DE-SC0002141	ASA	44,514
81.RD	University of Wyoming, Contract # DE-FG02-05ER46235	ASA	6,917
81.RD	University of Wyoming, Contract # NAZU48565UAZ	UAA	14,131
81.RD	US Solar Thermal Storage, LLC, Contract # LTR DTD 071609	UAA	89,869
81.RD	UT-Battelle LLC, Contract # 4000086575	UAA	90,986
81.RD	Vanderbilt University, Contract # 19067S5	UAA	220,875
81.RD	Vista Clara, Inc., Contract # LTR DTD 020810	UAA	37,563
81.RD	Washington State University, Contract #s 112789G002576, 113354G002583	UAA	74,648
	Department of Energy Subtotal		22,434,012
	<u>Department of Education</u>		
84.RD	Department of Education	ASA	2,214,544
84.RD	Department of Education	UAA	557,148
84.RD	Dine College, Contract #s B299B050006, S299B0700017	ASA	15,377
84.RD	Embry-Riddle Aeronautical University, Contract # 229901	UAA	1,665
84.RD	Page Unified School District	NAA	63,961
84.RD	Salt River Pima-Maricopa Indian Community, Contract # Q215F070078	ASA	69,995
84.RD	Southwest Institute for Families & Children with Disabilities, Contract #s S359B070029, S35B90048	ASA	154,596
84.RD	Thomas Jefferson University, Contract #s H327X010003, H327X070003	ASA	164,906
84.RD	University of Arkansas for Medical Sciences, Contract # Q215H080001	ASA	7,419
84.RD	University of California-Los Angeles, Contract # 1230GJB001	ASA	3,301
84.RD	University of Hawaii	NAA	37,307
84.RD	University of New Mexico, Contract # P116N070002-08	ASA	4,433
84.RD	University of Texas-El Paso, Contract # P116B080100	ASA	21,248
84.RD	WestEd, Contract # 5814S09052	UAA	205,315
	Department of Education Subtotal		3,521,215
	<u>National Archives and Records Administration</u>		
89.RD	National Historical Publications and Records Commission	UAA	77,898
	National Archives and Records Administration Subtotal		77,898
	<u>Department of Health and Human Services</u>		
93.RD	Centers for Disease Control and Prevention	ASA	1,905,382
93.RD	Centers for Disease Control and Prevention	UAA	1,994,954
93.RD	Department of Health and Human Services	UAA	258,354
93.RD	Fogarty International Center	UAA	209,832
93.RD	Food and Drug Administration	UAA	179,120
93.RD	Health Resources & Services Administration	UAA	257,352

See accompanying notes to schedule.

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Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	National Cancer Institute	UAA	25,925,348
93.RD	ARRA—National Cancer Institute	UAA	871,947
93.RD	National Center for Complementary & Alternative Medicine	UAA	1,346,295
93.RD	ARRA—National Center for Complementary & Alternative Medicine	UAA	144,829
93.RD	National Center for Research Resources	UAA	180,301
93.RD	ARRA—National Center for Research Resources	UAA	247,390
93.RD	National Center on Minority Health and Health Disparities	UAA	115,451
93.RD	National Eye Institute	UAA	3,461,019
93.RD	ARRA—National Eye Institute	UAA	290,350
93.RD	National Heart, Lung, & Blood Institute	UAA	9,795,502
93.RD	ARRA—National Heart, Lung, & Blood Institute	UAA	945,216
93.RD	National Human Genome Research Institute	UAA	24,103
93.RD	National Institute of Allergy & Infectious Diseases	UAA	4,246,749
93.RD	ARRA—National Institute of Allergy & Infectious Diseases	UAA	782,415
93.RD	National Institute of Arthritis and Musculoskeletal Skin Diseases	UAA	692,579
93.RD	National Institute of Biomedical Imaging and Bioengineering	UAA	3,763,666
93.RD	ARRA—National Institute of Biomedical Imaging and Bioengineering	UAA	669,714
93.RD	National Institute of Child Health and Human Development	UAA	2,407,391
93.RD	ARRA—National Institute of Child Health and Human Development	UAA	62,464
93.RD	National Institute of Dental & Craniofacial Research	UAA	386,831
93.RD	ARRA—National Institute of Dental & Craniofacial Research	UAA	313,218
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases	UAA	2,974,853
93.RD	ARRA—National Institute of Diabetes and Digestive and Kidney Diseases	UAA	654,503
93.RD	National Institute of Environment Health Sciences	UAA	6,393,725
93.RD	ARRA—National Institute of Environment Health Sciences	UAA	757,402
93.RD	National Institute of General Medical Services	UAA	7,543,395
93.RD	ARRA—National Institute of General Medical Services	UAA	1,240,851
93.RD	National Institute of Mental Health	UAA	670,981
93.RD	National Institute of Neurological Disorders and Stroke	UAA	3,007,354
93.RD	National Institute of Nursing Research	UAA	1,208,734
93.RD	ARRA—National Institute of Nursing Research	UAA	3,385
93.RD	National Institute of Occupational Safety and Health	UAA	220,912
93.RD	National Institute on Aging	UAA	3,065,603
93.RD	ARRA—National Institute on Aging	UAA	352,395
93.RD	National Institute on Alcohol Abuse and Alcoholism	UAA	369,395
93.RD	National Institute on Deafness and Other Communication Disorders	UAA	2,971,212
93.RD	ARRA—National Institute on Deafness and Other Communication Disorders	UAA	227,064
93.RD	National Institute on Drug Abuse	UAA	3,487,350
93.RD	National Institutes of Health	ASA	38,528,937
93.RD	ARRA—National Institutes of Health	ASA	5,382,698
93.RD	National Institutes of Health	NAA	1,517,060
93.RD	ARRA—National Institutes of Health	NAA	382,380
93.RD	National Institutes of Health	UAA	542,299
93.RD	National Library of Medicine	UAA	312,191
93.RD	<i>4D Technology Corporation, Contract # R43RR028170</i>	UAA	9,761
93.RD	<i>Advanced Biological Technologies, Contract # LTR DTD 061109</i>	UAA	32,045
93.RD	<i>Albert Einstein College of Medicine, Contract # 95263932</i>	UAA	11,262
93.RD	<i>American College of Radiology, Contract #s 4701, U10CA216614701</i>	UAA	20,221
93.RD	<i>American Lung Association, Contract # LTR DTD 061109</i>	UAA	11,383
93.RD	<i>Arizona Department of Health Services, Contract # PO E8H26056</i>	ASA	2,450
93.RD	<i>Arizona Department of Health Services, Contract # HS654163</i>	UAA	12,003
93.RD	<i>Arizona State University, Contract #s 08882, 09062, 10221, 10229, 10230, 10244, 10375, 10383</i>	UAA	458,433
93.RD	<i>Association of American Medical Colleges, Contract #s MM09530606, MM10640909</i>	UAA	144,552
93.RD	<i>Banner Health System, Contract # 04350310006</i>	UAA	143,319
93.RD	<i>Barrows Neurological Institute (St. Josephs Hospital), Contract # R21 DC009871</i>	ASA	12,584
93.RD	<i>Baylor College of Medicine, Contract # 101085376</i>	UAA	136,734
93.RD	<i>Beckman Research Institute of the City of Hope, Contract # 6692913190</i>	UAA	10,025
93.RD	<i>Binghamton University, State University of NE, Contract # R01AG014792</i>	UAA	186,587
93.RD	<i>Biovivria, Inc., Contract # CK1056</i>	UAA	6,359
93.RD	<i>ARRA —Boston University, Contract # CA12273701A2</i>	UAA	9,642
93.RD	<i>Brigham and Women's Hospital, Contract # 103122</i>	UAA	233,790
93.RD	<i>ARRA —Brigham and Women's Hospital, Contract # 105109</i>	UAA	36,408
93.RD	<i>C/J Medical, Inc., DBA Intevision, Contract # 2R42HL083540</i>	UAA	23,444
93.RD	<i>Carnegie Mellon University, Contract # 1090143189596</i>	UAA	175,520
93.RD	<i>ARRA —Children's Hospital Boston, Contract # R21AI082000</i>	ASA	113,763
93.RD	<i>Children's Hospital Los Angeles, Contract # 108RFG003643</i>	UAA	5,501
93.RD	<i>Columbia University, Contract #s R2SMH080665, U19AI067773</i>	ASA	479,445

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	Columbia University, Contract #s 10535469, 11535469, U01NS043975140, U01NS04397580	UAA	605,934
93.RD	Cornell University, Contract # 595439252	UAA	7,781
93.RD	customKYnetics, Inc., Contract # R44HD041820	ASA	9,280
93.RD	Dahl Natural LLC, Contract # R43ESO18132	ASA	10,901
93.RD	Duke Institute for Genome Sciences, Contract # 5U54CA112952	ASA	34,584
93.RD	Duke University, Contract #s 3034320, Pre-Award Costs	UAA	199,791
93.RD	Emory University, Contract #s 541865G1, 542415G16	UAA	154,963
93.RD	ARRA—Emory University, Contract # S311437	UAA	90,712
93.RD	Genefluidics, Inc., Contract # R43AI088756	UAA	27,446
93.RD	George Washington University, Contract # 06S43	UAA	65,115
93.RD	Georgetown University Medical Center, Contract #s R01EB007195, R24HD050845	ASA	31,899
93.RD	ARRA—Georgia Institute of Technology, Contract # S7059G4	UAA	211
93.RD	Group Health Research Institute, Contract # 2010101624	UAA	36,148
93.RD	Gynecologic Oncology Group Administrative, Contract # CA101165	UAA	224,946
93.RD	H. Lee Moffitt Cancer Center & Research Institute, Contract # R01 CA097360	ASA	60,722
93.RD	H. Lee Moffitt Cancer Center & Research Institute, Contract #s 10154839901G2, 10154859901G1, 10158719901G1	UAA	802,031
93.RD	Harvard University, Contract # 5R01GN081533-03	ASA	38,913
93.RD	Harvard University, Contract #s 1482512101, 23590114324	UAA	370,137
93.RD	High Throughput Genomics, Inc., Contract # R43AI078577	UAA	22,085
93.RD	Hualapai Tribe, Contract # LTR DTD 090109	UAA	23,108
93.RD	Indiana University, Contract #s R01 DA013555, R01 DA103555	ASA	137,793
93.RD	Indiana University, Contract # IUPU14687918ARIZ	UAA	15,226
93.RD	ARRA—Indiana University, Contract # IUPU14686815ARIZ	UAA	230,991
93.RD	Inter Tribal Council of Arizona, Inc., Contract # U26IHS300283	ASA	43,761
93.RD	Inter Tribal Council of Arizona, Inc., Contract #s CK58713, LTR DTD 092308, U26IHS300283	UAA	305,217
93.RD	ARRA—Inter Tribal Council of Arizona, Inc., Contract # U01CA114696	UAA	10,710
93.RD	logenetics, LLC, Contract #s 2R44AI056944, R44AI056944	UAA	192,386
93.RD	Los Alamos National Laboratories, Contract # 77990-001-09	NAA	284,723
93.RD	Jackson State University, Contract # 9N01HC95170	UAA	61,704
93.RD	Johns Hopkins University, Contract #s P01TP000288, U90PR000004	ASA	205,757
93.RD	Johns Hopkins University, Contract # U01HL064360	UAA	4,554
93.RD	Kaiser Foundation Research Institute, Contract #s 03NKAR05, 06CMCMU02M1, U01HL081624	UAA	43,535
93.RD	Korosensor, Contract # LTR DTD 101509	UAA	17,120
93.RD	Louisiana State University and Agricultural and Mechanical College, Contract # 38251	UAA	47,289
93.RD	Lynntech, Inc., Contract # R44ESO12517-02A1	ASA	14,180
93.RD	MAPP Biopharmaceutical, Inc., Contract # 701502	UAA	85,680
93.RD	Massachusetts General Hospital, Contract # U01A1077883	ASA	247,665
93.RD	ARRA—Massachusetts Institute of Technology, Contract # U01AI082204	ASA	250,411
93.RD	ARRA—NABI Biopharmaceuticals, Contract # NABI4514	UAA	52,699
93.RD	National Childhood Cancer Foundation, Contract # 18568	UAA	53,549
93.RD	New York University, Contract # F646901	UAA	153,115
93.RD	North Carolina State University, Contract # 2007120004	UAA	6,200
93.RD	Northern Arizona University, Contract #s IHD31CE, IHD31CP	UAA	80,196
93.RD	Northern California Institute for Research & Education, Contract # 861	UAA	67,082
93.RD	Northwestern University, Contract # SP0004560PROJ0001555	UAA	91,521
93.RD	NSABO Foundation, Inc., Contract # ARZ01P2	UAA	41,225
93.RD	Ohio State University, Contract # R01DC007997	ASA	13,258
93.RD	Ohio State University Research Foundation, Contract # 60022291RF01172823	UAA	194,456
93.RD	Oligomerix, Inc., Contract # 06096026	ASA	11,755
93.RD	Oregon Health & Science University, Contract # R01CA105774	ASA	14,178
93.RD	ARRA—Oregon Health & Science University, Contract # R01CA105774	ASA	40,609
93.RD	Oregon Health & Science University, Contract #s AVGT1099, AVGTI0101, GVGTI10012E, GVGTI0036A	UAA	1,990,169
93.RD	Oregon Research Institute, Contract #s 1R21CA131461, R01CA098555	UAA	12,469
93.RD	Palo Alto Institute of Research and Education Inc., Contract # LIA001201	UAA	222,690
93.RD	Pennington Biomedical Research Center, Louisiana State University, Contract # R01DK077141	UAA	9,100
93.RD	Pennsylvania State University, Contract #s R01 HD032336, R21 DA024266	ASA	159,812
93.RD	Pennsylvania State University, Contract # 5U10HL064313	UAA	66,852
93.RD	Portland State University, Contract # 206KET033	ASA	48,830
93.RD	Purdue University, Contract #s 410231499, 410234065	UAA	104,782
93.RD	Radiation Effects Research Foundation, Contract # HHSN272200900059C	UAA	102,528
93.RD	Radiation Monitoring Devices, Inc., Contract # C0923	UAA	31,188
93.RD	Research Triangle Institute, Contract # R01CA126858-01A1	ASA	292,670

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	Rice University, Contract #s R21155, R21473	UAA	74,724
93.RD	SAIC-Frederick Inc., Contract # HHSN261200800001E	ASA	337,873
93.RD	Scott and White Memorial Hospital, Contract # R01DK074483	UAA	159,114
93.RD	Seattle Children's Hospital, Contract # 41382023AZ	UAA	4,811
93.RD	SJT Micropower Inc., Contract # R44EB0077453	ASA	130,680
93.RD	Southwest Oncology Group, Contract # CA37429	UAA	53,455
93.RD	Special Olympics Inc., Contract # AGR 02/19/10	ASA	417
93.RD	Sun Health Research Institute, Contract #s P30 AG019610, U01 AG016976	ASA	234,705
93.RD	Sun Health Research Institute, Contract #s P30AG019610, P30AG019610AHERN, P30AG019610ALEXANDER, P30AG019610KASZNIAK, P30AG019610RAPSCAK	UAA	302,064
93.RD	Temple University, Contract # 360544261	UAA	15,261
93.RD	Texas A & M University, Contract # R01 HD039367	ASA	74,062
93.RD	The Critical Path Institute, Contract #s CP1700101, LTR DTD 082409	UAA	526,318
93.RD	Thomson Reuters, Contract # HHS290200900022I	ASA	9,100
93.RD	Translational Genomics Research Institute, Contract #s 1R01NS059873-01A1, 5P01CA109552-03	ASA	79,876
93.RD	Translational Genomics Research Institute, Contract #s 05-01, 07-01	NAA	295,495
93.RD	Translational Genomics Research Institute, Contract #s VONHOFF0503, VONHOFF0702	UAA	958,370
93.RD	ARRA—Translational Genomics Research Institute, Contract # MEURICE0901	UAA	1,387,982
93.RD	UMDNJ-Robert Wood Johnson Medical School, Contract # 1R01LM009239-01A1	ASA	55,511
93.RD	University of Akron, Contract # 532803-NAU	NAA	97,170
93.RD	University of Alabama, Contract #s 000350200001, 000351256	UAA	121,440
93.RD	University of Arizona, Contract #s R01CA116467, R03CA139857, D31HP0883801, R01AG025526, R01CA140285, R01DK033351	ASA	69,499
93.RD	University of Arkansas for Medical Sciences, Contract #s 90FR0041/03, 90YD0254-01	ASA	40,319
93.RD	University of British Columbia, Contract # F0904852	UAA	70,587
93.RD	University of California, Contract #s 2005-1593, 2006-1757, 2007-1864	NAA	560,409
93.RD	ARRA—University of California-Davis, Contract # P01 AG022500	ASA	253,805
93.RD	University of California-Davis, Contract # SUB0600020	UAA	134,660
93.RD	University of California-Irvine, Contract # U54AI065359	ASA	190,824
93.RD	University of California-Irvine, Contract #s 20031181, 20051596, 20092109, 20092154, 20092155	UAA	472,327
93.RD	University of California-Los Angeles, Contract # R01 K0034879	ASA	43,213
93.RD	ARRA—University of California-Los Angeles, Contract # R01HD057164	ASA	57,332
93.RD	ARRA—University of California-Los Angeles, Contract # 2000GME793	UAA	156,737
93.RD	University of California-Riverside, Contract #s U01ES016026, R01HD050637	ASA	126,013
93.RD	University of California-San Diego, Contract #s 10154581, 46071, 45VN, ADC031	UAA	49,848
93.RD	University of California-San Francisco, Contract #s 4884SC, 5712SC	UAA	201,872
93.RD	University of California-Santa Cruz, Contract # 1R01GM072003	ASA	1,658
93.RD	ARRA—University of Chicago, Contract # R01 GM078070-35S1	ASA	13,132
93.RD	ARRA—University of Chicago, Contract # 42938D	UAA	98,755
93.RD	University of Colorado, Contract # 05141001	UAA	102,600
93.RD	University of Colorado-Denver, Contract #s 90YF005304, R15NR010632	ASA	120,367
93.RD	ARRA—University of Delaware, Contract # R01 EB004761Z	ASA	107,814
93.RD	ARRA—University of Georgia, Contract # 3P1RR005351	ASA	64,327
93.RD	University of Illinois-Chicago, Contract # R01NR08425	ASA	82,278
93.RD	University of Louisville, Contract #s 07021901, 09047301	UAA	38,792
93.RD	University of Medicine & Dentistry of New Jersey, Contract #s 99705, LTR DTD 013008	UAA	25,643
93.RD	ARRA—University of Miami, Contract # 66623E	UAA	16,379
93.RD	University of Michigan, Contract # 1R01NR009691	ASA	219,597
93.RD	University of Michigan, Contract #s 50000029493000691503RPT07, 50000029493000770476ALIAS, 50000029493001300049PIII, CK2131714, F020114U10CA32102, F020115, F020116U10CA32102, F022762, U10CA32102	UAA	628,180
93.RD	University of Minnesota, Contract #s B6636074301, B6636294201	UAA	113,786
93.RD	University of Minnesota-Twin Cities Campus, Contract # P01TP000301	ASA	5,000
93.RD	University of Mississippi, Contract # 5500101UA	UAA	23,718
93.RD	University of Missouri, Contract # C0006984	UAA	116,958
93.RD	University of Nebraska, Contract #s 3453012037004, 3453012037005	UAA	160,086
93.RD	University of New Mexico, Contract #s N266200500040C;N01AI50040, R03 DA025992	ASA	377,573
93.RD	University of New Mexico, Contract # 3R60M	UAA	75,338
93.RD	University of North Carolina-Chapel Hill, Contract # P01 HD039667	ASA	26,637
93.RD	University of North Texas Health Science Center, Contract # R01 DA023957	ASA	170,229
93.RD	University of North Texas Health Science Center, Contract #s 715122007001, RN00342010001	UAA	170,469
93.RD	University of Pennsylvania, Contract # 547062	UAA	9,696
93.RD	ARRA—University of Pennsylvania, Contract # 553201	UAA	671
93.RD	University of Pittsburgh, Contract #s R01NS050256, R01DA019697, R01MH065368	ASA	441,514
93.RD	University of Pittsburgh, Contract # 0006476	UAA	12,258

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

CFDA/Identifying Number	Federal Grantor/Program Title/Pass-Through Grantor/Contract Number	Grantee (Appendix)	Expenditures
93.RD	University of Rochester, Contract # R24GM084917	ASA	13,103
93.RD	University of Rochester, Contract #s 414439G, 414440G, 414441G, 414442G, 414443G, 414444G,	UAA	798,243
93.RD	University of Southern California, Contract # U54CA143907	ASA	157,233
93.RD	University of Southern California, Contract #s H40019, H43023, H43126	UAA	122,980
93.RD	University of Texas, Contract # 116687	UAA	27,998
93.RD	University of Texas-Austin, Contract # UTA09000869	UAA	37,236
93.RD	University of Texas Health Science Center at Houston, Contract # P01HD048497	ASA	162,972
93.RD	University of Texas Health Science Center at Houston, Contract #s 0004359, UTHSC0000380013	UAA	43,520
93.RD	University of Texas Health Science Center at San Antonio, Contract # Preaward Costs	UAA	15,879
93.RD	University of Texas MD Anderson Center, Contract #s 2409798012715, 2482998018020, 2790398012715, 2866398010478, 2869298018020	UAA	346,931
93.RD	University of Utah, Contract # R21AI078240	ASA	59,459
93.RD	University of Utah, Contract # 2302004	UAA	156,909
93.RD	University of Washington, Contract # R01AI078229	ASA	66,097
93.RD	University of Wisconsin-Madison, Contract # R01MH59785	ASA	81,492
93.RD	University of Wyoming, Contract # R01EB000490	ASA	83,538
93.RD	Valley Fever Therapies, LLC, Contract # LTR DTD 081308	UAA	186,106
93.RD	Vanderbilt University, Contract # R21CA131880	ASA	10,040
93.RD	Vanderbilt University, Contract #s VUMC35107, VUMC35128	UAA	91,538
93.RD	ARRA—Vanderbilt University, Contract #s VUMC35107, VUMC35128	UAA	15,019
93.RD	Washington University, Contract # P60AA011998	ASA	49,927
93.RD	Wistar, Contract # 2420102352	UAA	89,701
93.RD	Yale University, Contract #s R01AA 016662, U01NS044876	ASA	62,336
93.RD	Yale University, Contract #s A06961M08135, A07223M05A00381, A07593M10A10552	UAA	67,402
	Department of Health and Human Services Subtotal		<u>167,759,011</u>
	<u>Social Security Administration</u>		
96.RD	University of Michigan, Contract # 10-M-98362-5-01	ASA	23,499
	Social Security Administration Subtotal		<u>23,499</u>
	<u>Department of Homeland Security</u>		
97.RD	Department of Homeland Security	ASA	460,874
97.RD	Department of Homeland Security	NAA	1,310,838
97.RD	Department of Homeland Security	UAA	2,754,016
97.RD	Federal Emergency Management Agency	UAA	556,324
97.RD	Arizona Geological Survey, Contract # AZ-2008-006	ASA	26,686
97.RD	Arizona Geological Survey, Contract # AZ2008006	UAA	17,208
97.RD	Kutta Consulting, Inc., Contract # NBCHC070060	ASA	95,877
97.RD	SUNY Institute of Technology, Contract # FA8750-09-2-0157	ASA	27,838
97.RD	University of Arizona, Contract # 2008-ST-061-BS0002	ASA	214,426
97.RD	University of Maryland, Contract # Z957001	UAA	7,076
97.RD	University of Minnesota-College of Veterinary Medicine, Contract # 2007-ST-061-000003	ASA	49,559
97.RD	University of Southern California, Contract # 2007-ST-061-000001	ASA	57,074
	Department of Homeland Security Subtotal		<u>5,577,796</u>
	<u>Agency for International Development</u>		
98.RD	Agency for International Development	UAA	327,930
98.RD	Americana Council on Education, Contract #s 523A00060000900, AEGA00050000700	UAA	167,848
98.RD	Oregon State University, Contract # RD011GA	UAA	114,603
98.RD	Virginia Polytechnic Institute, Contract #s 19101425678, 42597619101	UAA	13,889
98.RD	Volunteers In Overseas Cooperative Assistance, Contract # AFPA00040003400	UAA	57,586
	Agency for International Development Subtotal		<u>681,856</u>
	<u>Miscellaneous Federal Agencies</u>		
99.RD	Miscellaneous Federal Government Agencies	ASA	102,066
99.RD	U.S. Government	UAA	196,521
	Miscellaneous Federal Agencies Subtotal		<u>298,587</u>
	Total Research and Development Cluster		<u>\$ 482,832,750</u>
	Total Expenditures of Federal Awards		<u>\$ 16,306,679,861</u>

See accompanying notes to schedule.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2010

Note 1 - Significant Accounting Policies

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

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

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and proprietary funds and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2010; and were accounted for using the modified accrual and full accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles.

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

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

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

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the *2010 Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "Unknown" were used. For programs within the Research and Development Cluster, the two-digit federal agency identifier, a period, and the letters "RD" were used.

State of Arizona
Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2010

Note 3 - Research and Development Cluster

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

Note 4 - Pass-through Grantor Contract Numbers

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

Note 5 - Loan Programs

Only administrative costs incurred for loan programs are included in the schedule. However, OMB Circular A-133, Subpart B, §.205(b), requires that the current-year administrative costs and loan distributions, and the balances of the previous year's outstanding student loans and loan guarantees, also be included for these programs when determining federal awards expended for single audit purposes. Further, Subpart B, §.310(b)(6), requires that loans or loan guarantees outstanding at year-end be included in either the schedule or a note to the schedule. Loans outstanding at June 30, 2010, are described below:

Student Loan Programs

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

Loan Program	CFDA Number	Loans Distributed During the Year	Loan Balances Outstanding at June 30, 2010
Education and Human Resources, Robert Noyce Scholarship Program	47.076	\$ 45,000	\$ 213,750
Trans-NSF Recovery Act Research Support, Robert Noyce Scholarship Program	47.082	60,000	60,000
Federal Perkins Loan Program— Federal Capital Contributions	84.038	3,829,977	26,998,381
Nurse Faculty Loan Program (NFLP)	93.264	703,589	975,786
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	310,015	1,828,847
Nursing Student Loans	93.364	190,553	1,182,010

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In addition, the universities distribute loans from two federal loan programs that are administered by independent third parties. For the year ended June 30, 2010, the universities distributed \$172,392,611 of Federal Family Education Loans (CFDA number 84.032), \$94,735,806 of Plus Loans administered through Federal Direct Student Loans (CFDA number 84.268), and \$412,454,963 of Federal Direct Student Loans (CFDA number 84.268).

Housing Program

The Department of Housing administers the Home Investment Partnerships Program (CFDA number 14.239), which provides loans to municipalities, nonprofit organizations, and individuals to purchase homes and rental properties. The Department distributed \$1,806,234 in loans during fiscal year 2010 and had \$17,316,821 in loan balances outstanding at June 30, 2010.

Note 6 - Food Commodities

Food commodities received by the State are disbursed through distributing agencies. Such commodities are included in the definition of federal awards when distributed and, accordingly, are included in the amounts presented on the schedule. The State's food commodity distributions during fiscal year 2010 totaled \$36,560,876, and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.555	National School Lunch Program	\$24,157,588
10.559	Summer Food Service Program for Children	6,145
10.569	Emergency Food Assistance Program (Food Commodities)	11,238,854
10.569	ARRA—Emergency Food Assistance Program (Food Commodities)	1,158,289

Note 7 - Donation of Federal Surplus Personal Property

The value of the Donation of Federal Surplus Personal Property (CFDA number 39.003) program reported on the schedule is based on a "market basket formula" developed by the U.S. General Services Administration. This market basket formula represents 23.3 percent of the original federal acquisition cost, totaling \$1,814,208 for the year ended June 30, 2010.

Note 8 - Immunization and HIV Grants

The Immunization Cluster (CFDA number 93.268 and CFDA 93.712) expenditures of \$87,896,043 include \$80,691,960 worth of vaccines, and the Public Health Emergency Preparedness (CFDA 93.069) expenditures of \$45,855,716 include \$22,045,670 worth of vaccines. The HIV Care Formula Grants (CFDA number 93.917) expenditures of \$14,640,933

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include \$10,360,756 worth of drugs and medicine supplies. Vaccines administered by the Department of Health Services are included in the definition of federal awards and, accordingly, are included in the amount presented on the schedule.

Note 9 - Unemployment Insurance (CFDA No. 17.225)

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

The amount presented on the schedule consists of the following:

Regular unemployment compensation benefits	\$1,874,401,206
ARRA—Federal Additional Compensation (FAC)	215,613,423
Unemployment compensation for federal employees	7,066,974
Unemployment compensation for ex-service members	5,946,159
Administrative costs	47,795,037
ARRA—Administrative costs	<u>4,582,120</u>
Total expenditures	<u>\$2,155,404,919</u>

Note 10 - Collateralized Loans/Capitalization Grants

The Water Infrastructure Finance Authority (WIFA), a discretely presented component unit on the State's fiscal year 2010 basic financial statements, has entered into capitalization grant agreements with the U.S. Environmental Protection Agency. During fiscal year 2010, the WIFA received capitalization grant monies, including ARRA monies, totaling \$21,159,663 from the Capitalization Grants for Clean Water State Revolving Funds (CFDA number 66.458) program and \$48,778,887 from the Capitalization Grants for Drinking Water State Revolving Funds (CFDA number 66.468) program for deposit into its revolving loan guarantee funds. These amounts are included on the schedule. The total capitalization grants received since the inception of the program were \$199,819,035 and \$184,053,567, respectively, at June 30, 2010.

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Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Type of auditors' report issued on compliance for major programs:
 Unqualified for all major programs except for the SNAP Cluster; Unemployment Insurance; Title I, Part A Cluster; Special Education Cluster (IDEA); Vocational Rehabilitation Cluster; Educational Technology State Grants Cluster; Improving Teacher Quality State Grants; Public Health Emergency Preparedness, which were qualified.

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

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	SNAP Cluster
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.228/14.255	CDBG—State-Administered Small Cities Program Cluster
16.803	Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories

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<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
17.225	Unemployment Insurance
17.258/17.259/17.260	WIA Cluster
20.205/20.219	Highway Planning and Construction Cluster
20.509	Formula Grants for Other Than Urbanized Areas
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
81.042	Weatherization Assistance for Low-Income Persons
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/84.392	Special Education Cluster (IDEA)
84.126/84.390	Vocational Rehabilitation Cluster
84.318/84.386	Educational Technology State Grants Cluster
84.367	Improving Teacher Quality State Grants
84.394/84.397	State Fiscal Stabilization Fund Cluster
93.069	Public Health Emergency Preparedness
93.268/93.712	Immunization Cluster
93.558/93.716	TANF Cluster
93.563	Child Support Enforcement
93.569/93.710	CSBG Cluster
93.658	Foster Care—Title IV-E
93.767	Children's Health Insurance Program
93.775/93.777/93.778	Medicaid Cluster
96.001	Disability Insurance/SSI Cluster
97.067	Homeland Security Cluster
R&D	Research and Development Cluster

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

Auditee qualified as low-risk auditee? ___ X

Other Matters

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

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Financial Statement Findings

10-01

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

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

Condition and context: The Director of the Department is responsible for establishing and maintaining the State's accounting systems and preparing accurate and timely financial reports, including the State's Comprehensive Annual Financial Report (CAFR). In accordance with Arizona Revised Statutes (A.R.S.) §41-703, the Director has the authority to promulgate rules, regulations, and procedures to carry out his responsibilities. Further, A.R.S. §35-131(I) requires state agencies and other organizations included in the State's reporting entity to submit all necessary financial information to the Department in accordance with its policies and procedures. However, those statutes did not include provisions to enforce compliance, and, as a result, state agencies and other organizations did not always comply with the established deadlines. To illustrate, state agencies and other organizations audited by contract auditors had a November 29, 2010, deadline to submit their audited financial statements; only four met this deadline, and the other eight submitted their audited financial statements from December 1, 2010 to February 18, 2011.

Effect: Since various state agencies and other organizations did not comply with state statutes or department rules and regulations, the State did not issue its CAFR by its December 31, 2010, deadline. Delays in financial reporting may result in rating agencies lowering the State's ratings for bonds and certificates of participation. This finding is a significant deficiency in internal control over financial reporting.

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

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

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

This finding is similar to a prior-year finding.

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10-02

The Department of Economic Security should prepare accurate financial statements

Criteria: The Department of Economic Security should have adequate internal controls to help ensure that amounts reported in the unemployment insurance fund's financial statements are accurate and properly classified in accordance with generally accepted accounting principles.

Condition and context: The unemployment insurance fund's financial statements and supporting schedules were not always accurate and complete. While testing the amounts reported on the financial statements, auditors noted the Department did not properly classify accrued liabilities and employers' unemployment insurance contributions revenues, and overstated other revenues and other expenses. Additionally, the Department understated accounts receivable and overstated cost of sales and benefits. Specifically, when a Federal Additional Compensation (FAC) program overpayment is identified, the Department is required to record an accounts receivable and reduce the claimant's future benefits. However, the Department did not record the accounts receivable and reduce the cost of sales and benefits expenses to properly account for FAC program overpayments.

Effect: The errors caused the following misstatements in the unemployment insurance fund's financial statements:

- Accrued liabilities were overstated and employers' unemployment insurance contributions were understated by \$1,409,000.
- Other revenues and other expenses were overstated by \$106,931,000.
- Accounts receivable and unemployment benefits payable were overstated by \$1,789,000.
- Accounts receivable was understated and cost of sales and benefits was overstated by \$6,713,291.

The Department adjusted its financial statements for the errors noted above. This finding is a material weakness in internal control over financial reporting.

Cause: The Department did not identify that the financial accounting system incorrectly rejected a report and established an accrued liability for an employer's payment of \$1,409,000. The \$106,931,000 misstatement was caused by an adjustment based on information not readily available from the accounting system that was posted in error. Finally, the unemployment insurance benefits payment system did not have the capability to establish, track, or report FAC overpayments causing the other misstatements.

Recommendation: To help ensure that financial statements of the unemployment insurance fund are accurate and complete, the Department should perform the following procedures:

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- Strengthen and follow written procedures for compiling the information and preparing the financial statements and accompanying notes. These procedures should include detailed instructions for obtaining information from the unemployment insurance accounting systems, as well as obtaining information not readily available from the accounting system but necessary for financial statement preparation.
- Develop a method to establish, track, and report FAC overpayments.

10-03

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

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

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

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

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

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

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

This finding is similar to a prior-year finding.

State of Arizona
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10-04

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

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

Condition and context: While performing test work over access controls to the Department's computerized financial information systems, auditors noted the Department did not always retain documentation to support its review and approval of users' access rights. For example, for 2 of 14 employees selected for test work, the Department was unable to provide documentation authorizing the employees' access and approval of those rights by a supervisor. Also, the Department did not terminate two users' access rights after the employees separated from the Department as required by the Department's policies and procedures. In addition, the Department did not actively monitor database administrators with elevated user access privileges.

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

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

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

This finding is similar to a prior-year finding.

10-05

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

Criteria: The Department of Revenue should have effective controls to record and report all income tax revenue of the State.

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

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

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

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

This finding is similar to a prior-year finding.

10-06

The Department of Revenue should better protect its computer network

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

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

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

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

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

This finding is similar to a prior-year finding.

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10-07

Arizona State University should strengthen controls over payroll expenses

Criteria: The University needs to have strong internal controls over payroll expenses to help ensure employees are accurately paid and to accurately record and report payroll expenses. Further, since payroll processing functions are decentralized at the University, the internal controls should include adequate monitoring and training to ensure compliance with established policies and procedures.

Condition and context: The University's payroll and related expenses comprise over \$881 million, or approximately 58 percent, of its total expenses. Payroll processing at the University is decentralized since some key internal control functions are performed by university departments. During fiscal year 2010, the University improved existing policies and procedures for processing, monitoring, and verifying payroll expenses. However, when obtaining an understanding of the University's internal control over payroll expenses and testing those controls, auditors noted the following deficiencies:

- For 8 of 71 university departments where employees were selected for test work, the departments either did not prepare a monthly detailed reconciliation of payroll expenses for each employee or did not correctly prepare the reconciliation in accordance with the University's policies. In addition, four of these departments did not ensure that amounts paid to employees agreed to the employment contracts.
- For 5 of 92 employees selected for test work, the employee was paid or reimbursed for employment-related expenses in excess of the amount specified in the employment contract, offer letter, or other official documentation maintained in the personnel file. Further, these overpayments were not identified by the University and were not included in the listing used to monitor overpayments.
- Leave requests for employees were not always reviewed and monitored at the department level. In addition, the leave requests were not always retained to support vacation and sick leave taken on time sheets.
- For 2 of 71 departments where employees were selected for test work, time sheets for hourly employees were approved by employees who did not have firsthand knowledge of the actual time worked.
- Payroll overpayments identified by departments or reported by the employees themselves were not consolidated in a timely manner and monitored centrally. As a result, the University was unable to determine recurring reasons for overpayments and identify potential internal control deficiencies.

Effect: The lack of effective internal controls over payroll expenses may result in misstating the financial statements or paying employees wrong amounts. In addition, it also increases the risk of fraudulent payroll transactions occurring and not being detected. This finding is a significant deficiency in internal control over financial reporting.

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Cause: Since the payroll processing function is decentralized, individual departments did not always follow payroll policies, and the University did not effectively monitor the decentralized payroll functions.

Recommendation: To help ensure employees are accurately paid and that payroll expenses are accurately recorded and reported, the University should:

- Ensure that all departments prepare detailed monthly reconciliations of each employee's payroll expenses in accordance with the University's policies.
- Improve controls over payroll to ensure that payroll data reflected in the payroll system is supported by the contract, offer letter, or other official documentation maintained in the personnel files.
- Require departments to follow established policies and procedures to ensure that leave requests for employees are reviewed, monitored, and retained to support hours worked.
- Ensure that departments are aware of and follow guidelines for verifying and approving time recorded by employees.
- Monitor the overpayment listing centrally to help ensure accuracy, completeness, and timely collection of overpayments as well as to identify potential internal control weaknesses.
- Ensure all departmental personnel responsible for payroll functions are instructed as to the University's current policies and procedures.

This finding is similar to a prior-year finding.

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Other auditors' findings:

The other auditors who audited the Water Infrastructure Finance Authority reported the following material weakness.

10-08

Closing Procedures for the End of Year

Criteria: The design and operation of the components of internal control over financial reporting should reduce to a relatively low level the risk that misstatements caused by error in the amounts that would be material to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Condition and context: Significant audit adjustments were required relating to loans receivable and interest payable.

Effect: Assets were understated, liabilities were overstated and expenses were overstated, resulting in two adjustments significant to the financial statements.

Cause: Controls relating to proper closing procedures and timely oversight over the process were not effective.

Recommendation: We recommend that management strengthen its policies and procedures over the year-end closing process to ensure all accounts were accurately adjusted.

Management's response: Fiscal year 2010 was only the Authority's second year operating in its new, all inclusive software program (LGTS). The software is a database, not an accounting program. The developers have tried to automate as many functions as possible. However, some functions that would be routine in a typical computer accounting system, require user entries in LTGS. This includes both accrual entries and closing entries. A bug in the program caused LGTS to ignore the fact that a new bond issue had taken place during the year when it calculated the interest payable. This has been addressed with the developers. All receivable entries must be calculated and keyed by the users. Management has instituted a checklist document to be used at the roll over from one fiscal year to the next. This will ensure that all bond issues, new and old are included in the interest payable calculation in future years. The document will also serve as a double check to ensure that all receivable entries are made and to verify the accuracy of those entries. The Authority is also continuing to work with the software developers to further automate year end and roll over transactions.

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Federal Award Findings and Questioned Costs

10-101

SNAP Cluster:

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

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

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

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

Award Number: 7AZ400AZ4

Child Nutrition Cluster:

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

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

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

Award Numbers: 7AZ300AZ3

CFDA No.: 10.557 **Special Supplemental Nutrition Program for Women, Infants, and Children**

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

Award Numbers: 2009IW100347 and 2010IW100347

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

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

Award Numbers: 7AZ300AZ3

U.S. Department of Agriculture

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

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

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

Award Numbers: Various

U.S. Department of Defense

CDBG—State-Administered Small Cities Program Cluster:

CFDA No.: 14.228 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii**

14.255 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)**

Award Period: July 1, 2004 through June 30, 2010
March 11, 2009 through March 11, 2011
June 24, 2009 through December 30, 2012

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Award Numbers: B-04-DC-04-0001, B-05-DC-04-0001, B-06-DC-04-0001, B-07-DC-04-0001, B-08-DC-04-0001, B-08-DN-04-0001, B-09-DC-04-0001, and B-09-DY-04-0001

U.S. Department of Housing and Urban Development

CFDA No.: 16.803 **Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories**

Award Period: March 1, 2009 through February 28, 2013

Award Number: 2009-SU-B9-0029

U.S. Department of Justice

WIA Cluster:

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

17.258 **ARRA—WIA Adult Program**

17.259 **WIA Youth Activities**

17.259 **ARRA—WIA Youth Activities**

17.260 **WIA Dislocated Workers**

17.260 **ARRA—WIA Dislocated Workers**

Award Period: April 1, 2007 through June 30, 2010

April 1, 2008 through June 30, 2011

April 1, 2009 through June 30, 2012

Award Numbers: AA-16015-07-55-A-4, AA-17107-08-55, and AA-18266-09-55

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2007 through September 30, 2010

October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55

U.S. Department of Labor

Highway Planning and Construction Cluster:

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

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Award Period: Various

Award Numbers: Various

U.S. Department of Transportation

CFDA No.: 66.468 **Capitalization Grants for Drinking Water State Revolving Funds**

66.468 **ARRA—Capitalization Grants for Drinking Water State Revolving Funds**

Award Period: July 1, 2007 through June 30, 2013

April 1, 2008 through June 30, 2013

October 1, 2008 through June 30, 2013

October 1, 2009 through June 30, 2014

Award Numbers: FS999902-07, FS999902-08, FS999902-09, and 2F00T058-09

Environmental Protection Agency

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CFDA No.: 81.042 **Weatherization Assistance for Low-Income Persons**
81.042 **ARRA—Weatherization Assistance for Low-Income Persons**

Award Period: July 1, 2006 through June 30, 2011
April 1, 2009 through March 31, 2012

Award Numbers: DE-FG26-06R021677 and DE-EE0000112

U.S. Department of Energy

Title I, Part A Cluster:

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A90007, and H392A90003

Vocational Rehabilitation Cluster:

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

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010

Award Numbers: H126A8000208, H126A9000209, H126A1000210, and H390A090002

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

State Fiscal Stabilization Fund Cluster:

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

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

Award Numbers: S394A09003, S394A09003A, S397A09003, and S397A09003A

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CFDA No.: 84.367 Improving Teacher Quality State Grants

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Immunization Cluster:

CFDA No.: 93.268 **Immunization Grants**
93.712 **ARRA—Immunization**

Award Period: January 1, 2009 through December 31, 2009
January 1, 2010 through December 31, 2010
September 1, 2009 through December 31, 2011

Award Numbers: 5H231P922545-07, 5H231P922545-08, 3H231P922545-07S1, 3H231P922545-07S2, and 3H231P922545-07S3

TANF Cluster:

CFDA No.: 93.558 **Temporary Assistance for Needy Families**
93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010

Award Numbers: G0802AZTANF, G0902AZTANF, and G1001AZTANF

Medicaid Cluster:

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

Award Period: October 27, 2006 through September 30, 2011

Award Number: 11-W-0032/09

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Award Period: August 10, 2008 through August 09, 2009
July 31, 2009 through July 30, 2010
August 10, 2009 through August 09, 2010

Award Numbers: 5U90TP916987-09, 5UP90TP916987-10, and 1H75TP000334-01

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

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

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
January 1, 2009 through September 30, 2009
October 1, 2009 through September 30, 2010

Award Numbers: 0801AZ1401, 0901AZ1401, 0901AZ1402, 1001AZ1401, and 1001AZ1402

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

Award Period: October 27, 2006 through September 30, 2011

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Award Number: 21-W-0009/9

U.S. Department of Health and Human Services

Homeland Security Cluster:

CFDA No.: 97.067 **Homeland Security Grant Program**

Award Period: July 1, 2006 through June 30, 2009

July 1, 2007 through June 30, 2010

September 1, 2008 through August 31, 2011

July 1, 2009 through June 30, 2012

August 1, 2009 through July 31, 2012

Award Numbers: 2006-GE-T6-4007, 2007-GE-T7-0006, 2008-GE-T8-0021, 2008-SG-T8-0007, 2009-SS-T9-0016, and 2009-SJ-T9-0006

U.S. Department of Homeland Security

Allowable Costs/Cost Principles

Questioned Cost: \$554,693

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

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

Effect: During fiscal year 2010, these charges totaled \$554,693, including \$270,505 for the major federal programs listed above and \$284,188 for all other federal programs. This finding is noncompliance with the allowable costs/cost principles requirements and could potentially affect all federal programs administered by the affected state agencies that incurred payroll costs.

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

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

This finding is similar to a prior-year finding.

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SNAP Cluster:

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

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

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

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

Award Number: 7AZ400AZ4

Child Nutrition Cluster:

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

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

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

Award Number: 7AZ300AZ3

CFDA No.: 10.557 **Special Supplemental Nutrition Program for Women, Infants, and Children**

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

Award Numbers: 2009IW100347 and 2010IW100347

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

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

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

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

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

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

Award Numbers: Various

U.S. Department of Defense

CDBG—State-Administered Small Cities Program Cluster:

CFDA No.: 14.228 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii**

14.255 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)**

Award Period: July 1, 2004 through June 30, 2010
March 11, 2009 through March 11, 2011
June 24, 2009 through December 30, 2012

Award Numbers: B-04-DC-04-0001, B-05-DC-04-0001, B-06-DC-04-0001, B-07-DC-04-0001, B-08-DC-04-0001, B-08-DN-04-0001, B-09-DC-04-0001, and B-09-DY-04-0001

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U.S. Department of Housing and Urban Development

CFDA No.: 16.803 **Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/
Grants to States and Territories**

Award Period: March 1, 2009 through February 28, 2013

Award Number: 2009-SU-B9-0029

U.S. Department of Justice

WIA Cluster:

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

17.258 **ARRA—WIA Adult Program**

17.259 **WIA Youth Activities**

17.259 **ARRA—WIA Youth Activities**

17.260 **WIA Dislocated Workers**

17.260 **ARRA—WIA Dislocated Workers**

Award Period: April 1, 2007 through June 30, 2010

April 1, 2008 through June 30, 2011

April 1, 2009 through June 30, 2012

Award Numbers: AA-16015-07-55-A-4, AA-17107-08-55, and AA-18266-09-55

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2007 through September 30, 2010

October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55

U.S. Department of Labor

Highway Planning and Construction Cluster:

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

20.205 **ARRA—Highway Planning and Construction**

20.219 **Recreational Trails Program**

Award Period: Various

Award Numbers: Various

U.S. Department of Transportation

CFDA No.: 66.468 **Capitalization Grants for Drinking Water State Revolving Funds**

66.468 **ARRA—Capitalization Grants for Drinking Water State Revolving Funds**

Award Period: July 1, 2007 through June 30, 2013

April 1, 2008 through June 30, 2013

October 1, 2008 through June 30, 2013

October 1, 2009 through June 30, 2014

Award Numbers: FS999902-07, FS999902-08, FS999902-09, and 2F00T058-09

Environmental Protection Agency

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CFDA No.: 81.042 **Weatherization Assistance for Low-Income Persons**
81.042 **ARRA—Weatherization Assistance for Low-Income Persons**
Award Period: July 1, 2006 through June 30, 2011
April 1, 2009 through March 31, 2012
Award Numbers: DE-FG26-06R021677 and DE-EE0000112
U.S. Department of Energy

Title I, Part A Cluster:

CFDA No.: 84.010 **Title I Grants to Local Educational Agencies**
84.389 **Title I Grants to Local Educational Agencies, Recovery Act**
Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010
Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

CFDA No.: 84.027 **Special Education—Grants to States**
84.173 **Special Education—Preschool Grants**
84.391 **Special Education Grants to States, Recovery Act**
84.392 **Special Education—Preschool Grants, Recovery Act**
Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010
Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A90007, and H392A90003

Vocational Rehabilitation Cluster:

CFDA No.: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States**
84.390 **Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act**
Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: H126A8000208, H126A9000209, H126A1000210, and H390A090002

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**
Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010
Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

State Fiscal Stabilization Fund Cluster:

CFDA No.: 84.394 **State Fiscal Stabilization Fund (SFSF)—Education State Grants, Recovery Act**
84.397 **State Fiscal Stabilization Fund (SFSF)—Government Services, Recovery Act**
Award Period: June 4, 2009 through September 30, 2011

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Award Numbers: S394A09003, S394A09003A, S397A09003, and S397A09003A

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

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

July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Immunization Cluster:

CFDA No.: 93.268 **Immunization Grants**

93.712 **ARRA—Immunization**

Award Period: January 1, 2009 through December 31, 2009

January 1, 2010 through December 31, 2010

September 1, 2009 through December 31, 2011

Award Numbers: 5H231P922545-07, 5H231P922545-08, 3H231P922545-07S1, 3H231P922545-07S2, and 3H231P922545-07S3

TANF Cluster:

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

93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

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

October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: G0802AZTANF, G0902AZTANF, and G1001AZTANF

Medicaid Cluster:

CFDA No.: 93.775 **State Medicaid Fraud Control Units**

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

Medicare

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

Award Period: October 27, 2006 through September 30, 2011

Award Number: 11-W-0032/09

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Award Period: August 10, 2008 through August 09, 2009

July 31, 2009 through July 30, 2010

August 10, 2009 through August 09, 2010

Award Numbers: 5U90TP916987-09, 5UP90TP916987-10, and 1H75TP000334-01

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

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

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

October 1, 2008 through September 30, 2009

January 1, 2009 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: 0801AZ1401, 0901AZ1401, 0901AZ1402, 1001AZ1401, and 1001AZ1402

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

Award Period: October 27, 2006 through September 30, 2011

Award Number: 21-W-0009/9

U.S. Department of Health and Human Services

Homeland Security Cluster:

CFDA No.: 97.067 **Homeland Security Grant Program**

Award Period: July 1, 2006 through June 30, 2009

July 1, 2007 through June 30, 2010

September 1, 2008 through August 31, 2011

July 1, 2009 through June 30, 2012

August 1, 2009 through July 31, 2012

Award Numbers: 2006-GE-T6-4007, 2007-GE-T7-0006, 2008-GE-T8-0021, 2008-SG-T8-0007, 2009-SS-T9-0016, and 2009-SJ-T9-0006

U.S. Department of Homeland Security

Allowable Costs/Cost Principles

Questioned Cost: Unknown

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

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

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

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

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

10-103

SNAP Cluster:

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

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

Award Number: 7AZ400AZ4

U.S. Department of Agriculture

WIA Cluster:

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

Award Period: April 1, 2007 through June 30, 2010
April 1, 2008 through June 30, 2011
April 1, 2009 through June 30, 2012

Award Numbers: AA-16015-07-55-A-4, AA-17107-08-55, and AA-18266-09-55

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Award Period: October 1, 2007 through September 30, 2010
October 1, 2008 through September 30, 2011
October 1, 2009 through September 30, 2012

Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55

U.S. Department of Labor

Vocational Rehabilitation Cluster:

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

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

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Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: H126A8000208, H126A9000209, H126A1000210, and H390A090002
U.S. Department of Education

TANF Cluster:
CFDA No.: 93.558 **Temporary Assistance for Needy Families**
93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: G0802AZTANF, G0902AZTANF, and G1001AZTANF

CSBG Cluster:
CFDA No.: 93.569 **Community Services Block Grant**
93.710 **ARRA—Community Services Block Grant**

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: G-08B1AZCOSR, G-09B1AZCOSR, G-0901AZCOS2, and G-10B1AZCOSR

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

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: G0804AZ4004, G0904AZ4004, G1004AZ4004, G0904AZ4002, and G1004AZ4002

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

Award Period: October 1, 2007 through September 30, 2008
October 1, 2008 through September 30, 2009
January 1, 2009 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: 0801AZ1401, 0901AZ1401, 0901AZ1402, 1001AZ1401, and 1001AZ1402

U.S. Department of Health and Human Services

Disability Insurance/SSI Cluster:
CFDA No.: 96.001 **Social Security—Disability Insurance**

Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Numbers: 010904AZD100 and 011004AZD100

Social Security Administration

Allowable Costs/Cost Principles

Questioned Cost: \$19,967

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Criteria: In accordance with 2 CFR §225, Appendix B, 15.b.(5), equipment and other capital expenditures are unallowable as indirect costs; however, they are allowable only through depreciation or use allowances.

Condition and context: The Department of Economic Security allocated capital expenditures to federal programs. Specifically, auditors scanned the Department's financial records and noted that the Department charged two capital assets totaling \$19,967 to an indirect cost pool that was subsequently allocated to various federal programs.

Effect: Allocating capital expenditures to indirect cost pools can result in unallowable costs, duplication of costs if depreciation is also charged, and noncompliance with cost principles. During fiscal year 2010, auditors determined that known charges totaled \$19,967, divided among \$16,894 for the major programs listed above and \$3,073 for nonmajor federal programs. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding results in noncompliance with allowable costs/cost principles requirements for the programs listed above.

Cause: The Department inadvertently charged two capital equipment items to a cost allocation pool that was subsequently allocated to federal programs.

Recommendation: The Department should ensure that the purchase costs of capital equipment items are not allocated to federal programs when purchased, but rather allocated through depreciation expense or use allowances over their useful lives.

This finding is similar to a prior-year finding.

10-104
SNAP Cluster:
CFDA No.: 10.551 **Supplemental Nutrition Assistance Program**
10.561 **State Administrative Matching Grants for Supplemental Nutrition Assistance Program**
10.561 **ARRA—State Administrative Matching Grants for Supplemental Nutrition Assistance Program**
Award Period: October 1, 2008 through September 30, 2009
October 1, 2009 through September 30, 2010
Award Number: 7AZ400AZ4
U.S. Department of Agriculture

Special Tests and Provisions

Questioned Cost: \$20,936

Criteria: In accordance with 7 CFR §274.12(h)(3), the Department of Economic Security must adhere to control and security procedures with respect to electronic benefits transfer (EBT) cards. In accordance with 7 CFR §273.2(a)(2), (b)(2), and (f), the case files for recipients receiving nutrition assistance must support eligibility and benefit-level determinations.

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Condition and context: The Department of Economic Security, Division of Benefits and Medical Eligibility (Division), Family Assistance Administrative (FAA) Offices, did not always follow internal control policies and procedures for safeguarding EBT cards for the Supplemental Nutrition Assistance Program. Auditors performed observations at 10 of 79 FAA offices in June 2010 and noted the following deficiencies at 3 offices:

- In 2 offices, the EBT card issuance log was not completed.
- In 2 offices, blank EBT cards were not properly secured.
- In 2 offices, the daily reconciliations of EBT cards issued and remaining were not always prepared.

Additionally, the Division did not ensure all required documentation was included in case files for supplemental nutrition assistance recipients and all recipient information was accurately transferred into the eligibility verification system. Auditors identified errors or lack of documentation in 22 of the 60 recipient case files tested:

- For 7 of 60 recipients tested, auditors noted the case files did not include income or expense verification documents used for determining benefit amounts, which resulted in benefit overpayments of \$17,051 for the benefit period.
- For 5 of 60 recipients tested, the income or expense amounts were entered incorrectly into the eligibility verification system, which resulted in benefit overpayments of \$2,160 for the benefit period.
- For 2 of 60 recipients tested, the income or expense amounts were entered incorrectly into the eligibility verification system, which resulted in benefit underpayments of \$138 for the benefit period.
- For 8 of 60 recipients tested, the case files did not include income or expense verification documents or the amounts were entered incorrectly into the eligibility verification system; however, the benefit payments were not affected for the benefit period.

Further, during the period of July 1, 2009 through June 30, 2010, the Division identified one instance of an employee manipulating the eligibility verification system to block the closure of a family member's case, which resulted in nutrition assistance/benefits fraud totaling \$1,725.

Effect: Not adhering to policies and procedures leaves the Division vulnerable to potential fraud, waste, and abuse. Further, assistance may be granted to ineligible recipients, or incorrect benefit determinations could be made that may result in over- or underpayments to recipients. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the Cluster's special tests and provisions requirements. This finding affected only the Supplemental Nutrition Assistance Program since the finding did not affect administrative monies.

State of Arizona
Schedule of Findings and Questioned Costs
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Cause: The Division did not adequately monitor the local offices to ensure that they were following established procedures. Further, the Division did not follow its policies and procedures to retain adequate verification documentation and to properly transfer recipient information into the eligibility verification system at the local offices.

Recommendation: The Division should follow the procedures listed below to help ensure compliance with special tests and provision requirements:

- Monitor adherence to and enforce its internal control policies and procedures for safeguarding EBT cards at its FAA Offices.
- Retain its supplemental nutrition assistance recipients' verification documentation to support benefit authorizations.
- Document all required information in the eligibility verification system to help ensure that benefits are accurately calculated.

This finding is similar to a prior-year finding.

<p>10-105 CFDA No.: 17.225 Unemployment Insurance 17.225 ARRA—Unemployment Insurance Award Period: October 1, 2007 through September 30, 2010 October 1, 2008 through September 30, 2011 October 1, 2009 through September 30, 2012 Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55 U.S. Department of Labor</p> <p>Reporting</p>	<p>Questioned Cost: None</p>
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Criteria: In accordance with 29 CFR §97.20(b)(1), (2), and (6), the Department of Economic Security must report financial information through authorized reports, in accordance with instructions from the federal agency, and report information that agrees to its financial records.

Condition and context: The Department did not accurately prepare or provide support for various Unemployment Insurance reports submitted during fiscal year 2010. Auditors noted errors in 9 of the 16 reports tested. Specifically, auditors noted the following:

Financial Services Administration (FSA)

- For 2 of 6 quarterly ETA 9130—Financial Status Reports tested, the FSA omitted encumbrance or program income amounts. Specifically, the FSA omitted \$137,103 of encumbrances on its June 30, 2010, report for award number UI-19569-10-55, and omitted \$7,830 of program income on its June 30, 2010, report for one of its UI-18007-09-55 awards.

State of Arizona
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Division of Employment and Rehabilitation Services (DERS)

- For 2 of 4 quarterly ETA 227—Overpayment Detection and Recovery Activities reports tested, the DERS could not support the amounts reported. Specifically, on its December 31, 2009, report, the DERS could not support the amounts reported for Additions—UCFE/UCX Fraud of \$9,086 and Subtractions—UI Fraud of \$258,982. In addition, on its June 30, 2010, report, the DERS could not support the amounts reported for Additions—UCFE/UCX Fraud of \$15,690 and Additions—UI Fraud of \$731,474.
- For 1 of 2 quarterly ETA 2208A—Quarterly UI Contingency reports, the DERS could not support amounts reported. Specifically, the DERS was unable to provide supporting documentation for its June 30, 2010, quarterly report for the amounts reported for Quarterly Staff Years Worked Support/AS&T of 106.49, Quarterly Staff Years Paid Support/AS&T of 113.06, Year-to-Date Staff Years Paid Claims Activity of 575.56, Employer Activities of 119.58, and Support/AS&T of 134.56.

Further, auditors tested two of each of the following reports and noted the DERS was unable to provide supporting documentation for various financial data reported, as follows:

- On its December 31, 2009 and June 30, 2010, quarterly ETA 581—Contribution Operations reports, the DERS could not support amounts reported for Liquidated Contributory Employers Receivables of \$1,342,549 and \$8,011,600, respectively. In addition, on its December 31, 2009, report, the DERS could not support the amounts reported for Liquidated Reimbursing Employers Receivables of \$1,179,879 and Total Wages Audited—Post-Audit of \$444,401,656.
- On its December 31, 2009 and June 30, 2010, quarterly ETA 191—Financial Status of UCFE/UCX reports, the DERS could not support the amounts reported for Restoration of Overpayments—UCX of \$3,066 and \$4,634, respectively. In addition, on its December 31, 2009, report, the DERS could not support the amounts reported for Penalties and Interest—UCX of \$1,420.

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

Cause: The FSA did not adequately implement procedures to ensure that all relevant financial data was included on the ETA 9130 reports. As a result of some programming deficiencies in system-generated reports, the DERS made unsupported manual adjustments to the ETA 581 and ETA 227 reports to accurately report ending balances. In addition, reviews did not identify errors on the ETA 2208A or ETA 191 reports.

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

- Require documentation to be retained to support the amounts reported.

State of Arizona
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- Establish a detailed review process to help ensure federal reports are complete and accurate before they are submitted to the U.S. Department of Labor.

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

This finding is similar to a prior-year finding.

10-106

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2007 through September 30, 2010

October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55

U.S. Department of Labor

Special Tests and Provisions

Questioned Cost: \$6,713,291

Criteria: In accordance with the American Recovery and Reinvestment Act (ARRA), Public Law 111-5, and the Supplemental Appropriations Act of 2008, Public Law 110-252, the Department of Economic Security should require individuals to repay the amounts or offset overpayments from future benefit payments when they have received compensation to which they were not entitled.

Condition and context: The Department of Economic Security, Division of Employment and Rehabilitation Services (Division), failed to recover Federal Additional Compensation (FAC) benefit payments resulting from fraud and overpayments. Specifically, the Division did not record the FAC overpayments on its financial accounting system. As a result, the Division did not recover the overpayments from individuals through repayment or reducing future benefit payments. Auditors noted that receivables totaling \$6,713,291 for FAC overpayments should have been recorded as of June 30, 2010.

Effect: Failure to record the FAC overpayments inhibits the Division's ability to notify the appropriate individuals of their overpayment and recover the overpayments. Also, as discussed in financial statement finding 10-02, this resulted in a material weakness in internal control over financial reporting. This finding is a material weakness in internal control over compliance and material noncompliance with the programs' special tests and provisions requirements.

Cause: The Division did not implement the necessary software changes in the financial accounting system to record FAC overpayments.

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Recommendation: The Division should implement the necessary software changes to record the FAC overpayments. In addition, the Division should recover the overpayments from individuals through repayment or reducing future benefit payments.

10-107

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Award Period: October 1, 2007 through September 30, 2010

October 1, 2008 through September 30, 2011

October 1, 2009 through September 30, 2012

Award Numbers: UI-16733-08-55, UI-18007-09-55, and UI-19569-10-55

U.S. Department of Labor

Eligibility

Questioned Cost: \$148

Criteria: In accordance with 20 CFR §§604.3(a), 615.8(g), and 602, Appendix A, §6013(A)(3) and (B), the Department of Economic Security is required to obtain sufficient information and document eligibility determinations to help ensure unemployment compensation is paid only to an individual who is able to work and available for work for the week for which unemployment compensation is claimed.

Condition and context: The Department of Economic Security, Division of Employment and Rehabilitation Services (Division), did not adequately document eligibility information for Unemployment Insurance benefits paid to 3 of 60 claimants tested. Specifically, for 2 claimants, auditors noted that the eligibility reviewer determined that the claimants were eligible but did not document the basis for approving eligibility. In addition, for 1 claimant, auditors noted that an extended benefit claimant received benefits without providing evidence of their work search. This resulted in \$148 in questioned costs; \$25 of the total was from the ARRA—Unemployment Insurance program.

Effect: Failure to adequately document eligibility information can result in ineligible claimants receiving Unemployment Insurance benefits. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the programs' eligibility requirements.

Cause: The Division did not always follow its policies and procedures to document the basis for eligibility determinations, and the Division erroneously paid a claimant without obtaining work search information.

Recommendation: The Division should enforce its policies and procedures to help ensure compliance with eligibility requirements:

- Document the basis for eligibility and benefit determinations and retain documentation in the claimant's file.
- Require documentation of a claimant's work search prior to approving extended benefits.

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10-108

Vocational Rehabilitation Cluster:

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

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

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

October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: H126A8000208, H126A9000209, H126A1000210, and H390A090002

U.S. Department of Education

Eligibility

Questioned Cost: None

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

Condition and context: The Department of Economic Security, Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not always follow its policies and procedures to ensure compliance with eligibility requirements. While performing test work, auditors noted the Administration did not always determine the applicant's eligibility for vocational rehabilitation services within 60 days of the application submission date. Specifically, for 11 of 40 applications tested, it took the Administration between 71 and 800 days to determine if the applicants were eligible for the program or close the case. In addition, the Administration did not retain documentation indicating why the 60-day period was exceeded with either an extension letter signed by both the Administration and applicant or the Administration's continued exploration of the applicant's abilities, capabilities, and capacity to perform in work situations.

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

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

Recommendation: The Administration should ensure its employees adhere to the policies and procedures for determining an applicant's eligibility within 60 days of the application submission date. If an applicant's eligibility cannot be determined within 60 days, the Administration should maintain documentation indicating justification for exceeding the 60-day period.

This finding is similar to a prior-year finding.

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10-109

TANF Cluster:

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

93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

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

October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: G0802AZTANF, G0902AZTANF, and G1001AZTANF

U.S. Department of Health and Human Services

Eligibility

Questioned Cost: None

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

Condition and context: The Department of Economic Security, Division of Benefits and Medical Eligibility (Division), records and stores eligibility information and supporting documents for participants on its eligibility verification system and a document management system. However, the Division did not always ensure that eligibility information and documentation were properly recorded on these systems. Specifically, for 6 of 60 case files tested, documentation supporting citizenship, guardianship, or notification of a child's absence was not retained, and for one of these cases, no documentation was retained.

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

Cause: The Division did not follow its policies and procedures to ensure that eligibility data was properly recorded in the eligibility verification system or the document management system, and the Division's procedure to review a random sample of cases each month did not identify these errors.

Recommendation: The Division should ensure that all case workers are aware of and follow policies and procedures to maintain eligibility documentation on the Division's automated systems.

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10-110

TANF Cluster:

CFDA No.: 93.558 Temporary Assistance for Needy Families

93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants

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

October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: G0802AZTANF, G0902AZTANF, and G1001AZTANF

U.S. Department of Health and Human Services

Reporting

Questioned Cost: N/A

Criteria: In accordance with 45 CFR §265.9(c)(5), the total number of eligible families served for which maintenance of effort (MOE) expenditures are claimed at fiscal year-end must be reported on the Annual Report on State Maintenance-of-Effort Programs.

Condition and context: The Department of Economic Security did not retain documentation to support the total number of families for which MOE expenditures were claimed. Specifically, the Department recreated the support for the auditors but was unable to support 1,316 families who were reported on the Annual Report on State Maintenance-of-Effort Programs during fiscal year 2010. Further, auditors were unable to determine that the report was reviewed and approved.

Effect: Incorrect data was potentially submitted to the federal government. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's reporting requirements.

Cause: The Department did not retain supporting documentation or the original report evidencing its review and approval.

Recommendation: The Department should adopt the following policies and procedures to help ensure compliance with reporting requirements:

- Retain supporting documentation for all federal reports submitted.
- Require supervisors to review federal reports and underlying data.
- Retain an approved copy of the Annual Report on State Maintenance-of-Effort Programs.

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10-111

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

93.563 **ARRA—Child Support Enforcement**

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

October 1, 2008 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: G0804AZ4004, G0904AZ4004, G1004AZ4004, G0904AZ4002, and G1004AZ4002

U.S. Department of Health and Human Services

Reporting

Questioned Cost: None

Criteria: The reporting instructions for the OCSE-396A, Quarterly Report of Expenditures and Estimates, require that expenditures be actual and verifiable transactions that are supported by readily available accounting records and source documentation or an approved cost allocation plan.

Condition and context: The Department of Economic Security, Financial Services Administration (Administration), did not report incentive expenditures of \$179,399 on its OCSE-396A, Quarterly Report of Expenditures and Estimates for the quarter ended June 30, 2010. In addition, the federal share of IV-D administrative costs was understated, and the federal share of non-IV-D administrative costs was overstated by \$99,515 for the quarter ended December 31, 2009. The same problem occurred for the federal share of IV-D administrative costs and the federal share of non-IV-D administrative costs for the quarter ended June 30, 2010, except the amount of the error was \$79,347.

Effect: Incorrect data was submitted to the federal government. This finding did not result in questioned costs since the OCSE-396A, Quarterly Report of Expenditures and Estimates, was not used to request federal reimbursements. This finding is a significant deficiency in internal control over compliance and noncompliance with the programs' reporting requirements.

Cause: The Administration did not adequately review or compare the reports against financial system records in order to identify the errors.

Recommendation: The Administration should review reports to ensure that they are adequately supported by financial records prior to submission.

This finding is similar to a prior-year finding.

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10-112

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

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

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

October 1, 2008 through September 30, 2009

January 1, 2009 through September 30, 2009

October 1, 2009 through September 30, 2010

Award Numbers: 0801AZ1401, 0901AZ1401, 0901AZ1402, 1001AZ1401, and 1001AZ1402

U.S. Department of Health and Human Services

Eligibility

Questioned Cost: \$10,416

Criteria: In accordance with 42 U.S. Code 671(a)(15)(B) and (D) and 45 CFR §1356.21(b)(1)(i), a judicial determination that reasonable efforts were made to preserve and reunify families, or were not required to prevent the child's removal from the home, should be retained. Additionally, in accordance with 42 U.S. Code 672(a)(2)(A)(ii), a child's removal from the home must have been the result of a judicial determination that continuation in the home would be contrary to the child's welfare.

Condition and context: The Department of Economic Security, Division of Children, Youth and Families (Division), did not always follow its internal control policies and procedures to retain documentation required to substantiate eligibility. Specifically, for 1 of 40 children tested, the Division could not provide a judicial determination that continuation of residence in the home would be contrary to the child's welfare or that placement would be in the child's best interest. Furthermore, for this child, the Division could not provide a judicial determination that reasonable efforts were made or were not required to prevent removal.

Effect: Using federal monies for payments to foster care providers on behalf of an ineligible child resulted in questioned costs of \$10,416; \$957 of the total was from the ARRA—Foster Care—Title IV-E program. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the programs' eligibility requirements.

Cause: The Division did not follow its policies and procedures to retain necessary court documentation to ensure that eligibility determinations were accurate.

Recommendation: The Division should ensure that case workers are aware of existing policies and procedures requiring that key court documentation be retained in the case files.

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10-113

Medicaid Cluster:

CFDA No.: 93.775 **State Medicaid Fraud Control Units**

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

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

Award Period: October 27, 2006 through September 30, 2011

Award Numbers: 11-W-0032/09

U.S. Department of Health and Human Services

Disability Insurance/SSI Cluster:

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

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

October 1, 2009 through September 30, 2010

Award Numbers: 010904AZD100 and 011004AZD100

Social Security Administration

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Questioned Cost: Unknown

Criteria: In accordance with 2 CFR §225, Appendix A(C)(1)(a), to be allowable under federal awards, costs must be necessary and reasonable for proper and efficient performance and administration of federal awards.

Condition and context: The Department of Economic Security, Disability Determination Services Administration (Administration), identified overpayments made to its telecommunications contractor during a review of the number of phone lines it needs. The Administration upgraded its telecommunications lines from analog to digital in October 2000. Since the upgrade, the Administration was unaware it was paying charges for both the analog and digital lines. The Administration maintained that the analog lines should have been disconnected when the lines were upgraded. The Administration is in contact with the federal grantor as well as the telecommunications contractor regarding a resolution to the overpayments. Telecommunications expenditures were allocated to the Administration monthly based on the number of telecommunications lines used. From October 2000 through August 2010, the estimated monthly overpayment was \$1,611 for the Social Security—Disability Insurance program and \$21 for the Medical Assistance Program.

Effect: The estimated overpayments totaled \$19,601 during fiscal year 2010, and \$194,379 for the period October 2000 through August 2010. It was not practical to extend our auditing procedures sufficiently to determine the questioned cost that resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the clusters' activities allowed or unallowed and allowable costs/cost principles requirements.

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Cause: A detailed review of vendor invoices and actual services provided was not completed following the upgrade, and subsequent analysis of the Administration's charges did not identify the overpayment since billing amounts have remained the same.

Recommendation: The Administration should develop a process that allows for a detailed review of telecommunications charges after upgrades, changes in the service plan, or facility relocation. Further, the Administration should review vendor invoices to help ensure that costs incurred are necessary and reasonable for proper and efficient performance and administration of federal programs.

10-114

Disability Insurance/SSI Cluster:

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

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

October 1, 2009 through September 30, 2010

Award Numbers: 010904AZD100 and 011004AZD100

Social Security Administration

Suspension and Debarment

Questioned Cost: None

Criteria: In accordance with 2 CFR §§180.220 and 180.300, the Department of Economic Security must verify that vendors are not suspended or debarred before making purchases exceeding \$25,000 that will be paid with federal monies.

Condition and context: The Department of Economic Security, Disability Determination Service Administration (Administration), indicated it had verified that each vendor had not been suspended or debarred from doing business with the federal government; however, it did not retain documentation of its verification. Auditors performed additional audit procedures and noted no instances of payments made to suspended or debarred vendors.

Effect: Payments could be made to suspended or debarred vendors. This finding is a significant deficiency in internal control over compliance with the Cluster's suspension and debarment compliance requirements.

Cause: The Administration did not realize they needed to retain documentation of the verification process and, therefore, it did not establish policies and procedures for doing so.

Recommendation: The Administration should document its determination that vendors being paid over \$25,000 in federal monies have not been suspended or debarred from doing business with governmental entities. This verification may be accomplished by checking the Excluded Parties List System, obtaining a certification from the vendor, or adding a clause or condition to the contract.

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10-115

Child Nutrition Cluster:

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

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

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

October 1, 2009 through September 30, 2010

Award Number: 7AZ300AZ3

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

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

October 1, 2009 through September 30, 2010

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

Educational Technology State Grants Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

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

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

July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

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Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Allowable Costs/Cost Principles, Cash Management, Reporting, and Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: States should have effective computer access controls to prevent and detect unauthorized use, input, damage, loss, or modifications of data, including sensitive and confidential information. In addition, states should have an updated and tested disaster recovery plan to provide for the continuity of operations and ensure that electronic data files can be recovered in the event of a system or equipment failure.

Condition and context: The Department of Education's Child Nutrition Program Web application, Grants Management Enterprise System (Grants Management), Arizona Local Education Agency Tracker (ALEAT), and School Finance budget application were used by internal and external users to apply for, approve, and disburse federal grant awards; record federal award expenditures and budget information; and report and monitor compliance with federal requirements. Auditors tested access controls over the Department's systems and applications and found that the Department did not always maintain documentation for employees' and external users' access, and granted access for several users without proper approval and without ensuring that the access rights were compatible with employees' job responsibilities. Also, the Department did not ensure that accessible information was limited to only that information needed by employees to perform job responsibilities and did not always prevent unauthorized input. Logical access to these systems and applications is granted to users through a centralized gateway; however, the Department did not always immediately remove terminated employees' access rights and did not require users to periodically change passwords for access to its systems and applications or use strong features related to passwords. Finally, the Department did not have an up-to-date and tested disaster recovery plan for its significant systems and applications.

Effect: There is a risk of noncompliance with federal requirements and of theft, manipulation, or misuse of confidential or sensitive data by unauthorized users or by users who were not monitored. Additionally, there is a risk that the Department may not be able to recover data or materially comply with compliance requirements in the event of system or equipment failure. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance with the programs' and clusters' allowable costs/cost principles, cash management, reporting, and subrecipient monitoring requirements. In addition, this finding could potentially affect other federal programs, including ARRA programs, that the Department administered.

Cause: For access controls, the Department did not follow its policies and procedures or lacked policies and procedures for granting access to employees and external users, ensuring that employees' access was compatible with their assigned responsibilities, and maintaining access security for its significant applications and systems. Finally, the Department did not have an up-to-date disaster recovery plan because of changes in administration and had not performed a complete test of the plan.

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

- Ensure that access granted to internal and external users is documented and authorized. Internal users should be granted only access rights that are compatible with their job responsibilities, and access should be restricted to systems and information needed to perform their job responsibilities.
- Periodically evaluate and update access granted to all of its applications and systems.
- Validate user input.
- Require users to periodically change passwords for the centralized gateway, use strong security features in managing user passwords, and immediately revoke the access of terminated employees.
- Update and test its disaster recovery plan annually.

This finding is similar to a prior-year finding.

10-116

Child Nutrition Cluster:

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

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

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

October 1, 2009 through September 30, 2010

Award Number: 7AZ300AZ3

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

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

October 1, 2009 through September 30, 2010

Award Number: 7AZ300AZ3

U.S. Department of Agriculture

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

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Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010
Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

Educational Technology State Grants Cluster:
CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**
Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010
Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003
CFDA No.: 84.367 **Improving Teacher Quality State Grants**
Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010
Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and
S367B090003

U.S. Department of Education

Subrecipient Monitoring

Questioned Cost: None

Criteria: In accordance with 34 CFR §80.26(b)(3), 7 CFR §3052.400(d)(5), and OMB Circular A-133, §400(d)(5), pass-through entities must send out a management decision letter within 6 months after receipt of the subrecipient's single audit report.

Condition and context: The Department of Education required each of its subrecipients to submit A-133 audit reports. However, the Department's internal control procedures were not adequate to ensure all findings were properly reviewed and resolved. Specifically, for 2 out of 27 Local Educational Agencies (LEAs) selected for test work, the Department did not send an initial or final management decision letter within 6 months after receipt of the subrecipients' single audit report.

Effect: There is an increased risk of noncompliance with applicable compliance requirements because the Department did not perform adequate monitoring procedures to review subrecipient's single audit reports and issue management decision letters timely. There was no specific questioned cost noted with the sampled items. This finding is a significant deficiency in internal control over compliance and noncompliance with the clusters' and programs' subrecipient monitoring compliance requirement. Further, this finding could potentially affect other federal programs, including ARRA programs, that the Department administered.

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Cause: The Department's existing policies and procedures require a management decision letter to be sent to the LEA within 6 months after receipt of the subrecipient's audit report. However, during the initial review of the single audit reports, the Department did not follow these procedures.

Recommendation: To comply with subrecipient monitoring requirements, the Department should follow its internal control policies and procedures to ensure the reports are reviewed in a timely manner so that it can issue management decisions within 6 months after receipt of subrecipient single audit reports.

10-117

Title I, Part A Cluster:

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

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

Educational Technology State Grants Cluster:

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

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and
S367B090003

U.S. Department of Education

Cash Management and Subrecipient Monitoring

Questioned Cost: Unknown

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Criteria: As required by 34 CFR §80.21, state educational agencies should have procedures in place to minimize the time elapsing between the transfer of monies to and disbursement by the LEAs. The LEAs may be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the receipt of the monies and their disbursement. Based on the Department of Education's policy, an LEA should not maintain cash on hand for more than 60 days after its completion report has been approved. In addition, LEAs that earn interest over \$100 on excess cash balances should remit the interest to the Department.

Condition and context: The Department required that LEAs request monies for federal grants by submitting monthly cash management reports through the grants management system. At the end of each award period, the Department required its LEAs to submit completion reports within 90 days that were considered the projects' final cash management reports. Subrecipients that reported a positive cash balance on the completion reports were required to amend the subsequent year's project budgets within 60 days after the completion reports were approved. Further, the Department did not require subrecipients to submit amendments immediately or spend their cash balances in a timely manner, and still disbursed monies to several LEAs for subsequent projects even though they had cash on hand for more than 60 days after completion reports were submitted and approved. Finally, the Department did not have specific controls in place to address remaining cash balances on hand for its ARRA programs or for LEAs who did not apply for subsequent grant awards. Specifically, auditors noted the following deficiencies:

- For 19 of 60 LEAs tested for the Title I, Part A Cluster, LEAs maintained cash on hand for more than 60 days after the completion reports were approved, ranging from \$116 to \$44,044. This resulted in a potential questioned cost of \$190,327, of which \$138,825 consisted of ARRA monies. In addition, 2 LEAs submitted their completion reports after the allowable 90-day deadline.
- For 11 of 40 LEAs tested for the Special Education Cluster (IDEA), LEAs maintained cash on hand for more than 60 days after the completion reports were approved, ranging from \$250 to \$648,242. This resulted in a potential questioned cost of \$1,255,100, of which \$524,119 consisted of ARRA monies. Further, 6 of these LEAs received funding for fiscal year 2011 prior to amending the subsequent year's budgets for the excess cash balances.
- For 12 of 61 LEAs tested for the Educational Technology State Grants Cluster, LEAs maintained cash on hand for more than 60 days after the completion reports were approved, ranging from \$138 to \$112,646. This resulted in a potential questioned cost of \$135,728, of which \$6,993 consisted of ARRA monies. Additionally, 3 of these LEAs received funding for fiscal year 2011 prior to amending the subsequent year's budgets for the excess cash balances.
- For 16 of 61 LEAs tested for the Improving Teacher Quality State Grants program, LEAs maintained cash on hand for more than 60 days after the completion reports were approved, ranging from \$300 to \$25,355. This resulted in a potential questioned cost of \$93,928.

Effect: LEAs had cash on hand for more than 60 days after the completion reports were approved, and many LEAs were still able to draw cash for the subsequent year's project. Additionally interest may have been earned on the excess cash balances that was not remitted to the Department. It was not practical to extend our auditing procedures sufficiently to determine whether any questioned costs resulted from this

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finding. This finding is a material weakness in internal control over compliance over cash management and subrecipient monitoring requirements, noncompliance with cash management requirements, and material noncompliance with subrecipient monitoring requirements for the programs and clusters. This finding could potentially affect other federal programs, including ARRA programs, that the Department administered.

Cause: The Department's policies require LEAs to amend their subsequent year's project budgets for excess cash on hand within 60 days after the Department approved their completion reports. The grants management system did not have an automatic check to prohibit disbursing cash to LEAs when they had unspent cash on hand from a prior year's project. As a result, the Department has to manually monitor LEAs' cash balances to enforce this policy. In addition, the Department did not have procedures to request excess cash balances from LEAs who did not receive program funding the following year or for programs that were funded by ARRA.

Recommendation: At a minimum, the Department should require LEAs to amend their subsequent year's budgets for completion report cash balances immediately after the completion reports have been approved and should place future projects on hold until their budgets have been amended, or require LEAs to remit unspent cash balances to the Department. In addition, the Department should establish additional procedures to collect excess cash balances for its LEAs who do not receive program funding in the subsequent year. This should include procedures to request LEAs to remit all cash balances on hand over 60 days to the Department. Further, the Department should ensure that all interest earned on unspent cash balances in excess of \$100 is remitted at least quarterly.

This finding is similar to a prior-year finding.

10-118

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

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Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

Educational Technology State Grants Cluster:

CFDA No.: 84.318 Educational Technology State Grants

84.386 Education Technology State Grants, Recovery Act

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

U.S. Department of Education

Subrecipient Monitoring

Questioned Cost: N/A

Criteria: As required by the *American Recovery and Reinvestment Act (ARRA) of 2009*, P.L. 111-5, Section 1512(h) and 2 CFR §176.50(c), recipients and its first-tier subrecipients receiving ARRA monies must have a current Central Contractor Registration (CCR) at all times during which they have active federal awards funded with ARRA monies. In addition, recipients must perform periodic checks to ensure that the subrecipients are updating information, as necessary.

Condition and context: During fiscal year 2010, the Department of Education distributed approximately \$177 million in ARRA monies to LEAs. However, the Department did not have adequate internal control policies and procedures in place to verify that each LEA had a current CCR during the federal award period. Auditors selected 60 LEAs for test work; however, only 15 LEAs were tested because auditors determined that 9 of the LEAs did not have a current CCR. It was not efficient to perform procedures on the remaining LEAs because the results of further tests would not have affected the auditors' conclusion.

Effect: The Department distributed ARRA program monies without ensuring that the LEAs had current CCRs. It was not practical to extend our auditing procedures to determine how many other LEAs had also not registered. However, since registering was not a prerequisite to determine if a subrecipient was eligible, there is no questioned cost associated with this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the clusters' subrecipient monitoring requirements. Further, this finding could potentially affect other federal programs that were subject to ARRA requirements that the Department administered.

Cause: The Department's existing policies and procedures required LEAs to have a current CCR prior to completing the ARRA, Section 1512 Report. However, the Department did not have a procedure in place to verify that subrecipients have a current registration throughout the award period for ARRA programs.

Recommendation: The Department should implement procedures for verifying that each subrecipient receiving ARRA monies has a current CCR.

This finding is similar to a prior-year finding.

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10-119

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

Educational Technology State Grants Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

U.S. Department of Education

Reporting

Questioned Cost: None

Criteria: In accordance with the *American Recovery and Reinvestment Act (ARRA) of 2009*, P.L. 111-5, Section 1512(c), total ARRA monies received and expended are required data elements that should be reported accurately. If the incorrect amounts are reported, the amounts should be corrected during the continuous corrections period as outlined within the reporting guidance issued by OMB M-10-14, *Updated Guidance on the American Recovery and Reinvestment Act*.

Condition and context: The Department of Education did not have adequate internal controls over reporting its ARRA expenditures on the State of Arizona's 1512 Report. Specifically, the total federal amount of ARRA expenditures presented on the 1512 report did not agree to the Department's accounting records for each cluster. In addition, the Department did not maintain documentation supporting the amounts that it presented on the State of Arizona's 1512 Report.

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Effect: The total of all expenditures reported on the 1512 Report was understated by \$108,046. This finding is a material weakness in internal control over compliance and noncompliance with the clusters' reporting requirements. In addition, this finding could potentially affect other ARRA programs that the Department administered.

Cause: The errors occurred because the Department did not maintain supporting documentation for amounts reported on the State of Arizona's 1512 Report and did not correct errors subsequently noted during the continuous corrections period.

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

10-120

Title I, Part A Cluster:

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

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Educational Technology State Grants Cluster:

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

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
February 17, 2009 through September 30, 2010
July 1, 2009 through September 30, 2010

Award Numbers: S318X0700003, S318X0800003, S318X0900003, and S386A090003

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

Award Period: July 1, 2007 through September 30, 2008
July 1, 2008 through September 30, 2009
July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Subrecipient Monitoring

Questioned Cost: Unknown

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Criteria: According to 34 CFR §80.40(a) and OMB Circular A 133, §400(d)(3), grantees must monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. Therefore, the Department of Education is responsible for identifying the federal award information, including applicable compliance requirements, and monitoring the subrecipient's use of federal awards through reporting, site visits, and regular contact. As such, the Department requires each subrecipient to affirm in writing, through Continuous Improvement Plan statements, that it is aware of the applicable compliance requirements and the Department's policies and procedures. The Department also performs monitoring reviews of subrecipients' activities on a 6-year cycle, each year reviewing a different aspect of the program.

Condition and context: The Department did not obtain Continuous Improvement Plan statements from subrecipients and did not always monitor or maintain regular contact with its subrecipients during the year. In addition, the Department did not always follow up in a timely manner with subrecipients who were found to be in noncompliance with requirements. Specifically, auditors noted the following deficiencies:

- None of the 60 local education agencies (LEAs) tested that were required to submit a Continuous Improvement Plan statement had provided a signed statement to the Department.
- For 1 of 60 LEAs tested, the Department did not properly monitor the recipient because the LEA was incorrectly coded as being reviewed within its ALEAT system. As a result, the Department did not follow up in a timely manner on noncompliance issues.

Effect: There is an increased risk of noncompliance with all applicable compliance requirements because the Department did not receive assurances from its LEAs that they complied with the clusters' and program's requirements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with subrecipient monitoring requirements. This finding could potentially affect other federal programs, including ARRA programs, that the Department administered.

Cause: The Department implemented the ALEAT system to track its monitoring reviews. However, the Department was still in the process of implementing the system and did not request Continuous Improvement Plan statements that provide written affirmation that subrecipients were aware of compliance requirements. Additionally, the Department did not ensure that each LEA's monitoring status was properly recorded in the system.

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

- Maintain regular contact with subrecipients and ensure that they are aware of the applicable compliance requirements.

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- Document all subrecipients' status in the ALEAT system and follow up on noncompliance issues with subrecipients in a timely manner.

This finding is similar to a prior-year finding.

10-121

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

Educational Technology State Grants Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

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

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

July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Level of Effort and Subrecipient Monitoring

Questioned Cost: None

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

Condition and context: The Department did not always maintain documentation supporting the level of effort calculation performed for its LEAs. Specifically, for 14 of 40 LEAs tested, the Department was unable to provide supporting documentation for the LEA's average daily membership (ADM) number used in the level of effort calculation because the LEA submitted a revised ADM. Auditors performed additional audit procedures using the LEAs' revised ADM numbers and determined that each LEA did maintain the required level of effort.

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Effect: There is the potential risk that LEAs may not meet level of effort requirements after revised ADM data is submitted. This finding is a significant deficiency in internal control over compliance with the clusters' and program's level of effort and subrecipient monitoring compliance requirements.

Cause: The Department allows LEAs to submit revised ADM data and maintains the most current ADM data submitted by LEAs for each fiscal year. However, it did not have procedures in place to maintain the ADM documentation that was used to perform the level of effort calculations.

Recommendation: The Department should maintain documentation to support its level of effort calculations for its LEAs. In addition, the Department should periodically monitor LEAs' level of effort when they submit significant changes to ADM data.

10-122

Title I, Part A Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S010A0700003, S010A0800003, S010A0900003, and S389A090003

U.S. Department of Education

Reporting

Questioned Cost: N/A

Criteria: To comply with 34 CFR §80.20(b), the Department of Education should prepare accurate reports and maintain supporting documentation for all reported amounts included. This includes the National Public Education Financial Survey (NPEFS) submitted annually to the federal awarding agency. In addition, all reports should be reviewed and approved for accuracy.

Condition and context: The Department prepares the NPEFS to report the Department's state per-pupil expenditure data from financial information that its LEAs submit on their Annual Financial Reports. However, the Department did not have adequate procedures to compile the survey accurately. Specifically, for 8 of 61 expenditure line items tested on the survey submitted September 30, 2009, the Department was unable to compile the expenditure amounts. As a result, the Department presented the expenditure amounts based on a 5 percent increase from the prior year's report at the recommendation from the federal awarding agency.

Effect: Data included on the NPEFS may have been inaccurate, which may have affected the amount of federal monies provided to the State for the subsequent year. The Department is in the process of computing more accurate figures at this time; therefore, auditors were unable to perform further procedures to determine if the reported expenditures were accurate. This finding is a material weakness in internal control over compliance and noncompliance with the Cluster's reporting requirements.

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Cause: The Department lost key employees who previously prepared the NPEFS report and did not have policies and procedures in place to help other employees compile the report accurately.

Recommendation: The Department should develop policies and procedures to compile the NPEFS report accurately. In addition, the Department should maintain supporting documentation for all expenditure amounts reported.

10-123

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: H027A070007, H027A080007, H027A090007, H173A070003, H173A080003,
H173A090003, H391A090007, and H392A090003

U.S. Department of Education

Level of Effort

Questioned Cost: Unknown

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

Condition and context: The Department of Education did not have policies and procedures in place to identify the amount of the State's financial support made available by all state agencies for special education and related services for children with disabilities. During February 2011, the Department prepared a schedule to demonstrate that maintenance of effort was met for the Cluster; however, auditors were unable to determine whether the schedule included all special education amounts the State made available.

Effect: The Department was not able to demonstrate that the State met the maintenance of effort requirements for the Cluster. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the Cluster's level of effort requirements.

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Cause: The Department had been monitoring its own amounts made available for special education from year-to-year based on actual expenditures to ensure that it met maintenance of effort requirements. In December 2009, the federal awarding agency issued a memorandum to the state educational agencies to clarify the maintenance of effort requirements. Until that time, the Department did not realize that all amounts that the State made available from other state agencies for special education should have been included in the calculation. Also, the Department did not have procedures in place to help identify financial support made available by other state agencies for these types of services.

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

10-124

Educational Technology State Grants Cluster:

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

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

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

July 1, 2008 through September 30, 2009

February 17, 2009 through September 30, 2010

July 1, 2009 through September 30, 2010

Award Numbers: S318X070003, S318X080003, S318X090003, and S386A090003

U.S. Department of Education

Earmarking and Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: As required by 20 USC 6766(a), a recipient must use a minimum of 25 percent of its Educational Technology State Grants Cluster's monies for professional development.

Condition and context: The Department of Education awarded program monies to only those LEAs whose applications included a minimum of 25 percent of total budgeted expenditures dedicated for professional development. However, the Department did not have adequate procedures to ensure that recipients had spent the monies in accordance with program requirements and the approved budget. Specifically, auditors noted that 11 of 60 LEAs tested had not met the earmarking requirements and that 9 of these had also not applied to receive program funding in the subsequent grant period. For the LEAs who did not receive funding in the subsequent year, the Department did not have established procedures for following up on this requirement and recovering misused monies. For the other 2 LEAs who did not meet the earmarking requirements, the Department approved the subsequent year's award without requiring the LEAs to adjust their budgets to include additional professional development expenditures.

Effect: The Department may not have met the program's earmarking requirements. It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and noncompliance with the Cluster's earmarking and subrecipient monitoring compliance requirements.

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Cause: When a LEA did not meet the 25 percent professional development requirement for the program year, the Department's policy is to request that the LEA amend the subsequent year's budget to correct for the shortfall. However, the Department did not have additional policies and procedures in place to follow up with its LEAs who did not receive funding in the subsequent year to ensure the recipients met the 25 percent professional development earmarking requirement or require the LEA to remit monies that were not spent in accordance with the Cluster's requirements. Additionally, the Department approved subsequent year applications prior to current year awards' being closed out.

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

10-125

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

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

July 1, 2008 through September 30, 2009

July 1, 2009 through September 30, 2010

Award Numbers: S367A070049A, S367B070003A, S367A080049, S367B080003, S367A090049, and S367B090003

U.S. Department of Education

Eligibility

Questioned Cost: Unknown

Criteria: Federal award recipients should maintain internal controls over federal programs to provide reasonable assurance that they are managing federal awards in compliance with laws and regulations, as required by OMB Circular A-133, §.300(b). Specifically, there should be an adequate separation of responsibilities between performing, reviewing, and recordkeeping. Internal control procedures should require a second employee to verify the accuracy of information used to determine eligibility and allocate federal award monies.

Condition and context: The Department of Education's eligibility determination and funding allocation schedule that is used to disburse program monies to LEAs for the Improving Teacher Quality State Grants program was prepared, reviewed, and approved by one employee without an independent review. The funding allocation schedule contained numerous mathematical errors that affected the amounts that LEAs were awarded for the program.

Effect: The Department incorrectly calculated the program monies to be allocated to all eligible LEAs. However, auditors did not note any significant differences in the allocated award amounts. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the program's eligibility requirements.

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Cause: The Department assigned one employee to prepare the LEA eligibility determinations and funding allocations and had no policies and procedures requiring another employee to review the work.

Recommendation: To help ensure that federal award monies are allocated to LEAs correctly and in accordance with the program's eligibility requirements, the Department should assign a second employee to review the LEA eligibility determinations and funding allocations before awarding and disbursing program monies to LEAs. In addition, the Department should retain documentation supporting eligibility determinations and funding allocations.

This finding is similar to a prior-year finding.

10-126
Child Nutrition Cluster:
CFDA No.: 10.553 **School Breakfast Program**
 10.555 **National School Lunch Program**
 10.556 **Special Milk Program for Children**
 10.559 **Summer Food Service Program for Children**
Award Period: October 1, 2008 through September 30, 2009
 October 1, 2009 through September 30, 2010
Award Number: 7AZ300AZ3
U.S. Department of Agriculture

Subrecipient Monitoring

Questioned Cost: \$2,268

Criteria: In accordance with 7 CFR §§210.18 and 19(d), the Department of Education must perform on-site administrative reviews and take fiscal action to collect reimbursements from any subrecipient that has received an overpayment exceeding \$600. Further, the Department should follow its own policies and procedures to ensure that a review by a second employee is completed for each administrative review.

Condition and context: The Department did not have adequate procedures to request reimbursements from its LEAs that received overpayments of federal monies exceeding \$600. Specifically, for 2 of 15 administrative reviews tested, the Department did not collect the federal overpayments of \$2,268 identified during the reviews. Further, 3 of the 15 reviews tested were not reviewed and approved by a second employee.

Effect: The Department did not collect \$2,268 in overpayments made to LEAs and did not always follow its policies to obtain and document a second review. It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster's subrecipient monitoring requirements.

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Cause: The Department did not follow its policies and procedures to ensure a second review was completed and properly documented for each administrative review performed. In addition, the results of the administrative reviews were not communicated to the Department's Health and Nutrition Unit's finance group to prepare requests for payment.

Recommendation: The Department should ensure that all administrative reviews are reviewed and approved by another employee. In addition, the Department should request payments from its LEAs who received overpayments of federal awards monies in excess of \$600. This information should be communicated to the Department's Health and Nutrition Unit's finance group for collection.

10-127

State Fiscal Stabilization Fund Cluster:

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

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

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

Award Numbers: S394A09003, S394A09003A, S397A09003, and S397A09003A

U.S. Department of Education

Subrecipient Monitoring

Questioned Cost: N/A

Criteria: As required by the *American Recovery and Reinvestment Act (ARRA) of 2009*, P.L. 111-5, Section 1512(h) and 2 CFR §176.50(c), recipients and first-tier subrecipients must maintain a current registration in the Central Contractor Registration (CCR) at all times during which they have active federal awards funded with ARRA monies. A Dun and Bradstreet Data Universal Numbering System (DUNS) numbering is one of the requirements for registration.

Condition and context: During fiscal year 2010, the Governor's Office of Economic Recovery (GOER) distributed approximately \$531,189,300 in ARRA monies to first-tier subrecipients. However, the GOER did not have adequate internal control policies and procedures in place to verify that the subrecipients had a current registration in the CCR during the federal award period. Auditors selected 63 subrecipients for test work and noted that 34 of the subrecipients were not properly registered in the CCR. Of these 34 subrecipients, 29 were not registered at all in the CCR and 5 had expired, incomplete, or invalid registrations.

Effect: It was not practical to extend our auditing procedures to determine how many other subrecipients were not registered in the CCR. However, auditors verified each of the 34 subrecipients did have valid DUNS numbers which were used to prepare the 1512 Report. Since registering with the CCR is not a prerequisite to determine if a subrecipient is eligible, there is no questioned cost associated with this finding. This finding is a material weakness in internal control over compliance and noncompliance with the Cluster's subrecipient monitoring requirements.

Cause: The GOER's existing policies and procedures required subrecipients to have a current DUNS number but did not require subrecipients to also register in the CCR.

State of Arizona
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Recommendation: The GOER should establish policies and procedures to require subrecipients receiving ARRA monies to register in the CCR. In addition, the GOER should verify that each subrecipient has a current registration in the CCR throughout the federal award period.

10-128

CDBG–State-Administered Small Cities Program Cluster

CFDA No.: 14.228 **Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii**

14.255 **Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)**

Award Period: July 1, 2004 through June 30, 2010

March 11, 2009 through March 11, 2011

June 24, 2009 through December 30, 2012

Award Numbers: B-04-DC-04-0001, B-05-DC-04-0001, B-06-DC-04-0001, B-07-DC-04-0001, B-08-DC-04-0001, B-08-DN-04-0001, B-09-DC-04-0001, and B-09-DY-04-0001

U.S. Department of Housing and Urban Development

Reporting

Questioned Cost: N/A

Criteria: In accordance with 24 CFR §91.520(a) and (c), the Arizona Department of Housing should review and report, in a form prescribed by the U.S. Department of Housing and Urban Development, on its progress in carrying out its strategic plan and its action plan including a description of how the program monies were used on its Consolidated Annual Performance and Evaluation Report (CAPER). Further, a supervisor should review all reports to help ensure the data reported is accurate and complete before the Department submits the reports.

Condition and context: The Department did not have adequate policies and procedures that required a supervisor to review its financial report submitted to the federal awarding agency to help ensure the report contained complete and accurate data. As a result, auditors noted the CAPER contained inaccurate financial information. Specifically, auditors noted that the amount reported for the total amount allocated to the program was incorrect and, as a result, amounts obligated to recipients, amounts for state administration and technical assistance, amounts used to benefit low- and moderate-income persons, and amounts used to prevent and eliminate slums blight were also incorrectly reported since these amounts were calculated using the total amount allocated. Also, the Department reported incorrect amounts for the colonias projects committed and administrative fees allowed.

Effect: The failure to report complete and accurate information may result in errors in analysis or other determinations by the federal government. This finding did not result in questioned costs since the report was not used to request reimbursement of federal expenditures. This finding is a significant deficiency in internal control over compliance and noncompliance with the Cluster’s reporting requirements.

Cause: The Department’s policies and procedures did not require a supervisory review prior to submitting the report to the federal agency.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Recommendation: To help ensure that its federal reports are complete and accurate, the Department should establish policies and procedures over reporting, including requiring supervisors to review and approve of reports prior to submission.

10-129

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Award Period: August 10, 2008 through August 9, 2009

July 31, 2009 through July 30, 2010

August 10, 2009 through August 9, 2010

Award Numbers: 5U90TP916987-09, 5UP90TP916987-10, and 1H75TP000334-01

U.S. Department of Health Services

Level of Effort

Questioned Cost: Unknown

Criteria: In accordance with 42 U.S. Code 247d-3a(i)(2)(A), the Department of Health Services is responsible for maintaining nonfederal expenditures for public health security at a level that is not less than the average of such expenditures maintained for the preceding 2-year period. In addition, based on the Notice of Award for the Public Health Preparedness and Response for Bioterrorism and the funding application guidance, the maintenance of funding can include appropriations specifically designed to support public health emergency preparedness as expended by the agency or funds expended for activities that support public health emergency preparedness, but may not include expenditures used to meet the program's matching requirements. Further, the Department must be able to account for its maintenance of effort separately from its accounting for federal funds and matching requirements.

Condition and context: The Department did not have adequate policies and procedures to demonstrate and document compliance with maintenance of effort requirements for public health security. Specifically, the Department incorrectly reported its maintenance of effort in the program's cooperative agreement application using budgeted expenditures instead of actual expenditures. Further, the Department could not provide support that it had met the maintenance of effort with nonfederal expenditures for the fiscal year.

Effect: The Department may not have contributed the required maintenance of effort to support public health security. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and material noncompliance with the program's level of effort requirements.

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

Recommendation: The Department should establish policies and procedures to demonstrate and document compliance with maintenance of effort requirements based on actual nonfederal expenditures. Further, the Department should implement policies and procedures to thoroughly review award notifications and program guidance to ensure it complies with all program requirements.

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Year Ended June 30, 2010

10-130

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Award Period: August 10, 2008 through August 9, 2009

July 31, 2009 through July 30, 2010

August 10, 2009 through August 9, 2010

Award Numbers: 5U90TP916987-09, 5UP90TP916987-10, and 1H75TP000334-01

U.S. Department of Health Services

Subrecipient Monitoring

Questioned Cost: Unknown

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

Condition and context: The Department of Health Services did not perform sufficient monitoring procedures to ensure that subrecipient expenditures and amounts contributed by subrecipients to meet matching requirements were allowable and supported. Specifically, auditors noted that when the Department conducted site visits, it did not review financial records or evaluate the subrecipients' related internal controls.

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

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

Recommendation: The Department should revise its procedures for performing site visits to include reviewing and evaluating financial records and internal controls, or perform other forms of financial monitoring, to help ensure that subrecipients were using federal monies only for authorized purposes and complying with the applicable program requirements.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

10-131

CFDA No.: 16.803 **Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG)
Program/Grants to States and Territories**

Award Period: March 1, 2009 through February 28, 2013

Award Number: 2009-SU-B9-0029

U.S. Department of Justice

Allowable Costs/Cost Principles

Questioned Cost: Unknown

Criteria: In accordance with 2 CFR, Appendix B to Part 225, §(8)(h), and the U.S. Department of Justice, *Office of Justice Programs Financial Guide*, the salaries and wages of employees who work solely on a single federal program should be supported by documentation that is prepared at least semiannually and that is signed by the employee and a supervisor. Further, the distribution of salaries and wages of employees who work on multiple activities, such as a combination of federal and nonfederal programs, should be supported by documentation that reflects an after-the-fact distribution of the hours and activities worked that the employees sign at least on a monthly basis. Furthermore, internal control policies require that these certifications be approved by a supervisor having firsthand knowledge of the work the employee performs.

Condition and context: During the fiscal year, the Arizona Criminal Justice Commission and Office of the Attorney General charged salaries and wages to the program approximating \$481,000 and \$1.9 million, respectively, and used time sheets to account for the distribution of the hours and activities employees worked. However, the time sheets used by both agencies were not sufficiently detailed to provide an accurate after-the-fact distribution of the employees' actual hours and activities worked. All of the Commission's employees who worked on the program also worked on other federal programs and nonfederal activities; however, the Commission allocated the employees' salaries and wages based on the percentages of expenditures that were budgeted for these programs and activities. In addition, all of the employees of the Attorney General's Office whose salaries and wages were charged to the program worked solely for the program; however, the time sheets did not identify that employees worked on the program, and no other documentation was prepared to certify that the employees worked solely on the program.

Effect: The agencies did not have adequate procedures to ensure that employee salaries and wages charged to the program reflected an accurate after-the-fact distribution of hours and activities worked. In addition, the agencies did not have adequate procedures to ensure that employees who worked solely on a federal program prepared time sheets or other documentation that certified that fact. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is considered a significant deficiency in internal control over compliance and noncompliance with the program's allowable costs/cost principles requirement. This finding could potentially affect other federal programs that the agencies administered.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Cause: The agencies did not have policies and procedures in place to help ensure that time sheets or other time activity reports were prepared by employees who worked on both federal and nonfederal activities. Further, the agencies did not have policies and procedures in place to help ensure that documentation was sufficient to certify that employees worked solely on a federal program.

Recommendation: The agencies should develop policies and procedures to help ensure that time sheets, or other payroll activity reports, are prepared and maintained for all employees who work on multiple activities composed of federal programs and nonfederal activities. These reports should be prepared at least monthly, be sufficiently detailed to provide an after-the-fact distribution of the employees' hours and activities, and be signed and approved by the employee and employee's supervisor. In addition, the agencies' policies and procedures should help ensure that time sheets are sufficiently detailed to identify and certify that employees worked solely on a federal program. Alternatively, other documentation may be prepared at least every 6 months to certify that the employee's hours and activities were dedicated solely to the federal program.

10-132

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

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

Award Numbers: Various

U.S. Department of Defense

Cash Management

Questioned Cost: Unknown

Criteria: In accordance with National Guard Regulation 5-1, effective May 28, 2010, grantees should limit the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement to 45 days or less. Prior to this date, program regulations allowed grantees to request monies 90 days in advance.

Condition and context: The Department of Emergency and Military Affairs did not have effective internal control procedures in place to minimize the time elapsing between the transfer of monies from the U.S. Treasury and their disbursement. Specifically, between July 1, 2009 and May 27, 2010, the Department exceeded its allowable cash balance for 43 of the 331 days. Further, between May 28, 2010 and June 30, 2010, the Department exceeded its allowable cash balance for each day during the period.

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

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

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

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

10-133

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

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

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

Award Numbers: Various

U.S. Department of Defense

Equipment and Real Property Management

Questioned Cost: Unknown

Criteria: In accordance with 32 CFR §33.32(b), the State will use, manage, and dispose of equipment acquired with federal monies in accordance with state laws and procedures. The *State of Arizona Accounting Manual*, section II-G-1(I), states that a physical inventory should be taken annually, not sooner than April 30 and not later than June 30, unless written approval is granted by the State's General Accounting Office (GAO). Additionally, section II-G-1(R) states that before a capital asset is disposed of by trade-in, both the Surplus Property Management Office (SPMO) and State Procurement Office (SPO) must approve this disposal method. After approval, the capital asset traded in should be removed from any internal listing and from the Fixed Asset System (FAS), and the new asset should be recorded.

Condition and context: The Department of Emergency and Military Affairs did not manage its equipment in accordance with state procedures. Specifically, auditors noted the following:

- For fiscal year 2009, the Department completed a physical inventory for only 100 of the program's 179 equipment items by the State's deadline. The Department later completed an inventory for an additional 46 items after the deadline, but did not inventory the remaining 33 items.
- For fiscal year 2010, the Department completed a physical inventory for only 3 of the program's 179 equipment items, and this inventory was completed after the State's deadline.
- For 2 of 7 equipment items tested, the Department traded in the items prior to receiving written approval from SPMO and SPO. Further, the Department did not remove the assets from the internal listing or the FAS, and did not add one of the newly acquired items to the FAS.

Effect: Inadequate controls over the program's equipment results in increased risks of loss, theft, or mismanagement of the items. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and noncompliance with the program's equipment and real property management requirements.

State of Arizona
Schedule of Findings and Questioned Costs
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Cause: The Department did not perform a complete physical inventory for fiscal years 2009 and 2010 due to inadequate staff resources. Further, the Department did not know it was necessary to obtain written approval for the trade-in. Finally, the Department's policies and procedures did not require the removal of these items from the FAS and its internal listing after the trade-in occurred, and the addition of the new item to the FAS.

Recommendation: To comply with the 32 CFR §33.32(b), the Department should perform a complete physical inventory annually by June 30 unless approved by the GAO. Further, the Department should receive written approval from the SPMO and SPO prior to trading in an asset. Finally, the Department should revise its policies and procedures to require the removal of disposed items from the FAS and its internal listing, and the addition of the new items to the FAS after the trade-in has occurred.

10-134

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Award Period: Various

Award Numbers: Various

Reporting

Questioned Cost: N/A

Criteria: In accordance with the *American Recovery and Reinvestment Act (ARRA) of 2009*, P.L. 111-5, Section 1512(c), total ARRA monies received and expended are required data elements that should be reported accurately. If the incorrect amounts are reported, the amounts should be corrected during the continuous corrections period as outlined within the reporting guidance issued by OMB M-10-14, *Updated Guidance on the American Recovery and Reinvestment Act*.

Condition and context: Arizona State University did not have adequate internal controls to report its Research and Development Cluster's ARRA monies received and expended accurately on the State of Arizona's 1512 Report. Specifically, for 4 of 8 grant awards tested for the first quarter report for 2010, the amounts reported did not agree to the University's accounting records. These errors occurred because the University reported monies that were received or spent in other quarters, excluded some monies received or spent in the first quarter, or incorrectly classified monies received and spent. In addition, the University did not identify these errors until the continuous corrections period had ended.

Effect: For the awards tested, auditors determined that revenues were understated by approximately 1 percent and expenditures were overstated by approximately 2 percent. This finding is a material weakness in internal control over compliance and noncompliance with the Cluster's reporting requirements. In addition, this finding could potentially affect other ARRA programs the University administered.

Cause: The University assigned an employee who did not have a financial background and was not familiar with the reporting requirements to prepare the 1512 reports. Additionally, it did not assign a supervisor to review the 1512 reports prior to submitting them.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Recommendation: To help ensure that its ARRA 1512 Reports are compiled accurately, the University should strengthen its internal control policies and procedures over ARRA reporting by assigning a knowledgeable employee the responsibility for compiling the reports. In addition, a second employee should review the reported amounts for accuracy prior to submitting the reports. Finally, if any errors are subsequently noted on the 1512 Reports, university employees should submit corrected amounts during the continuous corrections period.

10-135

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Award Period: Various

Award Numbers: Various

Subrecipient Monitoring

Questioned Cost: Unknown

Criteria: In accordance with 31 U.S. Code 7502(f)(2)(C), pass-through entities should review subrecipient audit reports to determine whether the subrecipients have taken prompt and appropriate corrective action with respect to audit findings pertaining to federal awards provided by the pass-through entity. Further, in accordance with OMB Circular A-133, §.400(d)(5), pass-through entities should issue management decisions on audit findings within 6 months after receipt of the subrecipient's audit report and ensure that the subrecipient has taken appropriate and timely corrective action.

Condition and context: Arizona State University did not have adequate policies and procedures that required employees to review all audit findings included in subrecipient audit reports pertaining to federal awards provided to subrecipients by the University. As a result, auditors noted that 4 of 17 subrecipient audit reports examined included audit findings that the University did not review, and consequently, did not issue management decisions for or ensure that the subrecipients took appropriate and timely corrective action.

Effect: The University did not always effectively monitor its subrecipients to ensure that deficiencies identified by audits were appropriately corrected. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. This finding is a material weakness in internal control over compliance and noncompliance with the Cluster's subrecipient monitoring requirements. In addition, this finding could potentially affect other federal programs for which the University passed through awards to subrecipients.

Cause: The University's policy was to review only those audit findings that were material weaknesses and specifically cited a university pass-through award. The policy did not require employees to review audit findings classified as significant deficiencies or those that related to general internal control deficiencies that could potentially affect university pass-through awards.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

Recommendation: The University should revise its policies and procedures to require employees to review all audit findings included in its subrecipients' audit reports to ensure that it identifies all findings that pertain to its federal awards.

10-136

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Award Period: Various

Award Numbers: Various

Allowable Costs/Cost Principles

Questioned Cost: Unknown

Criteria: In accordance with OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Subpart C, §.21(b)(7), and OMB Circular A-21, *Cost Principles for Educational Institutions*, §§A.2(e) and J.10(d), the University should ensure its financial management systems and records adequately support charges made to federal awards.

Condition and context: As discussed in financial statement finding 10-07, Arizona State University did not have adequate internal controls over payroll processing.

Effect: It was not practical to extend our auditing procedures sufficiently to determine the amount of questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance with the Cluster's allowable costs/cost principles requirements. This finding could also potentially affect the Cluster's matching requirement for matching expenditures that are composed of employees' salaries and wages because they may not be adequately supported. In addition, this finding could potentially affect other federal programs the University administered.

Cause: Since the payroll processing function is decentralized, individual departments did not always follow payroll policies, and the University did not effectively monitor the decentralized payroll functions.

Recommendation: The University should implement the recommendations described in financial statement finding 10-07.

This finding is similar to a prior-year finding.

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10-137

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Award Period: Various

Award Numbers: Various

Cash Management

Questioned Cost: Unknown

Criteria: In accordance with 2 CFR §215.21(b)(3) and OMB Circular A-133, §.300(b), the Arizona State University is required to maintain effective internal control over federal programs to provide reasonable assurance that it is managing federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements.

Condition and context: The University did not establish adequate procedures to ensure that requests for reimbursement made by letter of credit drawdowns were accurate. While gaining an understanding over the Cluster's internal controls over cash management, auditors determined that one employee was responsible for compiling and submitting the requests without supervisory review and approval.

Effect: The University could request reimbursement for incorrect or unsupported amounts and receive federal monies that it is not entitled to. It was not practical to extend our auditing procedures sufficiently to determine the amount of questioned costs, if any, that may have resulted from this finding. This finding is a significant deficiency in internal control over compliance with the Cluster's cash management requirement and could affect other federal programs the University administers.

Cause: The University did not have procedures in place for reviewing letter of credit reimbursement requests.

Recommendation: The University should assign a second employee to review and approve letter of credit reimbursement requests before they are submitted to the grantor agencies.

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Appendix

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State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2010

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

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2010

Agency Code	Agency
PSA	Department of Public Safety
SBA	Structural Pest Control Commission
SDA	Arizona State Schools for the Deaf and the Blind
SFA	School Facilities Board
SPA	Arizona Supreme Court
STA	Secretary of State's Office
TRA	Office of the Arizona State Treasurer
UAA	University of Arizona
VSA	Department of Veteran Services
WCA	Department of Water Resources
WFA	Water Infrastructure Finance Authority

Corrective Action Plan

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State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

Financial Statement Findings

10-01

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

Agency: Department of Administration

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

Anticipated completion date: June 2012

Agency Response: Concur

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

Administratively, we have addressed the specific issues resulting in delays with various state agencies and other organizations, and through these collective efforts have seen significant results in the past few years. The fiscal years 2007, 2008, 2009, and 2010 CAFRs were issued June 16, 2008, May 26, 2009, May 7, 2010, and March 4, 2011, respectively. Further, despite the ongoing challenges of additional reporting requirements amid limited resources, we expect to continue to improve our timeliness.

10-02

The Department of Economic Security should prepare accurate financial statements

Agency: Department of Economic Security

Contact person: Mark Darmer, DERS Deputy Assistant Director, (602) 542-6333, and Tim Newton, DBF Accounting Administrator, (602) 364-2364

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

Agency Response: Concur

Agency Corrective Action Plan: The DES Division of Business and Finance (DBF) and the Division of Employment and Rehabilitation Services (DERS) are working together to improve the financial statement preparation process with the goal of eliminating any future financial statement errors. The improvements include the following:

- The DBF and DERS will hold divisional meetings before and during the financial statement preparation process to ensure any changes to the Unemployment Insurance (UI) Program from the prior year are communicated to the DBF and the Accounting Office. The anticipated date of the first meeting is July 6, 2011.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

- The DBF and DERS will meet to review the draft of the financial statements. The anticipated date of this meeting is September 14, 2011.
- The DBF and DERS will develop and require use of clearer terminology in written procedures used for compiling the data and preparing the financial statements. This will be completed and in place by July 31, 2011.
- The DBF and DERS will develop and use detailed instructions for obtaining information from the Unemployment Insurance accounting systems and other information not readily available from the accounting systems, but necessary for the financial statement preparation. The anticipated completion date for this item is July 31, 2011.

In addition, the DERS is working to ensure that rejected TAX and Wage Reports are resolved as soon as possible. The UI Tax Unit will strengthen written procedures used by the Employer Accounting and the Employer Registration Units. This will include using current reporting capabilities to begin tracking rejected Tax and Wage Reports, and developing procedures for researching employer accounts with significant payable amounts to determine if rejected Tax and Wage Reports exist for a particular account. The anticipated completion date is April 24, 2011.

The DERS is in the process of developing a method to establish, track, and report Federal Additional Compensation (FAC) overpayments. The new process will establish FAC overpayments and any future overpayments that are created. The FAC overpayments will be tracked and reported in the same manner in which the regular benefit overpayments are currently tracked. The projected implementation date of the new method is April 24, 2011.

10-03

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

Agency: Industrial Commission of Arizona

Contact person: Michael Hempel, Chief Information Officer, (602) 542-1823

Anticipated completion date: July 2011

Agency Response: Concur

Agency Corrective Action Plan: Per a meeting with the auditors, finding 10-03 requires that the PACE application log all system level database changes that could be made directly to the database by the PACE administrator. The PACE system was developed at a time when this was not a requirement, the system currently in place does not have a means to log direct database administrator changes, and the Commission does not have a means to modify the code to correct this issue.

The Commission is currently developing a new Special Fund Accounting application to replace the Legacy PACE system, which is scheduled to be deployed in July 2011 to resolve this problem.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

10-04

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

Agency: Department of Revenue

Contact person: Michael Foord, Information Security Officer, (602) 716-6154

Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan:

User Access

During fiscal year 2010, the Department took immediate action to ensure that all employees with system access had required documentation to support their access rights. This updated process requires each individual business unit to maintain documentation to support users' access rights within their respective unit. The Department is currently implementing an additional control, with centralized oversight to ensure each business unit has and maintains this documentation. The Department anticipates this additional control will be implemented no later than June 30, 2011.

User Accounts

The Department currently has three procedures/controls in place to identify and disable user accounts. The Department is currently implementing an additional process with centralized controls to replace one or more of the existing controls to ensure timely removal of user access rights once employment has been discontinued. The Department anticipates this additional control will be implemented no later than June 30, 2011.

DBA Privileges

The Department captures and retains activity logs for database administrators with elevated user access, which currently requires significant manual effort to actively monitor. The Department has, however, initiated a project, which is currently in the pilot phase, to address this. The anticipated completion date, as in the Department's fiscal year 2009 response, is June 30, 2011.

10-05

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

Agency: Department of Revenue

Contact person: Tom MacConnel, Comptroller, (602) 716-6593

Anticipated completion date: Unknown

Agency Response: Concur

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

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

10-06

The Department of Revenue should better protect its computer network

Agency: Department of Revenue

Contact person: Michael Foord, Information Security Officer, (602) 716-6154

Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Department took immediate short-term steps in mitigating the risk by removing the tool with vulnerabilities. Further, the Department currently has a tool in the pilot phase which, once implemented, will serve as an additional detective control over unauthorized system access. The Department is working diligently to move this tool into production, with an anticipated implementation date of June 30, 2011.

10-07

Arizona State University should strengthen controls over payroll expenses

Agency: Arizona State University

Contact person: Joanne Wamsley, Senior Associate Vice President, (480) 965-6940

Anticipated completion date: September 10, 2010

Agency Response: Concur

Agency Corrective Action Plan: All recommendations have been implemented and, as noted by the auditors, the University has made significant progress in resolving payroll-related issues. Improving overall compliance by individual university departments is ongoing and the University will continue with education and monitoring efforts.

The University agrees departments should review and reconcile payroll expenses in compliance with University policy to identify and rectify issues relating to employee pay, including pay adjustments, leave reporting, and timesheet approvals. During fiscal year 2010 most departments instituted processes to comply with the University's policy, as evidenced by the auditor's findings and University reviews performed by Financial Services. Additionally, in fiscal year 2010, a central website containing payroll and human resources-related policies and procedures was established and made available to University departments.

Responsibility for the payroll function, including management of overpayments, was transferred to the accounting area of Financial Services at the beginning of fiscal year 2011. A single comprehensive overpayment list is maintained and updated to ensure timely collection of overpayments and to identify potential control weaknesses in either University or departmental processes.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

Federal Award Findings and Questioned Costs

10-101

SNAP Cluster:

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Child Nutrition Cluster:

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA No.: 10.558 Child and Adult Care Food Program

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

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

CDBG—State-Administered Small Cities Program Cluster:

CFDA No.: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

14.255 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)

CFDA No.: 16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories

WIA Cluster:

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Highway Planning and Construction Cluster:

CFDA No.: 20.205 Highway Planning and Construction

20.205 ARRA—Highway Planning and Construction

20.219 Recreational Trails Program

CFDA No.: 66.468 Capitalization Grants for Drinking Water State Revolving Funds

66.468 ARRA—Capitalization Grants for Drinking Water State Revolving Funds

CFDA No.: 81.042 Weatherization Assistance for Low-Income Persons

81.042 ARRA—Weatherization Assistance for Low-Income Persons

Title I, Part A Cluster:

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

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84.389 Title I Grants to Local Educational Agencies, Recovery Act

Special Education Cluster (IDEA):

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.391 Special Education Grants to States, Recovery Act

84.392 Special Education—Preschool Grants, Recovery Act

Vocational Rehabilitation Cluster:

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

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

Educational Technology State Grants Cluster:

CFDA No.: 84.318 Educational Technology State Grants

84.386 Education Technology State Grants, Recovery Act

State Fiscal Stabilization Fund Cluster:

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

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

CFDA No.: 84.367 Improving Teacher Quality State Grants

Immunization Cluster:

CFDA No.: 93.268 Immunization Grants

93.712 ARRA—Immunization

TANF Cluster:

CFDA No.: 93.558 Temporary Assistance for Needy Families

93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants

Medicaid Cluster:

CFDA No.: 93.775 State Medicaid Fraud Control Units

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

93.778 Medical Assistance Program

93.778 ARRA—Medical Assistance Program

CFDA No.: 93.069 Public Health Emergency Preparedness

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

93.658 ARRA—Foster Care—Title IV-E

CFDA No.: 93.767 Children's Health Insurance Program

Homeland Security Cluster:

CFDA No.: 97.067 Homeland Security Grant Program

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: We have an established process in place for monitoring legislation. In fact, a concern was raised for over 2 years prior to actually becoming law. On multiple occasions during that period, we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs that will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

10-102

SNAP Cluster:

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Child Nutrition Cluster:

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

CFDA No.: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA No.: 10.558 Child and Adult Care Food Program

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

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

CDBG—State-Administered Small Cities Program Cluster:

CFDA No.: 14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

14.255 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii—(Recovery Act Funded)

CFDA No.: 16.803 Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories

WIA Cluster:

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Highway Planning and Construction Cluster:

CFDA No.: 20.205 Highway Planning and Construction

20.205 ARRA—Highway Planning and Construction

20.219 Recreational Trails Program

CFDA No.: 66.468 Capitalization Grants for Drinking Water State Revolving Funds

66.468 ARRA—Capitalization Grants for Drinking Water State Revolving Funds

CFDA No.: 81.042 Weatherization Assistance for Low-Income Persons

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

81.042 ARRA—Weatherization Assistance for Low-Income Persons

Title I, Part A Cluster:

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

84.389 Title I Grants to Local Educational Agencies, Recovery Act

Special Education Cluster (IDEA):

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.391 Special Education Grants to States, Recovery Act

84.392 Special Education—Preschool Grants, Recovery Act

Vocational Rehabilitation Cluster:

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

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

Educational Technology State Grants Cluster:

CFDA No.: 84.318 Educational Technology State Grants

84.386 Education Technology State Grants, Recovery Act

State Fiscal Stabilization Fund Cluster:

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

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

CFDA No.: 84.367 Improving Teacher Quality State Grants

Immunization Cluster:

CFDA No.: 93.268 Immunization Grants

93.712 ARRA—Immunization

TANF Cluster:

CFDA No.: 93.558 Temporary Assistance for Needy Families

93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants

Medicaid Cluster:

CFDA No.: 93.775 State Medicaid Fraud Control Units

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

93.778 Medical Assistance Program

93.778 ARRA—Medical Assistance Program

CFDA No.: 93.069 Public Health Emergency Preparedness

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

93.658 ARRA—Foster Care—Title IV-E

CFDA No.: 93.767 Children's Health Insurance Program

Homeland Security Cluster:

CFDA No.: 97.067 Homeland Security Grant Program

Agency: Department of Administration

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

Anticipated completion date: Unknown

Agency Response: Concur

Agency Corrective Action Plan: We have an established process in place for monitoring legislation. In fact, a concern was raised for over 2 years prior to actually becoming law. On multiple occasions during that

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Corrective Action Plan
Year Ended June 30, 2010

period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs that will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

10-103

SNAP Cluster:

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

WIA Cluster:

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Vocational Rehabilitation Cluster:

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

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

TANF Cluster:

CFDA No.: 93.558 Temporary Assistance for Needy Families

93.716 ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants

CSBG Cluster:

CFDA No.: 93.569 Community Services Block Grant

93.710 ARRA—Community Services Block Grant

CFDA No.: 93.563 Child Support Enforcement

93.563 ARRA—Child Support Enforcement

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

93.658 ARRA—Foster Care—Title IV-E

Disability Insurance/SSI Cluster:

CFDA No.: 96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Contact person: Tim Newton, DBF Accounting Administrator, (602) 364-2364

Anticipated completion date: February 24, 2011

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Agency Response: Concur

Agency Corrective Action Plan: In February 2011, to ensure that the purchase costs of capital equipment items are not allocated to federal programs when purchased, the Department of Economic Security (DES) implemented Financial Management and Control System (FMCS) edits that prevent capital assets from being charged to indirect pools. On February 18, 2011, the DES Financial Services Administration completed the final expenditure correction that removed the charge of the capital assets from the indirect cost pool.

10-104

SNAP Cluster:

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

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

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

Agency: Department of Economic Security

Contact person: Annmarie Mena, Operations Administrator, (602) 542-5065

Anticipated completion date: December 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure the DES Division of Benefits and Medical Eligibility (DBME) follows internal controls for safeguarding EBT cards for the Supplemental Nutrition Assistance Program (SNAP); DBME will continue the following efforts.

- The Division will address all issues noted in the finding with the appropriate staff.
- The Division partnered with the DES Office of Special Investigations to establish a fraud unit to perform detailed analysis of eligibility system reports and assist in detection of fraud.
- The Division is exploring ways to streamline controls over the inactive EBT cards.
- The Division is exploring ways to improve the controls over active EBT cards.

To ensure all required documentation is included in case files for SNAP recipients and all recipient information is accurately transferred into the eligibility verification system, the DBME will continue to perform extensive reviews throughout the eligibility determination process to detect and correct errors such as the ones noted in this finding. This includes case reads by supervisors, quality control reviews, management evaluation reviews and secondary case reads by quality control staff. In November 2010, the DBME made significant changes in the case read process by prioritizing reads recommended by our federal partners. All offices read targeted elements for the following cases:

- SNAP only or SNAP combination cases with the following criteria:

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- earned income is \$800 or more
- SNAP benefit issuance is \$500 and greater for any month
- SNAP only or SNAP combination cases with earned income
- Medical Assistance only cases with earned income
- Combination cases (any programs) with unearned or no income
- SNAP only cases with unearned or no income

The Division is currently reviewing the quality review data to determine if changes are needed to the above case read criteria.

During the audit period, the Division implemented a new document management system and experienced many issues that led to some of the missing documents. These issues have been corrected, and the DBME does not anticipate these issues during the next fiscal year. The Division is also implementing a new process in the local offices that will improve the accuracy of the benefit determinations. The new process will also strengthen the controls over EBT issuance by centralizing the function.

10-105

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Agency: Department of Economic Security

Contact persons: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769, and Mary Schumacher, UI Administrative Services Officer, (602) 542-6319

Anticipated completion date: December 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure Unemployment Insurance reports are accurately prepared and supporting documentation is retained, the DERS instructed staff involved in the creation and submission of the identified federal reports to ensure that electronic copies of the supporting documentation is maintained and that any manual adjustments made to the reports are documented in both the electronic record and the hard copy file for each report submittal. The Division continues to work on the automated systems that contain the source data for the reports to correct programming discrepancies. Due to federal extension of benefits, age of the automated systems in place, and limited staffing resources to make changes to the programming code, the Division was not able to correct the programming deficiencies in fiscal year 2010.

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10-106

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Agency: Department of Economic Security

Contact person: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769

Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The DERS and the DES Division of Technology Services continue work on programming the automated system to allow for accurate tracking and processing of overpayments associated with the Federal Additional Compensation (FAC) payments. The DERS is completing final testing of the programming and implementation will occur during the month of April 2011. Once final implementation is completed, the overpayments will be generated and clients will be notified of their overpayment issues.

10-107

CFDA No.: 17.225 **Unemployment Insurance**

17.225 **ARRA—Unemployment Insurance**

Agency: Department of Economic Security

Contact person: Andrew Baldwin, Unemployment Insurance Administrator, (520) 770-3769

Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure the DERS adequately documents eligibility information for Unemployment Insurance benefits, the Division reviewed the cases in question and determined that required documentation in the electronic records management system used for documentation of client eligibility was not adequately maintained. The Division counseled the staff responsible for the eligibility determinations and instructed them to ensure that required supporting documentation is entered into the automated system.

10-108

Vocational Rehabilitation Cluster:

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

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

Agency: Department of Economic Security

Contact person: Katherine Levandowsky, Rehabilitation Services Administrator, (602) 542-6295

Anticipated completion date: December 31, 2011

Agency Response: Concur

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Agency Corrective Action Plan: To ensure compliance with eligibility requirements, the DES Rehabilitation Services Administration (RSA) case management system contains a predefined alert list query that lists clients who are approaching the 60-day eligibility time limit. This query is available to the primary Vocational Rehabilitation Counselor and the Case Load Team, which includes the Supervisor and support staff. The RSA will stress the importance of complying with federal regulations and continue to train and re-train the Vocational Rehabilitation Counselors, supervisors, and staff regarding the use of system pre-defined query.

10-109

TANF Cluster:

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

93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

Agency: Department of Economic Security

Contact person: Annmarie Mena, Operations Administrator, (602) 542-5065

Anticipated completion date: December 2011

Agency Response: Concur

Agency Corrective Action Plan: During the audit period, DBME implemented a new document management system and experienced many issues that led to some of the missing documents. To ensure eligibility information and documentation is properly recorded in the document management system, these issues were corrected. The Division does not anticipate these errors during the next fiscal year. The Division is also implementing a new process in the local offices that will improve the accuracy of the benefit determinations.

10-110

TANF Cluster:

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

93.716 **ARRA—Temporary Assistance for Needy Families (TANF) Supplemental Grants**

Agency: Department of Economic Security

Contact person: Kathy Waite, Policy and Planning Administration Administrator, (602)-542-3882

Anticipated completion date: December 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure documentation is retained to support the total number of families for which Maintenance-of-Effort (MOE) expenditures were claimed on the Annual Report on MOE Programs, the Department will establish a means to retain point-in-time client data to accurately validate the client counts used in the report. This process will be operational with the submission of the fiscal year 2011 report in December 2011. In 2010, the Department implemented procedures to ensure the report is reviewed prior to submission to ensure accuracy of the numbers contained within the report. The Division of Business and Finance, Policy and Planning Administration retains a copy of the approved Annual Report on State Maintenance of Effort Programs and the report is available online through the federal reporting Web site.

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10-111

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

Agency: Department of Economic Security

Contact person: Michael Wishart, Acting Chief Financial Officer, (602) 542-3786

Completion date: October 29, 2010

Agency Response: Concur

Agency Corrective Action Plan: The DES Financial Services Administration (FSA) did not report incentive expenditures of \$179,399 for the quarter ended June 30, 2010, in the OCSE-396A, Quarterly Report of Expenditures and Estimates. As this is a cumulative report, the FSA corrected the omission in the OCSE-396A report for the quarter ended September 30, 2010.

The understatement/overstatement of federal IV-D versus non-IV-D costs occurred as a result of a formula error in the Microsoft Excel workbook used by the FSA to aggregate amounts for the various report lines on the OCSE-396A report. The FSA subsequently corrected the workbook error in order to compensate for the prior quarter submission and to allow for accurate reporting in future quarters.

As indicated in the audit report, these findings did not result in questioned costs since the OCSE-396A report was not used to request federal reimbursements. The FSA reviewed the finding with the staff involved in preparing this report and highlighted the importance of conducting a comprehensive match of the report fund source totals against provided support information. This matching process will detect any formula errors that could potentially distort future expenditure reporting prior to submission.

10-112

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

Agency: Department of Economic Security

Contact person: David Longo, DCYF Finance & Business Operations Administrator, (602) 542-5099

Anticipated completion date: May 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure the DES Division of Children, Youth and Families (DCYF) does not use federal monies for payments to providers on behalf of an ineligible child, the DCYF will review internal policies with appropriate staff involved in eligibility determinations. The DCYF will also monitor eligibility determinations to ensure case workers retain documentation of judicial determinations in all case files.

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10-113

Medicaid Cluster:

CFDA No.: 93.775 **State Medicaid Fraud Control Units**

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

93.778 **Medical Assistance Program**

93.778 **ARRA—Medical Assistance Program**

Disability Insurance/SSI Cluster:

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

Agency: Department of Economic Security

Contact person: Nancy West, Program Administrator Disability Determination Services Administration,
(602) 771-7110

Anticipated completion date: June 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure that costs incurred are necessary and reasonable for proper and efficient performance and administration of federal programs, the Disability Determination Services Administration (DDSA) will review billings whenever a change occurs to ensure the appropriate changes are made on the billing document. The DDSA will also conduct quarterly reviews of billings to ensure vendors are charging the appropriate amount to the Division. In addition, the Department is working with the DES Office of Procurement and the vendor to recoup the overpayments.

10-114

Disability Insurance/SSI Cluster:

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

Agency: Department of Economic Security

Contact person: Nancy West, Program Administrator Disability Determination Services Administration,
(602) 771-7110

Anticipated completion date: April 2011

Agency Response: Concur

Agency Corrective Action Plan: To ensure vendors are not suspended or debarred, the DDSA will print the verification that the vendor has not been suspended or debarred from doing business with the federal government and retain it in the contract file.

10-115

Child Nutrition Cluster:

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

10.555 **National School Lunch Program**

10.556 **Special Milk Program for Children**

10.559 **Summer Food Service Program for Children**

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

Title I, Part A Cluster:

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

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84.389 Title I Grants to Local Educational Agencies, Recovery Act
Special Education Cluster (IDEA):
CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 Special Education—Grants to States, Recovery Act
84.392 Special Education—Preschool Grants, Recovery Act
Educational Technology State Grants Cluster:
CFDA No.: 84.318 Educational Technology State Grants
84.386 Education Technology State Grants, Recovery Act
CFDA No.: 84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Contact person: Gary Holland, Audit Manager, (602) 364-3518
Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education (ADE) will evaluate and improve the account management processes for the Arizona Local Education Agency Tracker (ALEAT), School Finance, Child Nutrition Program (CNP Web), and Grants Management Enterprise (GME) System. A project plan has been identified and will be implemented to correct several deficiencies.

CNP Web Application:

ADE Health and Nutrition Services (HNS) continues to utilize the current policy and procedures to ensure that CNP Web access permissions are assigned, monitored, and updated appropriately. HNS deployed a database tool that is used to monitor the accuracy of the access permission provided to internal and external users. To track internal users, the Human Resources will create a new form that will mirror the current external user Common Logon Request Form, but be specific to employee users. This form will be managed and maintained by HR to ensure compliance.

GME System:

The ADE Grants Management Office implemented the GME user form (Electronic Signature User Form) to add/remove all internal user access in the GME System and is actively monitoring internal user access through a quarterly verification process.

10-116

Child Nutrition Cluster:

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children

CFDA No.: 10.558 Child and Adult Care Food Program

Title I, Part A Cluster:

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

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Special Education Cluster (IDEA):

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

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**
CFDA No.: 84.367 **Improving Teacher Quality State Grants**
Agency: Department of Education
Contact person: Gary Holland, Audit Manager, (602) 364-3518
Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education Audit Unit will work with our IT Department to make enhancements to the Single Audit Database to ensure all Single Audit findings are entered into the database in a timely manner. Additionally the Audit Unit will continue to work closely with the federal program areas to ensure all Management Decision Letters are issued within the 6-month requirement.

10-117

Title I, Part A Cluster:

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

Special Education Cluster (IDEA):

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

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**
CFDA No.: 84.367 **Improving Teacher Quality State Grants**
Agency: Department of Education
Contact person: Gary Holland, Audit Manager, (602) 364-3518
Anticipated completion date: June 30, 2012

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education (ADE) Grants Management Office plans on implementing the following practices to ensure each program area is compliant with the Cash Management Finding.

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1. Monthly Cash Management Summary Report: The Grants Management Office continuously offers a Monthly Cash Management Summary Report to provide the program areas a quick glance of their subrecipient's cash management status on the 19th of each month.
2. Allocation Validation Database: The Grants Management Office has created an allocation database that gives a program area the ability to import the current allocation amount, automatically update the allocation list with the most current state and local carryover amount from the approved completion report, and upload the final allocation amount to the Grants Management Enterprise System (GME). If an LEA has an approved completion report with an approved carryover amount, the system flags a validation message showing the total allocation amount and approved carryover amount when LEAs try to submit an application or amendment.
3. GME System Update: We are modifying the cash management report to add an Interest field, and Note sections for both LEAs and ADE to record any correspondence or interest earned for each month. For any interest earned and reported during project period, LEA will be notified for its quarterly interest return if it exceeds \$100. GME System update also includes placing a project under cash management hold if LEA requests more than 20% of its budget total. Finally, the GME System will check to see if current project is available and see if carryover has been amended as soon as ADE approves a completion report. If the LEA has not included their carryover amount during application process using allocation validation, the GME System will put current project on hold until LEA submits an amendment.

ADE revised the Business Rules to address the cash management challenge; however, due to budget constraints, the system change has been delayed until additional resources become available to finish the phased project. This system change will also include monthly cash management interest reporting to capture and report any interest earned on a monthly basis. This interest information will be used to collect the quarterly interest return rather than an annual interest return in the completion report at the end of the grant year.

10-118

Title I, Part A Cluster:

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

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

Special Education Cluster (IDEA):

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

84.173 **Special Education—Preschool Grants**

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

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

Educational Technology State Grants Cluster:

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

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

Agency: Department of Education

Contact person: Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: June 30, 2011

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Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education has included the following instructions to subrecipients of ARRA funds:

- i. Register for a **DUNS** number at https://eupdate.dnb.com/requestoptions.asp?cm_re=HomepageB*TopNav*DUNSNumberTab
[\(Training Manual: How to request DUNS number and contact information\)](#)
- ii. Register at the Central Contract Registry (CCR) at <https://www.bpn.gov/ccr/default.aspx>

We are currently in discussion with the Governor's Office of Economic Recovery (GOER) on sharing information they are receiving from the U.S. General Services Administration (GSA). The GSA maintains a list of entities that have current Central Contractor Registrations (CCR) on file. Further, GOER is able to crosswalk the list using National Center for Education Statistics (NCES) identifiers. Once we have received the list from GOER, we will compare it to our list of LEAs receiving ARRA funds and identify those who do not have a current CCR registration on file. We will contact those LEAs and work with them to ensure they complete the CCR registration prior to receiving additional funds. This process will be complete by June 30, 2011.

10-119

Title I, Part A Cluster:

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

Special Education Cluster (IDEA):

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

Educational Technology State Grants Cluster:

CFDA No. 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**

Agency: Department of Education

Contact person: Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: April 1, 2011

Agency Response: Concur

Agency Corrective Action Plan: In response to the finding regarding inadequate controls over ARRA expenditure reporting, ADE has implemented additional controls. Specifically, ADE is in the process of developing a list of additional sub-object codes that will be provided to the Governor's office to more effectively capture ARRA expenditure information. These codes will be added to the LEA codes, used by the Governor's office when extracting the expenditure information from the Arizona Financial Information System (AFIS), in order to reconcile to the ADE Grants Management System Project Summary Payment Schedule and the Governmental Accounting Payment System (GAPS) drawdown performed by ADE's Accounting Office.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

10-120

Title I, Part A Cluster:

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

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

Educational Technology State Grants Cluster:

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

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

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

Agency: Department of Education

Contact person: Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: July 15, 2010

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education has included the Consolidated Plan Assurances as an annual monitoring item within the ALEAT system, beginning with the opening of the system for fiscal year 2011 in July 2010. All LEAs that submit plans during fiscal year 2011 to support their programs funded with Title I Part A Educational Technology State Grants and Improving Teacher Quality State Grants will submit signed Assurances.

ALEAT has been upgraded to allow status reporting for all monitoring items within the system. The Monitoring Manager will review the status reports monthly for any overdue actions and staff will follow-up.

10-121

Title I, Part A Cluster:

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

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

Educational Technology State Grants Cluster:

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

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

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

Agency: Department of Education

Contact person: Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education will prepare written policies and procedures detailing how maintenance of effort is determined for LEAs. The policies and procedures will contain the methods used to document maintenance of effort and the policies for retention of documents used in the maintenance of effort determinations. All records will be maintained in accordance with federal regulations at 34 CFR 80.42.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

10-122

Title I, Part A Cluster:

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

Agency: Department of Education

Contact person(s): Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: September 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education School Finance Division is in the process of putting processes and procedures in place to address this finding in its September 30, 2011, National Public Education Financial Survey (NPEFS) submission. We have also contacted the U.S. Department of Education to inquire about the possibility of them providing training to our staff on the NPEFS process. However, we have not received confirmation on whether they will be able to provide the training.

10-123

Special Education Cluster (IDEA):

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

Agency: Department of Education

Contact person: Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: August 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education (ADE) Exceptional Student Services (ESS) Division will work with the ADE Chief Financial Officer to develop procedures in order to identify appropriations to other state agencies for services to students with disabilities. In this process, the ESS Division will also establish a list of contacts at those other state agencies in order to confirm and include those amounts in the State Education Agency (SEA) Maintenance of Effort (MOE) calculations. In addition, the ESS Division has requested a report from the ADE School Finance Division that will identify the amounts made available through Basic State Aid payments to LEAs in order to determine how much of the state aid appropriation is related to special education students. The goal is to have this report for each fiscal year for SEA MOE testing and compliance purposes.

10-124

Educational Technology State Grants Cluster:

CFDA No.: 84.318 **Educational Technology State Grants**
84.386 **Education Technology State Grants, Recovery Act**

Agency: Department of Education

Contact person(s): Gary Holland, Audit Manager, (602) 364-3518

Anticipated completion date: October 30, 2011

State of Arizona
Corrective Action Plan
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Agency Response: Concur

Agency Corrective Action Plan: Upon filing of the completion report, if it is determined that an LEA spent less than 25 percent of the total funds expended on professional development, Arizona Department of Education (ADE) will require the LEA to return the amount of funds required to ensure their expended budget meets the 25 percent of total budgeted funds dedicated for professional development and the LEA will need to revise and resubmit the completion report accordingly. The agency will alert all project representatives prior to the end of the project that the 25 percent professional development requirement must be met for the amount of funds spent during that fiscal year. If this requirement is not met, the ADE will require funding to be returned.

10-125
CFDA No.: 84.367 **Improving Teacher Quality State Grants**
Agency: Department of Education
Contact person: Gary Holland, Audit Manager, (602) 364-3518
Anticipated completion date: June 30, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education has implemented procedures to ensure that the work of each employee making allocation determinations is reviewed by a program director responsible for the program. Additionally, all work files are kept in our archived folders for easy reference in the future.

In each of the cases cited, the errors either have been adjusted or will be adjusted in a subsequent allocation process.

10-126
Child Nutrition Cluster:
CFDA No.: 10.553 **School Breakfast Program**
 10.555 **National School Lunch Program**
 10.556 **Special Milk Program for Children**
 10.559 **Summer Food Service Program for Children**
Agency: Department of Education
Contact person: Gary Holland, Audit Manager, (602) 364-3518
Anticipated completion date: March 17, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Arizona Department of Education Health and Nutrition Services (HNS) continues to utilize current policies and procedures specific to peer reviews and approvals of administrative review documentation. HNS will strengthen the policy and procedure by updating the peer review process in the following ways: the program will send an electronic record (e-mail) to HNS Operations when an administrative review requires overpayments made to LEAs be collected; the electronic record will be saved in the same location as the rest of the administrative review documentation;

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and Operations will provide a verification electronic record (e-mail) back to program personnel when the collection has been completed. To ensure that these policies and procedures are implemented consistently and completely, HNS will be completing an internal staff training, which will consist of staff participating in activities to ensure the importance of the peer review process is understood.

10-127

State Fiscal Stabilization Fund Cluster:

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

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

Agency: Governor's Office

Contact person: Matthew D. Hanson, Director, (602) 542-7567

Anticipated completion date: March 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: Since day one of the implementation of ARRA, OER has received conflicting information concerning the requirements for DUNS numbers and CCR registrations. In developing our centralized reporting solution we have demonstrated to the U.S. GAO, RATb, U.S. DOE, and other federal oversight agencies how Arizona's solution does not require a CCR registration as we pass all of the information electronically that FederalReporting.gov would normally extract from CCR. This solution has been deemed acceptable by everyone that has viewed it but OER realizes that this does not meet the strict interpretation of the ARRA guidance.

Therefore, in order to respond to the Auditor General's finding, OER will undertake two activities to ensure that this additional safeguard and compliance requirement is met. First of all, OER will check every new subrecipient for CCR registration before the agreements are finalized. This new requirement will be added to OER's Grants Management Policies and Procedures document and training for all staff will be provided. Additionally, OER will go back and check all previous subawards to ensure that past recipients are also in compliance with this requirement.

Secondly, OER will create a new field in Stimulus 360 attached to the subrecipient/vendor screen titled "CCR Expiration Date". This field will allow OER to track subrecipient CCR registrations which do not exist or have expired. Custom reports can be run as often as necessary from Stimulus 360 to determine the status of the subrecipient's CCR Registration.

As part of ongoing operating procedures, reports will be run monthly to determine subrecipients with CCR registration's which have expired or are due to expire within the next 30 days. OER will take this monthly report from Stimulus 360 and search federalreporting.gov to determine whether or not the CCR registration has been renewed. If there is an updated CCR expiration date found in federalreporting.gov system, we will update the "CCR Expiration Date" field in Stimulus 360 accordingly. If the CCR registration has not been renewed, we will follow up with the subrecipient point of contact(s) to ensure compliance with this requirement.

OER expects to complete both of these activities by March 31, 2011.

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10-128

CDBG—State-Administered Small Cities Program Cluster:

CFDA No.: 14.228 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii**

14.255 **Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii – (Recovery Act Funded)**

Agency: Department of Housing

Contact person: Kathy Blodgett, CD&R Administrator, (602) 771-1021

Anticipated completion date: February 2011

Agency Response: Concur

Agency Corrective Action Plan: The Department has implemented effective February 1, 2011, a procedure for secondary review of the reports submitted to the federal agency. The procedure will include an initial review by the CD&R Program Administrator and a secondary review will be performed by the Data Manager prior to submission.

The information that was identified as inaccurate by the auditors has been corrected and submitted to the U.S. Department of Housing and Urban Development.

10-129

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Agency: Department of Health Services

Contact person: Sandy Percival, Chief Internal Auditor, (602) 542-1775

Anticipated completion date: July 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Agency's Division for Operations, Financial Section, will partner with the Division of Public Health Services, Bureau of Emergency Preparedness to develop and maintain listings of nonfederal expenditures on public health security for the prior 2 state fiscal years. The dollar amounts will be taken directly from the Arizona Financial Information System (AFIS) and be listed by account code (e.g., index and program cost account [PCA]). These amounts will be used for reporting purposes to the Centers for Disease Control and Prevention (CDC).

The partners will also prepare a listing of the planned or budgeted expenditures on public health security for each of these account codes and any newly added account codes for the next state fiscal year, ensuring that the planned expenditures meet or exceed the average expenditures of the prior 2 state fiscal years. The partners will also monitor the actual expenditures during the course of the current state fiscal year to ensure compliance with the grant's requirements.

Lastly, the Division for Operations, Financial Section, will work to ensure that all agency programs that administer federal grants are fully aware and understand grant level of effort requirements.

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10-130

CFDA No.: 93.069 **Public Health Emergency Preparedness**

Agency: Department of Health Services

Contact person: Sandy Percival, Chief Internal Auditor, (602) 542-1775

Anticipated completion date: July 31, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Agency's Division for Operations, Auditing and Special Investigations, will partner with the Division of Public Health Services, Bureau of Emergency Preparedness, to develop an appropriate risk-based subrecipient monitoring plan. This partnership will also develop monitoring tools that will ensure the review of financial records and internal controls during site visits. Efforts to track and document subrecipients' matching requirements will also be enhanced.

10-131

CFDA No.: 16.803 **Recovery Act—Edward Byrne Memorial Justice Assistance Grant (JAG)
Program/Grants to States and Territories**

Agency: Arizona Criminal Justice Commission / Office of the Attorney General

Contact persons: Karen Ziegler, Deputy Director, (602) 364-1160/Vicki Salazar, Division Director of
Business & Finance, (602) 542-8046

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

Agency Response: Concur

Agency Corrective Action Plan:

Arizona Criminal Justice Commission

The Arizona Criminal Justice Commission now requires all employees that work on federally funded grants to report after-the-fact distribution of the time worked on federal grant programs and nonfederal activities through biweekly time sheets signed by the employee and supervisor having firsthand knowledge of the work completed. In addition, the Commission will ensure that budgeted amounts for employee salaries and wages are supported by an after-the-fact distribution for each employee as documented on the time sheets.

Office of the Attorney General

The Office of the Attorney General is currently in the process of implementing an electronic Employee Time Entry system, which will enable both employees and supervisors with firsthand knowledge of the work being done by the employee to certify the hours worked on the state and/or federal programs. The current phase of the new system includes two certifications, one for the employees, which states that the time they have indicated on their time sheets is correct and accurate and that they understand that falsifying the time sheet may be subject to disciplinary action and/or legal prosecution. The second certification is for the supervisor who approves an employee's time, which certifies that the attendance reported is correct and that the employee has performed the reported services, and that as the supervisor they understand that knowingly approving a falsified time sheet may be subject to disciplinary action and/or legal prosecution. This phase of the electronic employee time entry system will be implemented at the Attorney General's Office on or before April 1, 2011. There will be an additional phase which will include the

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program funding identifier code. This phase will require the employee to identify the actual hours worked on a specific state or federal grant code/Index or PCA. This phase is currently being developed and is estimated to go live by July 1, 2011.

10-132

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

Agency: Department of Emergency and Military Affairs

Contact person: James Burnes, Resource Manager, (602) 267-2730

Anticipated completion date: July 1, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Department of Emergency and Military Affairs is reviewing and improving cash management internal controls to ensure the time elapsing between transfer of monies from the U.S. Treasury and their disbursement is in accordance with program regulations (NGR 5-1). However, NGR 5-1, 11-15 Advance Payment Method states, "The advance method will be used only when Grantees are required to have sufficient funds in deposit in the State Treasury before funding obligations may be incurred." Therefore, in computing the 45-day cash requirement obligation (encumbrances) as well as disbursements (expenditures), these should be considered and used regarding the 45-day cash available requirement.

10-133

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

Agency: Department of Emergency and Military Affairs

Contact person: James Burnes, Resource Manager, (602) 267-2730

Anticipated completion date: July 1, 2011

Agency Response: Concur

Agency Corrective Action Plan: The Department of Emergency and Military Affairs agrees with the recommendations on Equipment and Real Property Management. The Department has requested and been granted approval from the General Accounting Office (GAO) to conduct inventory during a 12-month period with each account holder. The inventory will be conducted within a 12-month window. A new section was added to the DEMA Directive 50.1, 7.3 Trade-In of Expendable Items that clearly explains to the account holders/program managers that written approval must be obtained from the State Surplus Management Office (SPMO) and State Procurement Office (SPO) prior to authorizing purchase and trade-in of equipment.

10-134

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Agency: Arizona State University

Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771

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

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

Agency Response: Concur

Agency Corrective Action Plan: The University recognizes the importance of accurately reporting the total federal ARRA monies received and expended and of correcting reported amounts during the continuous corrections period. In order to streamline the reporting process and ensure compliance with initial §1512 reporting requirements, the University developed a Web-based tool to extract data from existing University enterprise systems. The assembled project team focused on tool development and reporting timeliness.

Beginning with the reporting period ended June 30, 2010, the University initiated a review of the total expenditures and revenues data by a knowledgeable individual with a financial background. This review was conducted prior to final submission of the §1512 Reports to the Arizona Governor's Office of Economic Recovery (GOER). The GOER, in turn, submits the State of Arizona's §1512 Report on behalf of all Arizona state agencies.

To further enhance reporting accuracy, a knowledgeable individual with a financial background has been assigned responsibility for compiling the §1512 quarterly reports beginning with the quarter ending March 31, 2011. The review of reported amounts for accuracy by a second knowledgeable employee prior to submitting the reports (first initiated for the reporting period ended June 30, 2010) continues. Finally, during the continuous corrections period, the University will be completing a quality assurance review of the §1512 reports submitted for each quarter. A quality assurance review for the quarter ended December 31, 2010, is currently underway. This practice will allow for submission of corrected amounts during the continuous corrections period if any errors are subsequently noted on the §1512 Reports.

These changes should help ensure that the University's ARRA §1512 Reports are compiled accurately in accordance with the *American Recovery and Reinvestment Act (ARRA) of 2009* and ensure correction of any subsequently noted errors during the continuous corrections period as outlined within the reporting guidance issued by OMB Memorandum M-10-14, *Updated Guidance on the American Recovery and Reinvestment Act*.

10-135

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Agency: Arizona State University

Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771

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

Agency Response: Concur

Agency Corrective Action Plan: The University acknowledges the importance of complying with 31 U.S. Code 7502(f)(2)(C), which requires pass-through entities to review subrecipient auditor reports to determine whether the subrecipients have taken prompt and appropriate corrective action with respect to audit findings pertaining to federal awards provided by the pass-through entity. Further, we recognize the importance of complying with OMB Circular A-133, §.400(d)(5), which requires pass-through entities to issue management decisions on audit findings within 6 months after receipt of the subrecipient's audit report and to ensure the subrecipient has taken appropriate and timely corrective action.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2010

The University's procedure was to review only audit findings included in subrecipient audit reports that were material weaknesses and that specifically cited a Catalog of Federal Domestic Assistance (CFDA) number pertaining to a university pass-through award. University actions to correct this condition were initiated in February 2011.

All audit findings included in subrecipient audit reports will be reviewed to ensure that the University identifies all findings that pertain to its federal awards. Effective February 1, 2011, this practice was implemented as part of the risk assessment and review conducted prior to issuance of a pass-through award to a subrecipient. If it is determined that an audit finding pertains to a pass-through award, a management decision is issued to ensure that the subrecipient has taken appropriate and timely corrective action.

Effective May 1, 2011, a procedure will be implemented to enhance the annual review of audit reports for existing pass-through awards. As with audit report reviews conducted prior to issuance of a pass-through award, if it is determined that an audit finding in the annual audit report of an existing subrecipient entity pertains to the existing pass-through award, a management decision will be issued within 6 months after receipt of the subrecipient's audit report to ensure that the subrecipient has taken appropriate and timely corrective action.

These procedural changes in the review of subrecipient audit reports and issuance of management decisions on audit findings should improve subrecipient monitoring effectiveness to ensure that deficiencies identified by audits are appropriately corrected.

10-136

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Agency: Arizona State University

Contact persons: Marilyn Mulhollan, Executive Director Financial Services, (480) 965-7236

Anticipated completion date: 9/30/10

Agency Response: Concur

Agency Corrective Action Plan: To ensure strong financial controls are in place, responsibility for the ASU payroll function was transferred to Financial Services at the beginning of fiscal year 2011. All recommendations made by the auditors have been implemented, and no exceptions were found during the federal funds audit. The auditors noted significant progress was made in fiscal year 2010 in resolving payroll-related issues, and this financial statement finding is now considered a significant deficiency, rather than a material weakness (fiscal years 2008 and 2009). Through education and monitoring efforts the University continues to improve individual department's compliance with payroll policies.

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10-137

Research and Development Cluster

All Arizona State University Research and Development grants and contracts

Agency: Arizona State University

Contact person: Michele Wrapp, Associate Director of Research Operations, (480) 965-4771

Anticipated completion date: 7/09/10

Agency Response: Concur

Agency Corrective Action Plan: To ensure that effective internal controls over cash management are in place to provide reasonable assurance that federal awards are managed in compliance with laws, regulations, and the provisions of grant and contract agreements, the University has assigned a second employee to review and approve letter of credit reimbursement requests before they are submitted to the grantor agencies.

This procedure for reviewing letter of credit reimbursement requests was implemented effective July 9, 2010, and has been incorporated into written work instructions that govern the cash management function. While we concur that a second employee review will enhance internal controls, we note that no letter of credit reimbursement request inaccuracies were discovered either internally or during the audit process. In accordance with its practice of submitting letter of credit draw requests on the reimbursement basis, the University consistently reviewed and maintained a cash negative position as prescribed by the Cash Management Improvement Act.

The second employee review and approval of letter of credit reimbursement requests before they are submitted to the grantor agencies should result in an increase in internal controls in accordance with the requirements of OMB Circular A-110, Subpart C, §.21(b)(3), and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* §.300(b).

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Summary Schedule of Prior Audit Findings

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Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

Status of Federal Award Findings and Questioned Costs

05-124

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

Agency: Department of Education

Status: Fully corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

06-104

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

Agency: Department of Education

Status: Fully corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

06-107

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

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) Grants Management Office offers the following actions to ensure each program area is compliant with the Cash Management Finding.

1. Monthly Cash Management Summary Report: The Grants Management Office continuously offers a Monthly Cash Management Summary Report to provide the program areas a quick glance of their subrecipient's cash management status on the 19th of each month.
2. Allocation Validation Database: The Grants Management Office has created an allocation database that gives a program area the ability to import the current allocation amount, automatically update the allocation list with the most current state and local carryover amount from the approved completion report, and upload the final allocation amount to the Grants Management Enterprise (GME) System. If an LEA has an approved completion report with an approved carryover amount, the system flags a validation message showing the total allocation amount and approved carryover amount when LEAs try to submit an application or amendment.
3. GME System update: We are modifying the cash management report to add an Interest field and Note sections for both LEAs and ADE to record any correspondence or interest earned for each month. Any interest earned and reported during project period, LEA will be notified for its quarterly interest return if it exceeds \$100. GME System update also includes placing a project under cash management hold if LEA requests more than 20 percent of its budget total. Finally, the GME System will check to see if current project is available and see if carryover has been amended as soon as ADE approves a completion report. If the LEA has not included their carryover amount during the application process using allocation validation, the GME System will put current project on hold until the LEA submits an amendment.

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ADE revised the Business Rules to address the cash management challenge; however, due to budget constraints, the system change has been delayed until additional resources become available to finish the phased project. This system change will also include monthly cash management interest reporting to capture and report any interest earned on a monthly basis. This interest information will be used to collect the quarterly interest return rather than on an annual interest return in the completion report at the end of the grant year.

07-101

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

10.558 Child and Adult Care Food Program

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.357 Reading First—State Grants

84.367 Improving Teacher Quality State Grants

93.283 Centers for Disease Control and Prevention—Investigations and Technical Assistance

97.008 Urban Areas Security Initiative

16.007 State Domestic Preparedness Equipment Support Program

97.004 State Domestic Preparedness Equipment Support Program

97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

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

We have an established process in place for monitoring legislation. In fact, a concern was raised for over 2 years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs that will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

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07-104

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

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) Grants Management Office offers the following actions to ensure each program area is compliant with the Cash Management Finding.

1. Monthly Cash Management Summary Report: The Grants Management Office continuously offers a Monthly Cash Management Summary Report to provide the program areas a quick glance of their subrecipient's cash management status on the 19th of each month.
2. Allocation Validation Database: The Grants Management Office has created an allocation database that gives a program area the ability to import the current allocation amount, automatically update the allocation list with the most current state and local carryover amount from the approved completion report, and upload the final allocation amount to the Grants Management Enterprise (GME) System. If an LEA has an approved completion report with an approved carryover amount, the system flags a validation message showing the total allocation amount and approved carryover amount when LEAs try to submit an application or amendment.
3. GME System update: We are modifying the cash management report to add an Interest field and Note sections for both LEAs and ADE to record any correspondence or interest earned for each month. For any interest earned and reported during project period, LEA will be notified for its quarterly interest return if it exceeds \$100. GME System update also includes placing a project under cash management hold if LEA requests more than 20 percent of its budget total. Finally, the GME System will check to see if current project is available and see if carryover has been amended as soon as ADE approves a completion report. If the LEA has not included their carryover amount during application process using allocation validation, the GME System will put current project on hold until LEA submits an amendment.

ADE revised the Business Rules to address the cash management challenge; however, due to budget constraints, the system change has been delayed until additional resources become available to finish the phased project. This system change will also include monthly cash management interest reporting to capture and report any interest earned on a monthly basis. This interest information will be used to collect the quarterly interest return rather than on an annual interest return in the completion report at the end of the grant year.

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Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

07-108

CFDA No.: 84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

Agency: Department of Education

Status: Fully corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

08-101

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

10.664 Cooperative Forestry Assistance

20.205 Highway Planning and Construction

66.458 Capitalization Grants for Clean Water State Revolving Funds

66.468 Capitalization Grants for Drinking Water State Revolving Funds

84.002 Adult Education—Basic Grants to States

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

84.367 Improving Teacher Quality State Grants

93.268 Immunization Grants

93.575 Child Care and Development Block Grant

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

93.667 Social Services Block Grant

93.767 State Children's Insurance Program

93.775 State Medicaid Fraud Control Units

93.777 State Survey and Certification of Health Care Providers and Suppliers

93.778 Medical Assistance Program

97.004 State Domestic Preparedness Equipment Support Program

97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

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

We have an established process in place for monitoring legislation. In fact, a concern was raised for over 2 years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be

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disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs that will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

08-102

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Anmarie Mena, DBME Operations Administrator, (602) 542-5065

In a letter dated May 7, 2010, the U.S. Department of Health and Human Services determined this audit finding was closed and does not warrant further action. In addition, in a letter dated March 10, 2011, the U.S. Department of Agriculture determined this audit finding was closed and does not warrant further action.

08-103

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program

Agency: Department of Economic Security

Status: Partially corrected

Contact person: Anmarie Mena, DBME Operations Administrator, (602) 542-5065

To ensure all documentation required to be included in SNAP recipient case files is received, prepared, and retained, and to accurately record correct recipient information into the eligibility system, the DBME continues to perform extensive reviews throughout the eligibility determination process to detect and correct errors such as the ones noted in this finding. This includes case reads by supervisors, quality control reviews, management evaluation reviews and secondary case reads by quality control staff. In November 2010, the DBME made significant changes in the case read process by prioritizing case reads and targeting elements as recommended by our federal partners. All offices read targeted elements for the following types of cases:

- SNAP only or SNAP combination cases with the following criteria:
 - earned income is \$800 or more
 - SNAP benefit issuance is \$500 and greater for any month

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- SNAP only or SNAP combination cases with earned income
- Medical Assistance only cases with earned income
- Combination cases (any programs) with unearned or no income
- SNAP only cases with unearned or no income

In addition, the DBME centralized the quality function in order to provide more focus, better analysis, and a consistent, efficient state-wide approach.

08-106

CFDA No.: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Status: Partially corrected

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

Due to the increase in Unemployment Insurance claims and system modifications required to implement the various benefit tiers implemented by the federal government, it has been difficult for the DES Division of Employment and Rehabilitation Services (DERS) Information Technology staff to retain supporting documentation for federal reports in a manner that allows easy retrieval. The U.S. Department of Labor (U.S. DOL) advised the DERS the submitted reports were deemed acceptable. DERS Management Information System staff reviewed coding associated with the reports identified in the finding and have not identified any deficiencies.

The DERS implemented additional procedures that require retention of all supporting documentation of manual adjustments required to reconcile the ETA-581 and ETA-227 reports in preparation for submittal to the U.S. DOL.

08-111

CFDA No.: 93.563 Child Support Enforcement

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Sherry Seaman, Legal Services Administrator, (602) 771-8147

The finding warrants no further action as the U.S. Department of Health and Human Services considered the program was in material compliance with the special tests and provisions when it maintained an accuracy rate greater than the required minimum accuracy of 75 percent.

08-113

CFDA No.: 96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

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This finding does not warrant further action as the Social Security Administration in a letter dated October 15, 2010, determined this audit finding closed.

08-115

CFDA No.: 10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

84.002 Adult Education—State Grant Program

84.010 Title I Grants to Local Educational Agencies

84.011 Migrant Education—State Grant Program

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.367 Improving Teacher Quality State Grants

Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) will evaluate and improve the account management processes for the Arizona Local Education Agency Tracker (ALEAT), School Finance, Child Nutrition Program (CNP Web), and Grants Management Enterprise (GME) System. A project plan has been identified and will be implemented to correct several deficiencies.

CNP Web Application:

ADE Health and Nutrition Services (HNS) continues to utilize the current policy and procedures to ensure that CNP Web access permissions are assigned, monitored, and updated appropriately. HNS deployed a database tool that is used for the purposes of monitoring the accuracy of the access permission provided to internal and external users. To track internal users, the Human Resources (HR) will create a new form that will mirror the current external user 'Common Logon Request Form', but be specific to employee users. This form will be managed and maintained by HR to ensure compliance.

GME System:

The ADE Grants Management Office implemented the GME user form (Electronic Signature User Form) to add/remove all internal user access in the GME System and is actively monitoring internal user access through a quarterly verification process.

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08-118

CFDA No.: 84.002 Adult Education – State Grant Program
84.010 Title I Grants to Local Educational Agencies
84.011 Migrant Education—State Grant Program
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) Grants Management Office offers the following actions to ensure each program area is compliant with the Cash Management Finding.

1. Monthly Cash Management Summary Report: The Grants Management Office continuously offers a Monthly Cash Management Summary Report to provide the program areas a quick glance of their subrecipient's cash management status on the 19th of each month.
2. Allocation Validation Database: The Grants Management Office has created an allocation database which gives a program area the ability to import the current allocation amount, automatically update the allocation list with the most current state and local carryover amount from the approved completion report, and upload the final allocation amount to the Grants Management Enterprise (GME) System. If an LEA has an approved completion report with an approved carryover amount, the system flags a validation message showing the total allocation amount and approved carryover amount when LEAs try to submit an application or amendment.
3. GME System update: We are modifying the cash management report to add an Interest field, and Note sections for both LEAs and ADE to record any correspondence or interest earned for each month. For any interest earned and reported during project period, LEA will be notified for its quarterly interest return if it exceeds \$100. GME System update also includes placing a project under cash management hold if LEA requests more than 20 percent of its budget total. Finally, the GME System will check to see if current project is available and see if carryover has been amended as soon as ADE approves a completion report. If the LEA has not included their carryover amount during application process using allocation validation, the GME System will put current project on hold until LEA submits an amendment.

ADE revised the Business Rules to address the cash management challenge; however, due to budget constraints, the system change has been delayed until additional resources become available to finish the phased project. This system change will also include monthly cash management interest reporting to capture and report any interest earned on a monthly basis. This interest information will be used to collect the quarterly interest return rather than on an annual interest return in the completion report at the end of the grant year.

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08-121

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

Agency: Department of Education

Status: Fully corrected

Contact Person: Gary R. Holland, Audit Manager, (602) 364-3518

08-123

CFDA No.: 84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

Arizona Department of Education has implemented procedures to ensure that the work of each employee making allocation determinations is reviewed by a program director responsible for the program. Additionally, all work files are kept in our archived folders for easy reference in the future.

In each of the cases cited, the errors either have been adjusted or will be adjusted in a subsequent allocation process.

08-125

CFDA No.: 10.664 Cooperative Forestry Assistance

Agency: State Forestry Division

Status: Not corrected

Contact person: Cam Hunter, Deputy Forester, (602) 771-1416

The Arizona State Forestry Division has experienced a marked increase in federal grant activity over the past 3 years and has experienced turnover in internal staffing responsible for grant monitoring.

We recognize the importance of subrecipient monitoring as a critical part of our fiscal business operation. Though all of the identified issues have been addressed and are being resolved, the corrective documentation still does not meet management's expectations. A new grant program manager has been hired along with one staff person dedicated to grant monitoring activities. All subrecipient files are being reviewed and updated with clear documentation of all previous and ongoing corrective action.

We have developed a plan that requires documentation of all contacts (phone, letter, e-mail, field visits) and other activities, including quarterly report activity and other monitoring. Any subrecipient files lacking Single Audit documentation are being mailed new information requests and being followed up with for compliance. We will have this process fully implemented and documented, and records fully up to date by the end of state fiscal year 2011.

The documented procedures will include components to specifically address the identified issues in this finding:

- Tracking and enforcement of required quarterly reporting by all subrecipients.

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- Tracking and enforcement of required Single Audits to comply with 7 CFR 3052.400(d)(4). This includes positive documentation from all subrecipients on an annual basis and follow up on audit findings to ensure necessary corrective actions.

08-128

Research and Development Cluster

All Arizona State University Research and Development awards and contracts

CFDA No.: 47.076 Education and Human Resources

Agency: Arizona State University

Status: Partially corrected

Contact person: Marilyn Mulhollan, Executive Director Financial Services, (480) 965-7236

All corrective actions have been taken, although full compliance with time reporting policies was not fully achieved in fiscal year 2010. As of 9/30/2010, through education efforts, the University believes this finding to be fully corrected.

09-101

CFDA No.: Not applicable

Agency: Department of Administration

Status: Fully corrected

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

09-102

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

10.553 School Breakfast Program

10.555 National School Lunch Program

10.556 Special Milk Program for Children

10.559 Summer Food Service Program for Children

10.558 Child and Adult Care Food Program

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

17.207 Employment Service/Wagner-Peyser Funded Activities

17.801 Disabled Veterans' Outreach Program (DVOP)

17.804 Local Veterans' Employment Representative Program

17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

20.205 Highway Planning and Construction

20.219 Recreational Trails Program

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84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.181 Special Education—Grants for Infants and Families
84.393 Special Education—Grant for Infants and Families, Recovery Act
84.367 Improving Teacher Quality State Grants
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713 ARRA—Child Care and Development Block Grant
93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers
93.778 Medical Assistance Program
93.778 ARRA—Medical Assistance Program
93.658 Foster Care—Title IV-E
93.658 ARRA—Foster Care—Title IV-E
93.767 Children's Health Insurance Program
93.959 Block Grants for Prevention and Treatment of Substance Abuse
97.067 Homeland Security Grant Program

Agency: Department of Administration

Status: Not corrected

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

We have an established process in place for monitoring legislation. In fact, a concern was raised for over 2 years prior to actually becoming law. On multiple occasions during that period we advised that this was, in our opinion, not consistent with established federal cost principles and almost certainly would be disallowed. This item is controlled by statute and cannot be resolved without a legislative change. Until the methodology is acceptably modified, there will likely continue to be disallowed costs that will require repayment with applicable interest. We will continue efforts to develop a solution to this issue.

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

09-103

State Fiscal Stabilization Fund Cluster

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

Agency: Office of the Governor

Status: Fully corrected

Contact person: Matthew D. Hanson, Director, (602) 542-7567

State of Arizona
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09-104

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Status: Not corrected

Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

To ensure Supplemental Nutrition Assistance Program (SNAP) benefits are issued only to eligible recipients and EBT cards are adequately safeguarded, the DES Division of Benefits and Medical Eligibility (DBME) has made the following changes:

- Designated local office staff to issue cards only for cases that meet the expedite criteria. This was necessary to ensure that these cases have access to benefits within 7 days from the date of application as required by federal regulation.
- DBME programmed the eligibility system to prevent the issuance of EBT cards in the local offices except for the expedite cases. The vendor mails out all other EBT cards.
- Local offices placed posters in their lobbies explaining the EBT card issuance process to customers and alerting customers not to give unwanted, damaged, or unusable EBT cards to any DES employee.
- DBME made additional changes to the eligibility system to restrict issuance of supplemental payments and prevent the occurrence of EBT fraud.
- DBME addressed all issues noted in the finding with the appropriate staff and issued a reminder to all staff to log off the system when computers are unattended.
- DBME partnered with the DES Office of Special Investigations to establish a fraud unit to perform detailed analysis of eligibility system reports and assist in detection of fraud.
- The Division is exploring ways to streamline controls over the inactive EBT cards.
- The Division is exploring ways to improve the controls over active EBT cards.

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09-105

CFDA No.: 10.551 Supplemental Nutrition Assistance Program

10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

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

Agency: Department of Economic Security

Status: Not corrected

Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

To ensure all documentation required to be included in SNAP recipient case files is received, prepared, and retained, and to accurately record correct recipient information into the eligibility system, the DBME continues to perform extensive reviews throughout the eligibility determination process to detect and correct errors such as the ones noted in this finding. This includes case reads by supervisors, quality control reviews, management evaluation reviews, and secondary case reads by quality control staff. In November 2010, the DBME made significant changes in the case read process by prioritizing case reads and targeting elements as recommended by our federal partners. All offices read targeted elements for the following types of cases:

- SNAP only or SNAP combination cases with the following criteria:
 - earned income is \$800 or more
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- SNAP only or SNAP combination cases with earned income
- Medical Assistance only cases with earned income
- Combination cases (any programs) with unearned or no income
- SNAP only cases with unearned or no income

In addition, the DBME centralized the quality function in order to provide more focus, better analysis and a consistent, efficient state-wide approach.

09-106

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

This finding does not warrant further action as the U.S. Department of Labor in a letter dated September 8, 2010, determined this audit finding closed.

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09-107

CFDA No.: 17.225 Unemployment Insurance

17.225 ARRA—Unemployment Insurance

Agency: Department of Economic Security

Status: Not corrected

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

Due to the increase in Unemployment Insurance claims and system modifications required to implement the various benefit tiers implemented by the federal government, it has been difficult for the DES Division of Employment and Rehabilitation Services (DERS) Information Technology staff to retain supporting documentation for federal reports in a manner that allows easy retrieval. The U.S. DOL advised the DERS the submitted reports were deemed acceptable. DERS Management Information System staff reviewed coding associated with the reports identified in the finding and have not identified any deficiencies.

The DERS implemented additional procedures that require retention of all supporting documentation of manual adjustments required to reconcile the ETA-581 and ETA-227 reports in preparation for submittal to the U.S. DOL.

09-108

CFDA No.: 17.258 WIA Adult Program

17.258 ARRA—WIA Adult Program

17.259 WIA Youth Activities

17.259 ARRA—WIA Youth Activities

17.260 WIA Dislocated Workers

17.260 ARRA—WIA Dislocated Workers

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Mark Darmer, Deputy Assistant Director, (602) 542-4910

09-109

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

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Katharine Levandowsky, RSA Program Administrator, (602) 542-3332

This finding does not warrant further action as the U.S. Department of Education in a letter dated January 31, 2011, determined this audit finding closed.

09-110

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

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Katharine Levandowsky, RSA Program Administrator, (602) 542-3332

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09-111

CFDA No.: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Annmarie Mena, DBME Operations Administrator, (602) 542-5065

This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated March 10, 2011, determined this audit finding closed.

09-112

CFDA No.: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Status: Not warranting further action

Contact persons: Annmarie Mena, DBME Operations Administrator, (602) 542-5065, and Todd Bright, DBF Assistant Director, (602) 542-7166

This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated March 10, 2011, determined this audit finding closed.

09-113

CFDA No.: 93.563 Child Support Enforcement

93.563 ARRA—Child Support Enforcement

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Sherry Seaman, Legal Service Administrator, (602) 771-8147

This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated December 22, 2010, determined this audit finding closed.

09-114

CFDA No.: 93.563 Child Support Enforcement

93.563 ARRA—Child Support Enforcement

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Roger C. Welch, DCSE Finance Administrator, (602) 771-8326

This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated December 22, 2010, determined this audit finding closed.

09-115

CFDA No.: 93.563 Child Support Enforcement

93.563 ARRA—Child Support Enforcement

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Roger C. Welch, DCSE Finance Administrator, (602) 771-8326

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Summary Schedule of Prior Audit Findings
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This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated December 22, 2010, determined this audit finding closed.

09-116

CFDA No.: 93.563 Child Support Enforcement

93.563 ARRA—Child Support Enforcement

93.566 Refugee and Entrant Assistance—State Administered Programs

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Michael Wisehart, Financial Services Administration Acting Chief Financial Officer, (602) 542-3786

09-117

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

93.658 ARRA—Foster Care—Title IV-E

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: David Longo, DCYF Finance & Business Operations Administrator, (602) 542-5099

This finding does not warrant further action as the U.S. Department of Health and Human Services in a letter dated December 7, 2010, determined this audit finding closed.

09-118

CFDA No.: 93.558 Temporary Assistance for Needy Families

93.775 State Medicaid Fraud Control Units

93.777 State Survey and Certification of Health Care Providers and Suppliers

93.778 Medical Assistance Program

93.778 ARRA—Medical Assistance Program

93.556 Promoting Safe and Stable Families

93.658 Foster Care—Title IV-E

93.658 ARRA—Foster Care—Title IV-E

93.659 Adoption Assistance

93.659 ARRA—Adoption Assistance

93.667 Social Services Block Grant

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: David Longo, DCYF Finance & Business Operations Administrator, (602) 542-5099

The finding warrants no further action as the educational leave program ended during fiscal year 2009.

09-119

CFDA No.: 96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Status: Not warranting further action

Contact person: Anmarie Mena, DBME Operations Administrator, (602) 542-5065

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To help ensure the DES Disability Determination Services Administration (DDSA) captures accurate data for the SSA-4514 reports, the DDSA delays the timesheet data download from the Financial Management and Control System (FMCS) data warehouse for 3 weeks from the date of time sheet data entry. This delay allows for input of amended timesheet data. In addition, an additional field is downloaded and used to calculate hours. This calculation acts like a control field and should agree with leave hours and worked hours for each record. As of January 10, 2010, the DDSA reconciles entries for each record with time sheets and reviews any special entries for each pay period. However, due to timing differences between the report and employee time sheet pay periods, insignificant differences will continue to occur.

To ensure the DDSA uses the correct percentage to calculate the SSA leave hours in the SSA-4514 report, the DDSA changed procedures to require verification of the percentage as the first step in the process. In addition, the DDSA added flags to the spreadsheet to alert the user to verify the percentage is correct. The DDSA corrected the error for the quarter and contacted the Social Security Administration (SSA) regional office to establish that a revised SSA-4514 report was not necessary since the impact of the error was insignificant.

To ensure the DDSA fiscal staff members accurately record expenditures in the accounting system, the DDSA provided additional training to fiscal staff members regarding data validation and review. Staff members were also given a reference list of the case type codes to use when separating authorizations by case type. In addition, supervisors randomly reviewed transactions.

09-120

CFDA No.: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.561 ARRA—State Administrative Matching Grants for the Supplemental Nutrition Assistance
17.225 Unemployment Insurance
17.225 ARRA—Unemployment Insurance
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713 ARRA—Child Care and Development Block Grant
96.001 Social Security—Disability Insurance

Agency: Department of Economic Security

Status: Fully corrected

Contact person: Tim Newton, DBF Accounting Administrator, (602) 364-2364

09-121

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
84.010 Title I Grants to Local Educational Agencies

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84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) will evaluate and improve the account management processes for the Arizona Local Education Agency Tracker (ALEAT), School Finance, Child Nutrition Program (CNP Web), and Grants Management Enterprise (GME) System. A project plan has been identified and will be implemented to correct several deficiencies.

CNP Web Application:

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GME System:

The ADE Grants Management Office implemented the GME user form (Electronic Signature User Form) to add/remove all internal user access in the GME and is actively monitoring internal user access through a quarterly verification process.

09-122

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education has included the Consolidated Plan Assurances as an annual monitoring item within the ALEAT system, beginning with the opening of the system for fiscal year 2011 in July 2010. All LEAs that submit plans during fiscal year 2011 to support their programs funded with Title I Part A Educational Technology State Grants and Improving Teacher Quality State Grants will submit signed Assurances.

ALEAT has been upgraded to allow status reporting for all monitoring items within the system. The Monitoring Manager will review the status reports monthly for any overdue actions and staff will follow-up.

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09-123

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

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

84.027 Special Education—Grants to States

84.173 Special Education—Preschool Grants

84.367 Improving Teacher Quality State Grants

Agency: Department of Education

Status: Not corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education (ADE) Grants Management Office offers the following actions to ensure each program area is compliant with the Cash Management Finding.

1. Monthly Cash Management Summary Report: The Grants Management Office continuously offers a Monthly Cash Management Summary Report to provide the program areas a quick glance of their subrecipient's cash management status on the 19th of each month.
2. Allocation Validation Database: The Grants Management Office has created an allocation database which gives a program area the ability to import the current allocation amount, automatically update the allocation list with the most current state and local carryover amount from the approved completion report, and upload the final allocation amount to the Grants Management Enterprise System (GME). If an LEA has an approved completion report with an approved carryover amount, the system flags a validation message showing the total allocation amount and approved carryover amount when LEAs try to submit an application or amendment.
3. GME System update: We are modifying the cash management report to add an Interest field, and Note sections for both LEAs and ADE to record any correspondence or interest earned for each month. Any interest earned and reported during project period, LEA will be notified for its quarterly interest return if it exceeds \$100. GME System update also includes placing a project under cash management hold if LEA requests more than 20 percent of its budget total. Finally, the GME System will check to see if current project is available and see if carryover has been amended as soon as ADE approves a completion report. If the LEA has not included their carryover amount during application process using allocation validation, the GME System will put current project on hold until LEA submits an amendment.

ADE revised the Business Rules to address the cash management challenge; however, due to budget constraints, the system change has been delayed until additional resources become available to finish the phased project. This system change will also include monthly cash management interest reporting to capture and report any interest earned on a monthly basis. This interest information will be used to collect the quarterly interest return rather than on an annual interest return in the completion report at the end of the grant year.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

09-124

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.389 Title I Grants to Local Educational Agencies, Recovery Act
Agency: Department of Education
Status: Not corrected
Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The Arizona Department of Education has included the following instructions to subrecipients of ARRA funds:

- i. Register for a **DUNS** number at https://eupdate.dnb.com/requestoptions.asp?cm_re=HomepageB*TopNav*DUNSNumberTab
[\(Training Manual: How to request DUNS number and contact information\)](#)
- ii. Register at the Central Contract Registry (CCR) at <https://www.bpn.gov/ccr/default.aspx>

We are currently in discussion with the Governor's Office of Economic Recovery (GOER) on sharing information they are receiving from the U.S. General Services Administration (GSA). GSA maintains a list of entities that have current Central Contractor Registrations (CCR) on file. Further, GOER is able to crosswalk the list using National Center for Education Statistics (NCES) identifiers. Once we have received the list from GOER, we will compare it to our list of LEAs receiving ARRA funds and identify those who do not have a current CCR registration on file. We will contact those LEAs and work with them to ensure they complete the CCR registration prior to receiving additional funds. This process will be complete by June 30, 2011.

09-125

CFDA No.: 84.010 Title I Grants to Local Education Agencies
84.389 Title I Grants to Local Education Agencies, Recovery Act
84.367 Improving Teacher Quality State Grants
Agency: Department of Education
Status: Not corrected
Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

The ADE has implemented procedures to ensure that the work of each employee, making allocation determinations, is reviewed by a program director responsible for the program. Additionally, all work files are kept in our archived folders for easy reference in the future.

In each of the cases cited the errors either have been adjusted or will be adjusted in a subsequent allocation process.

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2010

09-126

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

Agency: Department of Education

Status: Fully corrected

Contact person: Gary R. Holland, Audit Manager, (602) 364-3518

09-127

CFDA No.: 97.067 Homeland Security Grant Program

Agency: Department of Public Safety

Status: Fully corrected

Contact Person: Chuck LeBlanc, Financial Services Manager, (602) 223-2480

09-128

Research and Development Cluster

All Arizona State University Research and Development awards and contracts

Agency: Arizona State University

Status: Partially corrected

Contact person: Marilyn Mulhollan, Executive Director Accounting Services, (480) 965-7236

All outlined corrective actions have been taken. The University is in the process of determining with respective federal agencies whether a refund of the questioned costs is required. The estimated completion date for required reimbursements is fourth quarter, fiscal year 2011.

09-129

Research and Development Cluster

All Arizona State University Research and Development awards and contracts

Agency: Arizona State University

Status: Fully corrected

Contact person: Michele Wrapp, Assistant Director for Research Administration, (480) 965-4771

09-130

Research and Development Cluster

All Arizona State University Research and Development awards and contracts

Agency: Arizona State University

Status: Fully corrected

Contact person: Michele Wrapp, Assistant Director for Research Administration, (480) 965-4771