

# State of Arizona

Single Audit Report

Year Ended June 30, 2021



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





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

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Annual Comprehensive Financial Report



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

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

The Honorable Doug Ducey, Governor  
State of Arizona

The Honorable Karen Fann, President  
Arizona State Senate

The Honorable Russell "Rusty" Bowers, Speaker  
Arizona House of Representatives

The Honorable Robert M. Brutinel, Chief Justice  
Arizona Supreme Court

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated October 31, 2022.

Our report on the State's financial statements includes a reference to other auditors who audited the financial statements of the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, the Early Childhood Development and Health Board, the Arizona Correctional Industries, the Arizona State Lottery, Arizona Smart Save, the Arizona State Retirement System, the Corrections Officer Retirement Plan, the Elected Officials' Retirement Plan, Family College Savings Program, and the Public Safety Personnel Retirement System, and certain aggregate discretely presented component units, as described in our report on the State's financial statements. The other auditors did not audit in accordance with *Government Auditing Standards* the financial statements of the Arizona Power Authority, Arizona Smart Save, Family College Savings Program, and the Universities—Affiliated Component Units, except for those of the ASU Preparatory Academy, Inc., and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance. For those State agencies and discretely presented component units the other auditors audited in accordance with *Government Auditing Standards*, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

## **Internal control over financial reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-01, 2021-02, 2021-03, 2021-04, 2021-07, 2021-09, 2021-10, 2021-11, 2021-15, 2021-18, and 2021-19 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 2021-05, 2021-08, 2021-12, 2021-13, 2021-14, 2021-16, and 2021-17 to be significant deficiencies.

## **Compliance and other matters**

As part of obtaining reasonable assurance about whether the State's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying schedule of findings and questioned costs as items 2021-01, 2021-03, 2021-06, and 2021-13.

## **State of Arizona response to findings**

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

## Purpose of this report

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

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

October 31, 2022



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

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

The Honorable Doug Ducey, Governor  
State of Arizona

The Honorable Karen Fann, President  
Arizona State Senate

The Honorable Russell "Rusty" Bowers, Speaker  
Arizona House of Representatives

The Honorable Robert M. Brutinel, Chief Justice  
Arizona Supreme Court

**Report on compliance for each major federal program**

We have audited the State of Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021, except for a portion of the following major federal programs that were audited by other auditors:

<b>State agency</b>	<b>Program (or cluster) name</b>	<b>Assistance Listings number</b>
Arizona Department of Transportation	Formula Grants for Rural Areas	20.509
Arizona Department of Transportation	COVID-19 Education Stabilization Fund	84.425C
Arizona Health Care Cost Containment System	Children's Health Insurance Program	93.767
Arizona Health Care Cost Containment System	Medical Assistance Program (part of Medicaid Cluster)	93.778

Those other auditors' reports have been furnished to us, and our opinion, insofar as it relates to those portions of the major federal programs' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the report of the other auditors. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The State's basic financial statements include the operations of the ASU Preparatory Academy, Inc., which was reported as a discretely presented component unit. This component unit expended \$4,746,499 in federal awards that are not included in the State's schedule of expenditures of federal awards for the year ended June 30, 2021. Our audit, described below, did not include the operations of the ASU Preparatory Academy, Inc., because the entity engaged another auditor to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Management's responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' responsibility**

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Uniform Guidance. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit and the reports of the other auditors provide a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State's compliance.

**Basis for qualified opinion on Unemployment Insurance, Coronavirus Relief Fund, Foster Care—Title IV-E, and Presidential Declared Disaster Assistance to Individuals and Households—Other Needs**

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

<b>Program (or cluster) name</b>	<b>Assistance Listings number</b>	<b>Compliance requirement</b>	<b>Finding number</b>
Unemployment Insurance	17.225/17.225 COVID-19	Eligibility Special tests and provisions	2021-108 2021-109 and 110
Coronavirus Relief Fund	21.019 COVID-19	Subrecipient monitoring	2021-101
Foster Care—Title IV-E	93.658/93.658 COVID-19	Subrecipient monitoring	2021-116
Presidential Declared Disaster Assistance to Individuals and Households—Other Needs	97.050 COVID-19	Reporting	2021-111



***Qualified opinion on Unemployment Insurance, Coronavirus Relief Fund, Foster Care—Title IV-E, and Presidential Declared Disaster Assistance to Individuals and Households—Other Needs***

In our opinion, except for the noncompliance described in the basis for qualified opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Unemployment Insurance, Coronavirus Relief Fund, Foster Care—Title IV-E, and Presidential Declared Disaster Assistance to Individuals and Households—Other Needs programs for the year ended June 30, 2021.

***Unmodified opinion on each of the other major federal programs***

In our opinion, based on our audit and the reports of the other auditors, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

***Other matters***

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2021-102 through 2021-107, 2021-112 through 2021-115, and 2021-117 through 2021-122. Our opinion on each major federal program is not modified with respect to these matters.

**Report on internal control over compliance**

The State's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-101 through 2021-109, 2021-111, 2021-113, 2021-114, 2021-116, 2021-117, 2021-118, and 2021-122 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 2021-112, 2021-115, 2021-119, and 2021-120 to be significant deficiencies.

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

### **State of Arizona's response to findings**

The State's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The State is responsible for preparing a corrective action plan to address each finding. The State's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

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

We have audited the financial statements of the State's governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated October 31, 2022, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the State's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

November 28, 2022



# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Summary of auditors' results

### Financial statements

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

Unmodified for all opinions units.

### Internal control over financial reporting

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

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

### Federal awards

#### Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

#### Type of auditors' report issued on compliance for major programs

Unmodified for all major programs except for the following, which were qualified:

<b>Program name</b>	<b>Assistance Listings number</b>
Unemployment Insurance	17.225/17.225 COVID-19
Coronavirus Relief Fund	21.019 COVID-19
Foster Care—Title IV-E	93.658/93.658 COVID-19
Presidential Declared Disaster Assistance to Individuals and Households—Other Needs	97.050 COVID-19

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

**Identification of major programs**

<b>Assistance Listings number</b>	<b>Name of federal program or cluster</b>
10.542 COVID-19	Pandemic EBT Food Benefits
10.558/10.558 COVID-19	Child and Adult Care Food Program
14.195	Section 8 Project—Based Cluster
17.225/17.225 COVID-19	Unemployment Insurance
20.509/20.509 COVID-19	Formula Grants for Rural Areas and Tribal Transit Program
21.019 COVID-19	Coronavirus Relief Fund
21.023 COVID-19	Emergency Rental Assistance Program
84.027/84.173	Special Education Cluster (IDEA)
84.425 COVID-19	Education Stabilization Fund
93.044/93.044 COVID-19	Aging Cluster
93.045/93.045 COVID-19	
93.053	
93.323/93.323 COVID-19	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.563	Child Support Enforcement
93.658/93.658 COVID-19	Foster Care—Title IV-E
93.659/93.659 COVID-19	Adoption Assistance
93.767/93.767 COVID-19	Children’s Health Insurance Program
93.775/93.777/	Medicaid Cluster
93.778/93.778 COVID-19	
97.050 COVID-19	Presidential Declared Disaster Assistance to Individuals and Households—Other Needs
R&D	Research and Development Cluster

**Dollar threshold used to distinguish between Type A and Type B programs** **\$49,364,151**

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

# Financial statement findings

## 2021-01

Department of Economic Security did not put all critical identity verification or other anti-fraud measures in place before paying federal CARES Act unemployment insurance benefits and reported it paid over \$4.3 billion, or 37 percent, in fraudulent identity theft claims, as of June 30, 2021

**Condition**—The Department of Economic Security (DES) has identity verification and anti-fraud measures in place for its regular unemployment insurance (UI) benefits program, and the U.S. Department of Labor (U.S. DOL) issued guidance to states regarding 3 mandatory and 8 strongly recommended anti-theft and fraud measures for the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment insurance (UI) benefits programs.<sup>1</sup> However, DES did not have in place all critical identity verification and other anti-fraud measures before paying CARES Act UI benefits beginning in May 2020. As of the fiscal year ended June 30, 2021, DES still had not implemented 2 of the 3 mandated and 1 of the 8 strongly recommended identity theft and anti-fraud measures through its new UI benefits system. Specifically, DES:

- Did not implement 2 mandated requirements to cross-match claimants with (1) quarterly wage records and (2) the National Directory of New Hires until May 2022.
- Did not implement 1 strongly recommended measure to cross-match with the State Directory of New Hires until May 2022.

We reported a similar finding in the prior year, as described in financial statement finding 2020-01 of the *State of Arizona, June 30, 2020, Report on Internal Control and on Compliance*, dated August 4, 2021, and provided the following background:<sup>2</sup>

“In response to the COVID-19 pandemic, on March 27, 2020, the President of the United States signed into law the CARES Act, which expanded UI through new federally funded programs to provide economic relief to individuals who were unable to work because of the COVID-19 pandemic, including individuals who historically were not eligible for regular UI benefits such as self-employed and gig workers.<sup>3</sup> In April 2020, DES contracted to use a new UI benefits system because its more than 30-year old-system was unable to handle the computer programming needed to quickly implement the new federal CARES Act UI benefits programs. As it was implementing the new benefits system, DES did not initially include any identity verification or other anti-fraud measures in the system or as part of its UI benefits process for the new federal CARES Act UI benefits programs like it has in place for its regular UI benefits program and despite warnings from the U.S. DOL that it had not relaxed its expectations related to fraud prevention in light of the pandemic.”

“Specifically, in its April 5, 2020, instructions for implementing and operating the new federal CARES Act Pandemic Unemployment Assistance (PUA) program, the U.S. DOL reminded states that they were required to take reasonable and customary precautions to deter and detect fraud.<sup>4</sup> Then, on May 11, 2020, the U.S. DOL issued guidance specifying 3 mandated and 8 strongly recommended identity theft and anti-fraud measures for CARES Act UI benefits programs.<sup>1</sup> The 3 mandated measures are consistent with those required for the regular UI benefits program. However, DES did not implement the 3 mandated and 4 of the 8 strongly recommended identity theft and anti-fraud measures before paying federal CARES Act UI benefits on May 18, 2020, through its new UI benefits system. The CARES act UI programs ended on September 4, 2021, and the deadline for filing weekly PUA claims was September 18, 2021.”

**Effect**—DES reported to us that it paid over \$4.3 billion<sup>5</sup>, or 37 percent, of federal CARES Act UI benefits during fiscal years 2020 and 2021 to alleged fraudsters who had stolen identities of 1.1 million unique claimants. DES disbursed these monies beginning on May 18, 2020, and retroactively covering the benefit weeks beginning January 27, 2020, through September 4, 2021, the date when the CARES Act UI programs ended. Fraudulent identity theft payments for an individual claimant, who’s stolen identity was used, ranged from a total per claimant of \$117 to \$35,400, and payments for these totals were made for 1 to 65 benefit weeks. The following illustrates the monies, number of claimants, and number of claims DES paid because of fraudulent identify theft in relation to total CARES Act UI benefits paid using the new UI benefits system:

	CARES Act			Fraudulent identity theft		
	Total amount of CARES Act UI benefits paid	Total number of unique CARES Act UI claimants	Total number of CARES Act UI claims	Total amount of CARES Act UI benefits paid to alleged fraudsters/stolen identities	Total number of unique claimants/stolen identities	Total number of paid claims with stolen identities
Fiscal year 2020	\$2.1 billion		5.9 million	\$1.6 billion		3.8 million
Fiscal year 2021	<u>5.0 billion</u>		<u>16.5 million</u>	<u>2.7 billion</u>		<u>8.6 million</u>
Total	<u>\$7.1 billion</u>	1.5 million	<u>22.4 million</u>	<u>\$4.3 billion</u>	1.1 million	<u>12.4 million</u>

Source: DES-provided schedules and reports. The table above excludes information for the CARES Act programs from DES’ regular UI information system (Legacy UI information system). DES reported due to the limitations of its Legacy UI information system, it was unable to provide this information. The fiscal years 2020 and 2021 schedule of expenditures of federal awards (SEFA) reported \$5.9 billion and \$7.6 billion, respectively, in total CARES Act UI expenditures, which is composed of benefits paid to claimants, program administrative costs, and U.S. generally accepted accounting principles (GAAP) adjustments.

DES is unable to determine how many alleged fraudsters repeatedly used stolen identities. In addition, an undeterminable portion of these fraudulent payments may have been prevented if DES had implemented all the critical identity-verification and other anti-fraud measures before making any CARES Act UI benefits payments.

As of this report’s issuance, DES continues to evaluate claims paid to identify improper payments and expects to recover some of the total improper payments it made through the help of law enforcement agencies. DES reported it continues to validate the population identified as truly fraudulent identity theft claims compared to those who are deemed ineligible because of incorrect eligibility determinations or claimant eligibility fraud, such as withholding information or providing false or inaccurate information with the intent to obtain benefits. DES also reported that as of October 2022, it referred over 730 cases to the Arizona Attorney General’s Office for prosecution, and more than 580 cases have resulted in criminal charges, such as theft, fraudulent schemes, aggregated identity theft, forgery, money laundering, and wire and bank fraud.

Additionally, DES reported that it did not expect to be required to return any unrecovered monies to the federal government. These fraudulent identify-theft payments had no effect on the State’s regular UI program, which the State has jointly administered with the federal government for over 30 years, because these same issues were not identified in that program.

**Cause**—Federal laws required states to ease claimant eligibility requirements for and access to CARES Act UI benefits.<sup>6</sup> DES reported that it initially interpreted the ease-of-access requirements to mean that it also needed to ease up identity verification and other anti-fraud measures for the CARES Act UI benefits programs by not putting into place measures that are required to be in place for regular UI claims payments. In addition, to receive CARES Act UI benefits, claimant eligibility self-certification was required, which was not allowed in the regular UI program.<sup>7</sup> This difference further contributed to DES’ initial

interpretation that identity verification and anti-fraud measures for the CARES Act UI benefits program were not a priority.

Further, as mentioned earlier, DES was unable to use its regular UI benefits system for the new federal CARES Act UI benefits programs and therefore contracted to use a new system to quickly process claims, which took time to get online and ready to process its first CARES Act UI benefits claims. DES reported that it encountered computer programming issues interfacing with other State systems and federal databases to be able to conduct all the federally mandated and strongly recommended identity verification and other anti-fraud measures.

Finally, DES also reported the speed with which it needed to process an increased volume of CARES Act UI benefits claims and confusion regarding federal laws, requirements, and guidance contributed to it not putting into place all critical identity verification and antifraud measures before it started paying benefits. Specifically, the U.S. DOL issued updated guidance for the CARES Act UI programs several times while states were paying UI benefits claims. For example, according to a U.S. DOL-Office of the Inspector General report, the U.S. DOL clarified statements on states' responsibilities for program integrity in 10 guidance documents it issued between April 2, 2020 and June 6, 2020.<sup>8</sup>

**Criteria**—Developing and implementing control activities to achieve objectives and respond to risks, including the risks of fraudulent identity theft claims for UI benefits, is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring that federal assistance monies are not improperly paid to fraudulent claimants.<sup>9</sup> In addition, on the noted dates, the federal government issued guidance related to anti-fraud measures applicable to the CARES Act UI benefits. Specifically:

- On April 5, 2020, the U.S. DOL's PUA implementation instructions reminded states that they were required to take reasonable and customary precautions to deter and detect fraud.<sup>4</sup>
- On May 11, 2020, the U.S. DOL issued guidance specifying 3 mandated and 8 strongly recommended identity theft and anti-fraud measures for CARES Act UI benefits.<sup>1</sup>

**Recommendations**—DES should:

1. Continue to evaluate the CARES Act UI benefits it has paid to identify any additional fraudulent claims payments, using all necessary critical identity verification and other anti-fraud measures.
2. Continue its efforts working with law enforcement agencies to recover improper payments to the extent practicable for fraudulent claims it paid due to identity theft.
3. Repay any recovered improper payments to the federal government.
4. Develop and implement a plan to ensure that for any future new UI benefits programs or regular UI benefits program changes, it puts critical identity verification and other anti-fraud measures in place prior to paying any UI benefits claims.

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

This finding is similar to prior-year finding 2020-01.

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<sup>1</sup> U.S. Department of Labor, Office of the Inspector General (May 11, 2020). Unemployment Insurance Program Letter No. 23-20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_23-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_23-20.pdf).



<sup>2</sup> Arizona Auditor General. (2021). State of Arizona June 30, 2020, *Report on Internal Control and on Compliance*. Phoenix, AZ. [https://www.azauditor.gov/sites/default/files/StateOfArizonaJune30\\_2020ReportOnInternalControlAndOnCompliance.pdf](https://www.azauditor.gov/sites/default/files/StateOfArizonaJune30_2020ReportOnInternalControlAndOnCompliance.pdf).

<sup>3</sup> In response to the Novel Coronavirus Disease of 2019 (COVID-19) pandemic, the United States Congress passed several laws that essentially expanded unemployment insurance through new federally funded programs for a period of time to provide economic relief to individuals who were unable to work because of the COVID-19 pandemic and established the Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Federal Pandemic Unemployment Compensation programs (FPUC). The PUA program, which provided unemployment compensation through September 6, 2021—or September 4, 2021, for the State of Arizona—to individuals who were not traditionally eligible for benefits under regular UI programs, such as those who were self-employed workers, independent contractors, and gig-economy workers, those with limited work history, and certain other workers whose employment was affected by the COVID-19 pandemic. These programs provided claimants with a minimum weekly benefit, pursuant to each state’s unemployment compensation law, and anything above Arizona’s minimum weekly benefit of \$117—up to \$240 total per week in Arizona—would require wage verification. In addition, the FPUC program supplemented \$600 to the weekly benefits an individual may receive under regular UI or PUA through July 31, 2020, provided they were eligible to participate in the UI programs. Again on December 26, 2020, the FPUC program supplemented \$300 to the weekly benefits an individual may receive under regular UI or PUA through September 6, 2021, or September 4, 2021, in Arizona (Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 [Public Law 116-136], Title II, Subtitle A (2020); as amended by the Consolidated Appropriations Act of 2021 [Pub. L. 116-260], Title II, Subtitle A; as amended by the American Rescue Plan Act of 2021 [Pub. L. 117-2], Division N, Title IX, Subtitle A, Sec. 9011 (2021).

<sup>4</sup> U.S. Department of Labor, Office of the Inspector General (April 5, 2020). Unemployment Insurance Program Letter No. 16-20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20.pdf).

<sup>5</sup> In the State of Arizona June 30, 2020, *Report on Internal Control and on Compliance*, DES estimated it paid over \$4.4 billion of federal CARES Act UI benefits during fiscal years 2020 and 2021 to alleged fraudsters who had stolen identities of claimants. As of October 2022, DES reported the actual amount to be \$4.3 billion.

<sup>6</sup> On March 18, 2020, the Families First Coronavirus Response Act (Public Law 116-127) authorized the Emergency Unemployment Insurance Stabilization and Access Act, which provided emergency administration and response by allowing states to ease eligibility requirements and access to unemployment compensation for claimants, including waiving the waiting week and work-search activity requirements.

<sup>7</sup> The CARES Act (Public Law 116-136), Section 2102(a)(3)(A), provided the criteria for which an individual self-certifies eligibility for PUA under the Presidentially declared public health emergency resulting from the COVID-19 pandemic. The self-certification required claimants to self-declare that they were eligible for the PUA program and were able to work and available for work but unable to do so because of at least 1 specific, qualifying COVID-19-related reason. In addition, the CARES Act, §2102(h), applied the Disaster Unemployment Assistance program’s administrative requirements to PUA since PUA was similar to unemployment compensation provided under Presidentially declared disasters.

<sup>8</sup> U.S. Department of Labor, Office of the Inspector General (August 7, 2020). *COVID-19: More Can Be Done to Mitigate Risk to Unemployment Compensation Under the CARES ACT*, Report Number 19-20-008-03-315. <https://www.oig.dol.gov/public/reports/oa/2020/19-20-008-03-315.pdf>.

<sup>9</sup> U.S. Government Accountability Office (GAO). (2014). Standards for internal control in the federal government. Washington, DC. <https://www.gao.gov/assets/670/665712.pdf>.

## 2021-02

### Department of Economic Security initially excluded and reported inaccurate financial information, which could have misinformed financial statement users

**Condition**—Contrary to U.S. generally accepted accounting principles (GAAP), the Department of Economic Security (DES) initially excluded and reported inaccurate Unemployment Compensation Fund financial statement amounts to the Arizona Department of Administration (ADOA) to include in the State’s fiscal year 2021 financial statements, which are included in the State’s *Annual Comprehensive Financial Report*.<sup>1</sup> Specifically, DES excluded financial information that related to a new federal relief program for lost wages assistance developed in response to the COVID-19 pandemic’s unemployment increase and funded by the Federal Emergency Management Agency (FEMA). In addition, DES excluded financial information related to its regular and CARES Act unemployment insurance (UI) benefit programs. In total, DES made errors of \$1.1 billion that, based on our discovery and subsequent recommendations, it corrected for the State’s financial statements. Specifically, we found that DES excluded:

- \$899 million of revenues for federal lost wages assistance (LWA) DES received and expended, or 10 percent and 11 percent of total revenues and total expenses, respectively, for LWA benefit claims paid to eligible individuals during fiscal year 2021.
- \$172.5 million in monies it paid to valid claimants for regular UI and CARES Act UI benefits but later determined them to be ineligible, which is owed to the federal government when collected.
- \$9 million of cash and unearned revenue, or 1 percent of total assets and liabilities, for federal LWA revenue that DES received but had not yet claimed as benefits as of June 30, 2021.



- \$1 million of expenditures for federal LWA benefit claims payable and due to claimants that DES had not yet paid as of June 30, 2021.
- \$1 million of receivables for federal LWA paid to claimants who DES later determined were ineligible; therefore, these overpayments are ultimately owed to the federal government when collected by DES.
- A disclosure for a contingent liability due to the federal government for possible overpayments DES made to claimants who were eligible for the State's \$117 minimum weekly UI benefit but did not qualify for more than the minimum—up to \$240 a week—and were overpaid Pandemic Unemployment Assistance (PUA). Specifically, as described in finding 2021-03, DES reported that it cannot estimate the amount it may have overpaid 108,337 claimants who were not qualified to receive them. DES paid these 108,337 claimants \$218.4 million more than the State's \$117-minimum weekly UI benefit.

Additionally, we found that DES misclassified a portion of the State's cash totaling \$83 million as cash the State held jointly with the U.S. Treasury for its Unemployment Compensation Fund.

**Effect**—If we had not discovered and DES had not corrected the errors, DES' omitting federal financial information totaling \$1.1 billion and misclassifying cash totaling \$83 million means that the State's initial fiscal year 2021 Unemployment Compensation Fund's financial statements could have been materially misstated and could have misinformed financial statement users about the actual federal LWA DES received and paid as benefits to claimants, including amounts DES owed to claimants and the federal government when collected by DES.

**Cause**—The federal LWA program was administered by states through their unemployment insurance systems but funded by FEMA instead of the U.S. Department of Labor U.S. (DOL), which funds the UI programs. DES had established procedures it used for over 30 years to compile its Unemployment Compensation Fund's financial statements but failed to adjust these procedures to ensure it pulled financial information for any programs that were not funded by U.S. DOL. Consequently, DES had overlooked the federal LWA program. In addition, DES followed established procedures for compiling its Unemployment Compensation Fund's financial statements but failed to adjust these procedures to ensure the reporting of amounts owed to the federal government and cash held by U.S. Treasury for the State's regular UI program and cash for the CARES Act UI programs funded by U.S. DOL.

**Criteria**—U.S. GAAP requires the financial information that is to be reported and disclosed within the State's financial statements. Therefore, DES must correctly report these amounts to ADOA, which is the entity that prepares the State's financial statements. To do so, DES has a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information. Accurate financial statements provide valuable information to those charged with the State's governance, management, and others who are relying on the reported financial information to make important decisions about the State's financial operations. Complete and accurate information is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring financial information is accurately reported.<sup>2</sup>

**Recommendations**—DES should improve its established policies and procedures and implement a process to ensure its Unemployment Compensation Fund financial information is accurate and complete and is prepared in accordance with U.S. GAAP before providing it to ADOA for inclusion in the State's financial statements. Specifically, DES should:

1. Implement a process that ensures it captures and reports to ADOA all Unemployment Compensation Fund financial information, such as balances and activity funded by all sources, not just U.S. DOL.

2. Implement the recommendations reported in financial statement findings 2021-01 and 2021-03 to identify and recover overpayments and ensure they are accurately reported and disclosed, as appropriate.

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

This finding is similar to prior-year finding 2020-03.

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<sup>1</sup> Arizona Department of Administration. (2021). *State of Arizona Annual Comprehensive Financial Report, June 30, 2021*. Phoenix, AZ.

<sup>2</sup> U.S. Government Accountability Office (GAO). (2014). Standards for internal control in the federal government. Washington, DC. Retrieved 8/4/21 from <https://www.gao.gov/assets/670/665712.pdf>.

## 2021-03

**Department of Economic Security paid 108,377 claimants \$218.4 million of federal Pandemic Unemployment Assistance benefits that exceeded the minimum weekly benefit but has not yet determined whether the claimants were qualified as required; therefore, it does not know how much in potential overpayments it may have paid and would potentially need to recover**

**Condition**—The Department of Economic Security (DES) reported that it paid 108,377 valid unemployment insurance (UI) claimants \$218.4 million of federally funded Pandemic Unemployment Assistance (PUA) benefits above the State's \$117-minimum weekly UI benefit, up to \$240 weekly, as allowed by federal regulations.<sup>1</sup> However, DES did not determine whether claimants, while eligible to receive the weekly UI benefit, were qualified to receive the additional weekly UI benefits provided under the CARES Act UI benefits programs. Specifically, DES did not determine whether those claimants had submitted the wage documentation within 21 days of applying, as required, and immediately reduce the claimants' future weekly benefit payments to the \$117-minimum weekly UI benefit and determine how much it had overpaid those claimants. In addition, for those claimants who submitted wage documents, DES did not evaluate the wage documents to determine if and how much in benefits it overpaid those claimants above the weekly minimum. As of October 2022, DES had not yet completed evaluating the information of all 108,377 claimants who submitted wage documentation to determine if and how much of the \$218.4 million in PUA benefits above the weekly minimum it overpaid those claimants between May 18, 2020 and September 4, 2021, the end of the CARES Act UI benefits programs. After doing that, if DES chooses to apply waivers to the CARES Act programs, it would then be able to determine which overpayments it may be allowed to waive.

**Effect**—DES' backlog of 108,377 claimants, for whom it has not completed wage verifications to determine whether it overpaid them and by how much, affects DES' ability to report complete and accurate financial information to ADOA for the State's financial statements. Specifically, we discovered DES initially excluded a related financial statement disclosure from the State's financial statements regarding this contingent liability to the federal government, as described in finding 2021-02. DES made the appropriate correcting disclosure in the State's *Annual Comprehensive Financial Report*, as required by U.S. generally accepted accounting principles, but because it had not determined whether the 108,377 claimants were qualified to receive these benefits, it had to disclose the total \$218.4 million paid to these claimants.<sup>2</sup>

In addition, this backlog affects DES' ability to pursue timely collection of the specific overpayments that are required to be returned by claimants, and delays DES' returning recovered overpayments to the federal government.

**Cause**—DES reported it did not originally have a system alert to notify it of claimants who were receiving more than the minimum weekly UI benefit amount but who had not submitted wage documentation within 21 days of applying. DES also reported it did not initially have the staff needed to process the volume of CARES Act UI benefits claims.

**Criteria**—Federal regulations prescribe the PUA program requirements that apply to claimants and that DES must follow.<sup>3</sup> Specifically, federal regulation states that claimants who are eligible to participate in the PUA program are entitled to receive the State's minimum weekly UI benefit—\$117 in Arizona—and claimants may receive an increased PUA weekly benefit amount up to a maximum—\$240 in Arizona—if the claimant submits wage documentation within 21 days of applying.<sup>4,5</sup> Federal regulations require states to determine and immediately pay a weekly benefit amount based on the claimants' self-certification of eligibility and wages contained in the claimants' application. Claimants who self-certify for more than the minimum weekly benefit amount are required to submit wage documentation within 21 days of applying for the additional weekly PUA benefit, and states are then required to immediately determine the accuracy of each claimant's weekly benefit amount based on the claimant's submitted wage documentation.<sup>4,5</sup>

For claimants who did not submit the required wage documentation within 21 days of applying, federal regulation requires states to immediately reduce the claimants' future benefit payments to the minimum weekly benefit amount and consider PUA payments exceeding the minimum weekly benefit as overpayments.<sup>5</sup> In addition, federal regulation requires states to take all reasonable measures under state and federal laws to recover overpayments to claimants, regardless of whether the overpayment resulted from error or fraud on the claimant's part.<sup>6</sup> However, in February 2022, federal regulation was issued that lists 7 scenarios under which states may waive recovery of CARES Act programs overpayments from claimants if the state determines specific criteria have been met, including that the claimant was not at fault.<sup>7</sup> Finally, designing control activities, including those for its information system, to achieve program objectives and respond to risks is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring benefit payments are provided to only those who are eligible to receive them.<sup>8</sup>

**Recommendations**—DES should:

1. Continue using system-generated alerts and information and allocate sufficient resources, such as staffing, to perform wage verifications to process the backlog of claimants who received increased PUA weekly benefit payments to determine the weekly benefit amount they qualified for and identify overpayments and when establishing overpayments determine if DES will apply a waiver.
2. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

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

This finding is similar to prior-year finding 2020-02.

<sup>1</sup> In response to the Novel Coronavirus Disease of 2019 (COVID-19) pandemic, the United States Congress passed several laws that essentially expanded unemployment insurance through new federally funded programs for a period of time to provide economic relief to individuals who were unable to work because of the COVID-19 pandemic and established the Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Federal Pandemic Unemployment Compensation programs (FPUC). The PUA program, which provided unemployment compensation through September 6, 2021—or September 4, 2021, for the State of Arizona—to individuals who were not traditionally eligible for benefits under regular UI programs, such as those who were self-employed workers, independent contractors, and gig-economy workers, those with limited work history, and certain other workers whose employment was affected by the COVID-19 pandemic. These programs provided claimants with a minimum weekly benefit, pursuant to each state’s unemployment compensation law, and anything above Arizona’s minimum weekly benefit of \$117—up to \$240 total per week in Arizona—would require wage verification. In addition, the FPUC program supplemented \$600 to the weekly benefits an individual may receive under regular UI or PUA through July 31, 2020, provided they were eligible to participate in the UI programs. Again on December 26, 2020, the FPUC program supplemented \$300 to the weekly benefits an individual may receive under regular UI or PUA through September 6, 2021, or September 4, 2021, in Arizona (Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 [Public Law 116-136], Title II, Subtitle A (2020); as amended by the Consolidated Appropriations Act of 2021 [Pub. L. 116-260], Division N, Title II, Subtitle A; as amended by the American Rescue Plan Act of 2021 [Pub. L. 117-2], Title IX, Subtitle A, Sec. 9011 (2021)). As a result, from March 27, 2020, to September 5, 2020, eligible individuals could have received up to a maximum of \$840 in weekly benefits under these federal programs.

<sup>2</sup> Arizona Department of Administration. (2021). *State of Arizona Annual Comprehensive Financial Report, June 30, 2021*. Phoenix, AZ.

<sup>3</sup> On March 27, 2020, the CARES Act, Section 2102(a)(3)(A), provided the criteria for which an individual self-certifies eligibility for PUA under the Presidentially declared public health emergency resulting from the COVID-19 pandemic. The self-certification required claimants to self-declare that they were eligible for the PUA program and were able to work and available for work but unable to do so because of at least 1 specific, qualifying COVID-19-related reason. In addition, the CARES Act, §2102(h), applied the Disaster Unemployment Assistance program’s administrative requirements to PUA since PUA was similar to unemployment compensation provided under Presidentially declared disasters.

<sup>4</sup> 20 Code of Federal Regulations (CFR) §625.6(e).

<sup>5</sup> U.S. Department of Labor, Office of the Inspector General (April 27, 2020). Unemployment Insurance Program Letter No. 16-20, Change 1, Attachment I, Question 20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20\\_Change\\_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_1.pdf).

<sup>6</sup> 20 CFR §625.14[a].

<sup>7</sup> On February 7, 2022, U.S. Department of Labor (DOL) issued updated guidance that lists 7 scenarios under which states may waive recovery of CARES Act programs overpayments if they choose to apply waivers to the CARES Act programs. The list includes 2 previously identified scenarios from the DOL guidance issued on May 5, 2021. U.S. Department of Labor, Office of the Inspector General (February 7, 2022). Unemployment Insurance Program Letter No. 20-21, Change 1. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_20-21\\_Change\\_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-21_Change_1.pdf).

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

## 2021-04

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

**Condition**—The Arizona Department of Administration (ADOA), the State agency responsible for preparing and issuing the State’s Annual Comprehensive Financial Report (ACFR) using information provided by other State entities, did not timely receive necessary information and therefore could not prepare and issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline of September 30, 2022. Specifically, 20 State agencies, 3 State universities, and 2 retirement systems must provide ADOA timely, accurate, and complete financial information so that it can issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline. Four of 20 State agencies and 1 of 2 retirement systems that were required to submit their financial information to ADOA by November 12, 2021—the deadline ADOA established and communicated to them in its annual letter—did not do so. Specifically, the Arizona Health Care Cost Containment System (AHCCCS) and the Department of Economic Security (DES), the 2 largest and most significant of the 4 State agencies that provided late financial information, did not submit their final financial information to ADOA until over 9 months’ late on August 9, 2022, and September 30, 2022, respectively. The 1 retirement system and other 2 State agencies that provided late financial information to ADOA—the Public Safety Personnel Retirement System, the Arizona Department of Transportation, and Arizona Correctional Industries—submitted final financial information to ADOA on January 4, 2022; January 26, 2022; and May 17, 2022, respectively.

**Effect**—State legislators, federal grantors, creditors, and other stakeholders lacked timely financial information to make important decisions about the State's operations and financial position. The State's delay in meeting its financial reporting and audit requirements may affect those decision-makers' ability to rely on financial information that is not provided timely or may result in the credit-rating agencies lowering the State's credit ratings for its bonds and certificates of participation. Further, the State's delay in issuing its single audit reporting package, which includes the State's ACFR, could result in actions taken by federal grantors on the State's various federal awards, as described in finding 2021-122.

**Cause**—The State agencies' delays in providing the information to ADOA were generally caused by their limited resources, such as reduced staffing from retirements and other employee turnover, combined with increased workloads due to carrying out additional responsibilities and administering new federal funding in response to the COVID-19 pandemic. In particular, AHCCCS and DES were impacted by these factors, considering the Medicaid and unemployment insurance programs, respectively, that each of them administer, resulting in them having fewer staff to prepare their financial information and oversee their financial reporting processes to ensure they met ADOA's deadline.

**Criteria**—State law requires State agencies and other organizations included in the State's financial reports to submit all necessary financial information to the ADOA to be used to prepare the State's ACFR (Arizona Revised Statutes [A.R.S.] §35-131[I]). The ADOA's policies and procedures also direct these State agencies and other organizations to provide instructions for submitting their financial information to the ADOA by a specified date to meet the State's financial reporting and audit requirement deadlines. Further, State and federal laws and regulations and the State's debt covenants and various federal award terms, require the State to issue its ACFR and single audit reporting package in a timely manner. Specifically, the State was required to submit its single audit reporting package, which includes the State's ACFR, to the Federal Audit Clearinghouse by September 30, 2022.

**Recommendations**—ADOA should work with the State agencies, including AHCCCS and DES, to provide guidance and assist them with their financial reporting process, as needed, so that it can prepare and issue the State's ACFR in time to meet financial reporting and audit requirements. In addition, those individuals in management who are responsible for AHCCCS', DES', and various other State agencies' financial reporting process should:

1. Ensure they allocate the appropriate resources to the financial reporting process to submit financial information to ADOA on time.
2. Ensure they have written policies and procedures for their employees involved in the financial reporting process to follow to prepare the financial information. Further, DES should take corrective action on our recommendations described in findings 2021-01, 2021-02, and 2021-03.
3. Coordinate and communicate directly with ADOA any difficulties they are having and to seek guidance and assistance when needed.

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

## 2021-05

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

**Condition**—Contrary to State law, the Department of Revenue (DOR) did not perform all necessary reconciliations to ensure it collected all income taxes due to the State. Variations of this finding have been reported since fiscal year 2006.

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

**Cause**—Since at least fiscal year 2006, DOR's tax administration system lacked the functionality to perform certain automatic reconciliations. In December 2020, DOR implemented an alternative, manual process to reconcile calendar year 2020 income tax withholdings from employers to individual income taxes. However, DOR's alternative process did not include all income tax accounts, and according to DOR, its reconciliation process accounts for only approximately 21 percent of the employers registered with the State in tax year 2020.

**Criteria**—State law requires that DOR administer and enforce Arizona income tax laws, which includes collecting income tax. The *State of Arizona Accounting Manual* requires that State agencies reconcile relevant activity.

**Recommendations**—DOR should perform all necessary reconciliations to ensure it collects all income tax due from taxpayers by addressing its system's limitations or improving its newly implemented alternative process to include all relevant accounts.

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

This finding is similar to prior-year finding 2020-04.

## 2021-06

The Department of Revenue did not publish \$24.8 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

**Condition**—Contrary to State law, the Department of Revenue (DOR) did not include \$24.8 million of individual income tax overpayments in its unclaimed property system that is used to publish abandoned property on its website for taxpayers to search and claim. These overpayments from 45,566 taxpayer accounts ranged from \$50 to \$885,613 and dated back as far as fiscal year 2007. Taxpayers have approximately 35 years to file a claim for abandoned property A.R.S. §44-317[E]).

**Effect**—Abandoned individual income tax overpayments totaling \$24.8 million were not published on DOR's website and therefore were not readily available for individual taxpayers to search and claim.



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

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

**Recommendations**—DOR should:

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

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

This finding is similar to prior-year finding 2020-05.

## 2021-07

### State discovered and corrected \$126.7 million of misstatements to assets and expenses reported in prior years’ financial statements related to insurance losses for its insurance guaranty funds

**Condition**—In fiscal years 2018 through 2020, the Department of Insurance and Financial Institutions (DIFI) had omitted information about the insurance guaranty funds’ ability to assess and bill losses for insolvent insurers to the Arizona Department of Administration (ADOA), which compiles the State’s financial statements.

**Effect**—Absent the needed information from DIFI, ADOA did not apply the appropriate accounting treatment in prior years and therefore reported a net misstatement on the State’s financial statements of \$126.7 million for fiscal year 2021. Specifically, this omitted information caused ADOA to inaccurately report expenses resulting from insurance losses and under report receivables during fiscal years 2018 through 2020 in the State’s financial statements.

ADOA corrected the State’s financial statements for fiscal year 2021 to reflect the correct accounting treatment for the insurance losses after the error was discovered while integrating the insurance guaranty funds’ separately issued financial statements for fiscal year 2021 that were prepared under a new basis of accounting.<sup>1</sup>

**Cause**—It is unclear whether DIFI management who should have provided the needed information to ADOA in fiscal years 2018 through 2020 understood what specific information DIFI should be providing to ADOA annually and how to perform the associated calculations. The State’s financial statements and the insurance guaranty funds’ separately issued financial statements were not prepared using the same basis of accounting until fiscal year 2021. Therefore, prior to fiscal year 2021, ADOA relied on DIFI to provide information other than the separately audited financial statements to integrate the guaranty funds’ activity into the State’s financial statements.

**Criteria**—State law allows DIFI to assess and recover losses from insolvent insurers (Arizona Revised Statutes §20-686). Further, the Governmental Accounting Standards Board sets the accounting and financial reporting standards that require the State to prepare its financial statements in accordance with generally accepted accounting principles, the application of which depends on having all the relevant information involving the transactions and events to be reported.

**Recommendations**—DIFI should:

1. Ensure it is providing all the relevant information needed for applying the appropriate accounting treatment to accurately report the insurance guaranty funds' activity in the State's financial statements.
2. Continue to prepare the insurance guaranty funds' separately issued financial statements using the same basis of accounting as the State's financial statements.

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

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<sup>1</sup> The State's insurance guaranty funds' separately issued financial statement audit was correctly stated, and insurance industry regulators rely on that separate financial statement audit. The insurance guaranty funds are reported as a discretely presented component unit in the State's financial statements.

## 2021-08

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

**Condition**—We reviewed the risk-assessment process at 5 State agencies including the Departments of Administration (ADOA), Child Safety (DCS), Economic Security (DES), Revenue (DOR), and Land (LDA), and found that DCS', DES', and LDA's processes for managing and documenting their risks did not include an overall risk assessment process that included identifying, analyzing, and responding to the agency-wide information technology (IT) risks, such as potential harm from unauthorized access, use, disclosure, disruption, modification, or destruction of IT data and systems. Further, ADOA's, DCS', DES', and LDA's processes did not include identifying, classifying, and inventorying sensitive information that might need stronger access and security controls.

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

**Cause**—Because the State's risk-assessment process is decentralized and managed at each agency, the agencies are in various stages of developing or implementing policies and procedures for assessing and managing risk and have not fully implemented agency-wide risk-assessment processes that address IT security.

**Criteria**—The State agencies are required to follow the State-wide IT policies established by the ADOA Arizona Strategic Enterprise Technology Office (ADOA-ASET), which are based on the IT security framework of the National Institute of Standards and Technology, to help effectively manage risk at State agencies. Effectively managing risk includes an entity-wide risk assessment process that involves members of the agencies' administration and IT management. The risk assessment should determine the



risks the agencies face as they seek to achieve their objectives to not only report accurate financial information and protect their IT systems and data but to also carry out their overall mission and service objectives. The process should provide the basis for developing appropriate responses based on identified risk tolerances and specific potential risks to which the agencies might be subjected. To help ensure the agencies' objectives can be met, an annual risk assessment should consider IT risks. For each identified risk, the agencies should analyze the identified risk and develop a plan to respond within the context of the agencies' defined objectives and risk tolerances. The process of managing risks should also address the risk of unauthorized access and use, modification, or loss of sensitive information.

**Recommendations**—The State agencies should:

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

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

This finding is similar to prior-year finding 2020-07.

## 2021-09

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

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

- **Restricting access**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to IT systems and data. (ADOA, DCS, DES, DOR, LDA)
- **Managing system configurations and changes**—Procedures did not ensure configuration settings were securely maintained and all IT system changes were adequately managed. (DES, LDA)
- **Securing systems and data**—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss. (ADOA, DES, DOR, LDA)

- **Ensuring operations continue**—Contingency plans either were not developed or lacked key elements related to restoring operations in the event of a disaster or other system interruption. (DES, DOR, LDA)

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

**Cause**—Because the State is decentralized and IT systems and data are managed at each agency, the State agencies are in various stages of developing and implementing policies and procedures for access, configuration management, security, and contingency planning and have not fully implemented them. Further, ADOA did not exercise oversight of controls delegated to other State agencies for one ADOA-managed system.

**Criteria**—The State agencies are required to follow the State-wide IT policies established by the ADOA Arizona Strategic Enterprise Technology Office (ADOA-ASET), which are based on the IT security framework of the National Institute of Standards and Technology, to implement effective internal controls that protect their IT systems and ensure the integrity and accuracy of the data they maintain, as follows:

- **Restricting access through logical controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed. (ADOA, DCS, DES, DOR, LDA)
- **Managing system configurations and changes through well-defined, documented configuration management process**—Ensures the agencies’ IT system configurations are documented and that changes to the systems are identified, documented, evaluated for security implications, tested, and approved prior to implementation. This helps limit the possibility of an adverse impact on the systems’ security or operation. (ADOA, DES, LDA)
- **Securing systems and data through IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to their IT systems and data. (ADOA, DES, DOR, LDA)
- **Ensuring operations continue through a comprehensive, documented, and tested contingency plan**—Provides the preparation necessary to place the plan in operation and helps to ensure business operations continue and systems and data can be recovered in the event of a disaster, system or equipment failure, or other interruption. (DES, DOR, LDA)

**Recommendations**—The State agencies should:

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

**Restricting access**—To restrict access to their IT systems and data, the agencies should develop, document, and implement processes to:

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

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

11. Establish and follow a documented change management process. (DES, LDA)
12. Document changes, testing procedures and results, change approvals, and post-change review. (ADOA)
13. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes. (DES)

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

14. Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges. (ADOA, DES, DOR, LDA)
15. Prepare and implement a security incident response plan clearly stating how to report and handle such incidents. (LDA)
16. Provide all employees ongoing training on IT security risks and their responsibilities to ensure systems and data are protected. (DES)
17. Ensure awarding and subsequent monitoring of IT vendor contracts is adequately conducted to ensure vendor qualifications and adherence to the vendor contract. (ADOA)

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

18. Develop and implement a contingency plan, and ensure it includes all critical elements to restore critical operations, including being prepared to move critical operations to a separate alternative site if necessary. (DOR)
19. Test the contingency plan. (DES, DOR, LDA)
20. Train staff responsible for implementing the contingency plan. (DOR)

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

This finding is similar to prior-year finding 2020-08.

## Other auditors' financial statement findings

### 2021-10

The other auditors who audited the Arizona Correctional Industries (ACI) reported the following internal control deficiency for its financial statement closing process for activity within the Other Enterprise Funds in the State's financial statements. ACI's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Condition**—During the course of our audit, we determined that multiple accounts on the Statement of Net Position were not accurately stated due to a lack of timely closing procedures, a lack of reconciliation of the sub-ledgers to the general ledger, and a lack of documented year-end closing procedures and checklists.

**Effect**—Numerous audit adjustments and multiple versions of ACI's final trial balance were required to properly reconcile and report year-end balances related to capital assets, accounts receivable, and various liability accounts.

**Cause**—Due to the COVID-19 pandemic, ACI has experienced loss of inmate and noninmate staff, some of whom were historically assigned the task of aiding in year-end review procedures. Additionally, ACI experienced the loss of key staff that previously coordinated the majority of the year-end closing process. These factors plus lack of cross-training of remaining staff and lack of documented procedures ultimately contributed to multiple improper and untimely reconciliations.

**Criteria**—Based on our understanding of the ACI's internal policies and procedures, the finance department performs a year-end review of all closing entries and reconcile all subledgers to the general ledger to ensure amounts included in the financial statements are presented in accordance with Generally Accepted Accounting Principles (GAAP).

**Recommendation**—We recommend the organization develop and document a year-end checklist of each asset and liability on the Statement of Net Position to ensure all account balances have been reviewed, that subledger reconciliations are completed, and that any necessary accruals are recorded. Furthermore, we recommend a secondary review be implemented over all accounts on the Statement of Net Position to ensure all changes have been identified and recorded. Additionally, we recommend that the organization begin to formally document the processes required to perform key reconciliations and other year-end closing procedures and to cross train staff on all accounting procedures including year-end closing procedures.

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

## 2021-11

The other auditors who audited the ACI reported the following internal control deficiency for its cash reconciliations activity within the Other Enterprise Funds in the State's financial statements.

**Condition**—The monthly cash reconciliations were not performed timely for the organization's cash account for the month of June 2021. The June 2021 cash reconciliation was not complete until March of 2022. Additionally, it has come to our attention that cash reconciliations for the month of July 2021 through the date of this report have not been completed.

**Effect**—Failure to perform cash reconciliations timely can result in incomplete financial reporting and a possible inability to prevent or detect fraud within a reasonable time frame.

**Cause**—Due to the COVID-19 pandemic, the loss of key finance personnel, and the lack of cross-training and documented processes, ACI has unreconciled differences in the cash reported on the State's AFIS system and the general ledger (EPICOR) system.

**Criteria**—The organization is required to timely perform cash reconciliations between AFIS and EPICOR, and monitor controls over those reconciliations monthly.

**Recommendation**—We recommend the organization reconcile all cash accounts monthly and implement review procedures to ensure reconciliations are completed timely. We recommend the organization formally document the cash reconciliation processes and to cross-train multiple staff on those processes in the case of a loss in key accounting personnel.

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

## 2021-12

The other auditors who audited the ACI reported the following internal control deficiency for its fixed asset disposals within the Other Enterprise Funds in the State's financial statements.

**Condition**—The fixed assets sub-ledger and general ledger accounts have not been properly updated the last few years to account for all disposals during the year. The organization failed to reconcile all capital assets from the subledger to items disposed of through ADOA Surplus. This has been a written recommendation to management in past year's audits, and is now being reflected in the audit report as a significant deficiency.

**Effect**—Items on the fixed assets sub-ledger that had been disposed of during the year still remained on the fixed asset schedule as of year-end and as such both the total cost and total accumulated depreciation were overstated.

**Cause**—Due to lack of year-end checklists, documentation of year-end reconciliation processes, and due to inmate and personnel turnover historically used to help reconcile capital assets.

**Criteria**—The organization is required to properly update the fixed assets sub-ledger and general ledgers to properly reflect all activity, additions and disposals from throughout the fiscal year. Additionally, the State of Arizona requires all disposals made through ADOA surplus to be removed from ACI’s capital asset ledgers.

**Recommendation**—We recommend that the organization reconcile their fixed asset sub-ledger to the master listing of items that have been disposed of through Surplus monthly and at year-end. We recommend that at least annually, nonfinancial management from different departments review the fixed asset inventory schedule for potential disposals. We recommend that the organization add the reconciliation of fixed assets to monthly and year-end checklists, to document this process, and to cross-train other finance staff to be able to do these reconciliations as well.

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

## 2021-13

The other auditors who audited the Arizona Commerce Authority (ACA) reported the following internal control deficiency over its revenues within the Aggregate Discretely Presented Component Units in the State’s financial statements. ACA’s and the State’s 2021 financial statements were adjusted for all material misstatements noted.

**Condition**—The Authority did not properly accrue for revenue that was earned as of June 30, 2021. An audit adjustment was proposed, and subsequently recorded by management.

**Effect**—Internal control weakness as an audit adjustment was proposed and subsequently recorded by management to properly state the financial statements in accordance with governmental generally accepted accounting principles.

**Cause**—The Authority’s determination and reporting of receivables and revenue incorporated an error that resulted in an adjustment in the financial statements. The Authority did not have sufficient review procedures in place to identify the error.

**Criteria**—In accordance with GASB 33 *Accounting and Financial Reporting for Nonexchange Transactions*.

**Recommendation**—We recommend the Authority evaluate its internal control processes over year-end closing procedures to ensure revenue related receivables are properly recorded at year-end.

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

## 2021-14

The other auditors who audited the Public Safety Personnel Retirement System (PSPRS) reported the following internal control deficiency over its financial reporting system activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements.

**Condition**—During fiscal year 2021, PSPRS did not use a fully functional accounting and financial reporting system.

Specific to the financial systems limitations, we noted the following:

- PSPRS' financial reporting database does not have a consolidated general ledger module.
- PSPRS' financial reporting database does not allow for accounting periods to be closed and locked from transactions and journal entries.
- PSPRS' financial reporting database does not have adequate journal entry approval controls or segregation of duties built into the system.

**Effect**—PSPRS' internal controls over financial reporting of their financial statements were not designed and operating to ensure that a misstatement would be prevented or detected and corrected in a timely manner as a result of using a system lacking proper functionality.

**Cause**—PSPRS' financial reporting system, EPIC 2.0, was created in house and was not designed to incorporate standard GL reporting functionality and controls. Management has implemented controls to mitigate the risks posed by the financial reporting system's deficiencies. However, due to the nature of the system design flaws these risks cannot be fully addressed while continuing to use this application as the general ledger.

**Criteria**—Management is responsible for designing, implementing, and maintaining internal controls that include controls over the general ledger, and complete and accurate financial statements.

**Recommendation**—We recommend management complete the implementation of the financial accounting system, Microsoft Dynamics GL, to optimize the functioning of that system and incorporate it into all current and new accounting processes. As part of this implementation, we recommend PSPRS develop a process to review and post summary journal entries based on reconciled subledger activity.

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

This finding is similar to prior-year finding 2020-09.



## 2021-15

The other auditors who audited the PSPRS reported the following internal control deficiency over its investment accounting for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements.

**Condition**—We observed PSPRS made progress toward addressing this finding, including creating and filling an investment accounting staff position and development of an external limited partner reconciliation process, however our prior year recommendations were not fully implemented for FY 2021. Investment activity is only recorded to the general ledger at year end. Additionally, it was noted that a complete monthly custodial bank reconciliation process was not implemented for FY 2021. Lastly, external limited partner investment fund net asset values and related investment income and expenses were not reconciled monthly by fund between the monthly custodial bank reporting and external limited partner capital account statements for FY 2021.

**Effect**—Increased likelihood of unidentified errors and inaccurate investment account balances.

**Cause**—PSPRS has not fully implemented routine investment accounting policies, procedures, and activities.

**Criteria**—Management is responsible for designing, implementing, and maintaining internal controls that include controls over account reconciliations, and complete and accurate financial statements.

**Recommendation**—We recommend PSPRS standardize and document investment accounting procedures, including robust, timely reconciliation of investment balances, income and expenses between the custodial bank, external manager reporting and general ledger.

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

This finding is similar to prior-year finding 2020-11.

## 2021-16

The other auditors who audited the Arizona Department of Transportation (ADOT) reported the following internal control deficiency over expenditure cutoff for activity within the Transportation and Aviation Planning, Highway Maintenance and Safety Fund and Other Governmental Funds in the State's financial statements. ADOT's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Condition**—During the course of our audit, we proposed and the Department subsequently recorded adjustments to correct accounts payable/expenditures. As a result of audit procedures, we noted that five transactions were not recorded in the proper period totaling \$8,028,427.

**Effect**—The lack of controls in place over the review of subsequent disbursements increases the risk of misstatements or errors occurring and not being detected and corrected.



**Cause**—The Department's internal control procedures failed to detect subsequent disbursements requiring accrual in the current audit period.

**Criteria**—Internal controls should be in place to provide reasonable assurance that expenditures are recorded in the proper period in accordance with accounting principles generally accepted in the United States of America.

**Recommendation**—We recommend that the Department implement policies and proper internal control procedures to ensure that expenditures are recorded in the proper period.

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

This finding is similar to prior-year finding 2020-13.

## 2021-17

The other auditors who audited ADOT reported the following internal control deficiency over financial reporting for its motor vehicle department revenues within the Transportation and Aviation Planning, Highway Maintenance and Safety Fund in the State's financial statements. ADOT's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Condition**—The Department did not have internal controls in place to ensure that chargebacks between customer accounts through the MVD's MAX system were not misappropriated. Potentially fraudulent chargebacks misappropriated by customers totaled \$854,484.

**Effect**—The lack of MVD's MAX system internal controls over customer account chargebacks increases the risk of fraud occurring and not being detected and corrected.

**Cause**—The Department did not have proper system controls within MVD's MAX system to deter the opportunity for customer account chargebacks to be misappropriated.

**Criteria**—Internal controls should be in place to provide reasonable assurance that revenues are properly recorded in accordance with accounting principles generally accepted in the United States of America.

**Recommendation**—We recommend that the Department implement proper MAX system controls to ensure that misappropriation of customer chargebacks is mitigated.

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

## 2021-18

The other auditors who audited the Arizona Property and Casualty Insurance Guaranty Fund (APCIGF) reported the following internal control deficiency over disbursement approval. This fund is combined into the Department of Insurance and Financial Institutions Guaranty Funds column within the Aggregate Discretely Presented Component Units in the State's financial statements.

**Condition**—The worker's compensation disbursement approval processes contain the following control deficiencies, which are considered material weaknesses:

- Documentation that the APCIGF Checks to Business reports of disbursements, initiated by a third-party administrator, were reviewed was not available for February 2020.
- For 1 of 43 workers compensation claim disbursements tested, amounts paid were not properly supported by the LEC letter. The recipient was underpaid \$15 per month from November 2019 through March 2021. In March 2021, the underpayments were issued to the recipient.

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

**Cause**—Although the internal controls were adequately designed, there were deficiencies in the execution of the controls.

**Criteria**—Reports of disbursements, initiated by a third-party administrator, should be reviewed and maintained. Disbursements should only be made in accordance with the proper supporting documentation.

**Recommendation**—Processes should be implemented to ensure that the APCIGF Checks to Business Reports are reviewed and maintained. These reviews should be documented. Additionally, changes in benefits should be reviewed to ensure that disbursements are properly supported. This will help ensure that disbursements are properly supported and approved.

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

## 2021-19

The other auditors who audited the Arizona Life and Disability Insurance Guaranty Fund reported the following internal control deficiency in its service organization oversight. This fund is combined into the Department of Insurance and Financial Institutions Guaranty Funds column within the Aggregate Discretely Presented Component Units in the State's financial statements.

**Condition**—TriPlus Services, Inc.'s systems and controls were not monitored by the Fund. There was no evidence that Policy and Claims Administration (PACA) Working Group's Reports on activities and general administration statistics, and claims data from the monthly Penn Treaty NonLTC and LTC GA Operations Reports were reviewed.

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

**Cause**—Although the internal controls were adequately designed, there were deficiencies in the execution of the controls.

**Criteria**—Complimentary user controls should be implemented over service organization control objectives.

**Recommendation**—A process should be implemented to monitor the systems and controls of service organizations. These reviews should be documented. This will help ensure that the Fund is properly monitoring the systems and controls of service organizations.

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

## Federal award findings and questioned costs

### 2021-101

<b>Assistance Listings number and name:</b>	21.019 <b>COVID-19 Coronavirus Relief Fund (CRF)</b>
<b>Award number and year:</b>	None
<b>Federal agency:</b>	<b>U.S. Department of the Treasury</b>
<b>Compliance requirement:</b>	Subrecipient monitoring
<b>Questioned costs:</b>	\$277,438

**Condition**—The Arizona Governor’s Office of Strategic Planning and Budgeting (Office) awarded \$567 million to 807 subrecipients during fiscal year 2021, or 53 percent of the Office’s \$1.06 billion total federal expenditures for this federal program, but did not perform all the required monitoring of the subrecipients’ activities or compliance with the award terms and program requirements. Specifically, the Office performed some monitoring during the year, which consisted only of reviewing financial and activity reports if submitted by the subrecipient; however, those monitoring procedures alone were not sufficient to evaluate whether subrecipients used program monies in accordance with the award terms and program requirements. Further, the Office did not always follow up with subrecipients to obtain missing documentation to support that their costs were allowable, contrary to the Office’s procedures to do so.

**Effect**—The Office’s lack of required monitoring increased the risk that the \$567 million of program monies the Office awarded to subrecipients may not have been spent in accordance with the award terms and program requirements. Further, the Office’s failure to perform all the required monitoring resulted in the Office reimbursing 3 local government subrecipients for \$833,067 of payroll expenditures that were incurred prior to March 1, 2020, which was before the time period the costs were allowed to be incurred. The Office subsequently worked with these local governments to replace these unallowed costs with other allowable costs totaling the same amount, as permitted by federal regulations; therefore, we noted no questioned costs since the Office took corrective action for this noncompliance.<sup>1,3</sup> Lastly, the Office’s failure to obtain documentation from 1 nonprofit organization subrecipient to support monies totaling \$277,438 had been used only for authorized purposes, may result in the Office being required to return these monies to the federal agency in accordance with Uniform Guidance requirements.<sup>2</sup>

**Cause**—Office management reported that it did not have enough staff to perform its monitoring procedures and instead the Office performed only limited monitoring procedures. Specifically, the Office

had policies and procedures to follow for performing the monitoring procedures for its subrecipients, including how it should consider and assess risk of each subrecipient and carry out required and various other monitoring procedures based on those risk assessments. However, Office management reported that its staffing levels were not sufficient to perform all the required procedures, including following up with subrecipients to obtain missing or incomplete documentation.

**Criteria**—Federal regulations require the Office to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient's noncompliance and monitoring activities based on those risk assessments; verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §§200.332[b] and [d – e]). Further, federal regulation requires CRF monies to be spent for only necessary expenditures incurred because of the COVID-19 public health emergency during the performance period of March 1, 2020 through December 31, 2021.<sup>3</sup> However, this federal guidance permits the State and local governments to replace unallowable costs for allowable expenditures they incurred during the period of performance.<sup>1</sup> Lastly, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should:

1. Ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by following their established policies and procedures to:
  - a. Assess the risk of each subrecipient's noncompliance and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on site reviews, selective audits, and/or other monitoring procedures.
  - b. Verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken on audit findings that could potentially affect the program, and issue management decisions for audit findings pertaining to the federal award.
  - c. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any Office actions taken, if appropriate.
2. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate an individual to perform necessary subrecipient monitoring procedures.
3. Work with the federal agency and the subrecipient to resolve the \$277,438 of program monies the Office spent in violation of its federal award terms, which may involve returning monies to the federal agency.<sup>2</sup>

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

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<sup>1</sup> The CARES Act established the CRF and was enacted March 27, 2020. Federal guidance for implementing the CRF was established by the U.S. Treasury in April 2020, revised in June 2020, and further updated by frequently asked questions starting May 4, 2020 through October 19, 2020. All the U.S. Treasury's CRF guidance was finalized in the Federal Register (FR) on January 15, 2021 (FR Vol. 86, No. 10, Doc. 2021-00827). In addition, the U.S. Department of the Treasury, Office of the Inspector General issued frequently asked questions regarding reporting (U.S. Department of the Treasury, Office of Inspector General. [2021.]. *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping [Revised]*, retrieved on 10/5/2022 at <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>).

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

<sup>3</sup> The CARES Act, which established the CRF, and federal guidance define the required use of CRF funds, including that costs are necessary expenditures incurred due to the public health emergency with respect to COVID-19 and defines the period of performance period as March 1, 2020 through December 31, 2021, meaning this is the time period during which costs resulting from the COVID-19 public health emergency can be incurred for which CRF monies can be spent (CARES Act of 2020, Public Law 116-135, Title V, section 5001; U.S. Department of the Treasury [2021].). *Coronavirus Relief Fund—Revision to Guidance Regarding When a Cost is Considered Incurred*, retrieved on 10/5/2022 at [https://home.treasury.gov/system/files/136/CRF-Guidance\\_Revision-Regarding-Cost-Incurred.pdf](https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf).

## 2021-102

<b>Assistance Listings number and name:</b>	21.019 <b>COVID-19 Coronavirus Relief Fund</b>
<b>Award number and year:</b>	None
<b>Federal agency:</b>	<b>U.S. Department of the Treasury</b>
<b>Compliance requirements:</b>	Activities allowed or unallowed and allowable costs/cost principles
<b>Questioned costs:</b>	\$978,864

**Condition**—Contrary to federal laws, regulations, and guidance, the Arizona Governor's Office of Strategic Planning and Budgeting (Office), which is responsible for administering the State's Coronavirus Relief Fund (CRF), approved and reimbursed other State agencies for costs totaling \$15,167,357 that were not incurred in response to the Coronavirus Disease 2019 (COVID-19) public health emergency and, therefore, were unallowable. Of the over \$1.06 billion of total CRF monies the Office spent during fiscal year 2021, the Office specifically approved and reimbursed:

- \$10,838,756 for 2 State agencies' payroll costs they were already reimbursed for in the prior fiscal year.
- \$3,351,045 for 5 State agencies' indirect costs that were specifically disallowed by the program's requirements.
- \$977,556 for 1 State agency's information technology payroll costs that lacked documentation to support that the costs were incurred in response to the COVID-19 public health emergency.

Once we notified the Office of instances of the them approving and reimbursing unallowable costs, which we identified in our audit samples, the Office began working with the State agencies to calculate and resolve their unallowable costs described above and replaced the majority of these costs, totaling \$14,188,493, with allowable costs incurred, as permitted by federal guidance. However, the CRF program ended and was closed-out on September 30, 2022 and \$978,864 of the unallowable costs remained as CRF monies and we consider these questioned costs.

**Effect**—The U.S Department of the Treasury may require the Office to repay \$978,864 of CRF monies the State expended for unallowable costs since the State agency did not replace them with other allowable costs incurred by December 31, 2021.<sup>1</sup>

**Cause**—Because the Office relied on State agencies to properly use and account for CRF monies provided, the Office did not detect unallowable costs at several State agencies. Further, several State agencies failed to detect and correct the unallowable costs—or, in the case of 1 State agency, failed to detect that documentation was missing to support that costs were allowable—in their reviews prior to submitting documentation to the Office for reimbursement from CRF monies.

**Criteria**—Federal laws and regulations require the State to spend CRF monies for only necessary expenditures they incurred because of the COVID-19 public health emergency during the performance period of March 1, 2020 through December 31, 2021.<sup>2</sup> Federal guidance prohibits the State from using CRF monies to cover certain administrative costs, such as indirect costs. However, this federal guidance permits the State to replace unallowable costs for allowable expenditures they incurred during the period of performance.<sup>3</sup> Further, federal regulation also requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should provide oversight of State agencies' spending of CRF monies and develop and implement policies and procedures to:

1. Perform after-the-fact reviews of State agencies' reimbursement requests for CRF monies already disbursed to detect unallowable costs, including indirect costs and other unallowable expenditures incurred outside of the period of performance.
2. Require State agencies to prepare and maintain documentation to support that costs are allowed by federal laws, regulations, and guidance.
3. Work with the U.S Department of the Treasury to resolve the \$978,864 of unallowable costs that had not been replaced with allowable costs incurred before the program's ending and close-out, which may involve the State repaying these monies to the federal agency.<sup>1</sup>

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

This finding is similar to prior-year finding 2020-101.

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

<sup>2</sup> The CARES Act, which established the CRF, and federal guidance define the required use of CRF funds, including that costs are necessary expenditures incurred due to the public health emergency with respect to COVID-19 and defines the period of performance period as March 1, 2020 through December 31, 2021, meaning this is the time period during which costs resulting from the COVID-19 public health emergency can be incurred and CRF monies can be spent (CARES Act of 2020, Public Law 116-135, Title V, section 5001; U.S. Department of the Treasury [2021.]. *Coronavirus Relief Fund—Revision to Guidance Regarding When a Cost is Considered Incurred*, retrieved on 10/5/2022 at [https://home.treasury.gov/system/files/136/CRF-Guidance\\_Revision-Regarding-Cost-Incurred.pdf](https://home.treasury.gov/system/files/136/CRF-Guidance_Revision-Regarding-Cost-Incurred.pdf)).

<sup>3</sup> The CARES Act established CRF and was enacted March 27, 2020. Federal guidance for implementing the CRF was established by the U.S. Treasury in April 2020, revised in June 2020, and further updated by frequently asked questions starting May 4, 2020 through October 19, 2020. All the U.S. Treasury's CRF guidance was finalized in the Federal Register (FR) on January 15, 2021 (FR Vol. 86, No. 10, Doc. 2021-00827). In addition, the U.S. Department of the Treasury, Office of the Inspector General issued frequently asked questions regarding reporting (U.S. Department of the Treasury, Office of Inspector General. [2021.]. *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping [Revised]*, retrieved on 10/5/2022 at <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>).



## 2021-103

<b>Assistance Listings number and name:</b>	21.019 <b>COVID-19 Coronavirus Relief Fund</b>
<b>Award number and year:</b>	None
<b>Federal agency:</b>	<b>U.S. Department of the Treasury</b>
<b>Compliance requirement:</b>	Reporting
<b>Questioned costs:</b>	Not applicable

**Condition**—The Arizona Governor’s Office of Strategic Planning and Budgeting Office’s (Office) administration reported inaccurate program information to the federal agency in its quarterly reports when compared to the State’s records. Specifically, our testing of 2 quarterly reports found the following inaccuracies:

- An understatement of \$21,330,080 or 1.3 percent of the total \$1.6 billion of program expenditures, which is the combined cumulative amount reported as of March 31, 2021.
- A misclassification of \$78,329,790 of contract expenditures that should instead have been reported as loans, resulting in cumulative contract expenditures being overstated by 57 percent and the cumulative loans being understated by 100 percent as of March 31, 2021.
- A misclassification of \$20,333,935 of grant expenditures that should instead have been reported as contract expenditures, resulting in cumulative grant expenditures being overstated by 2.1 percent and cumulative contract expenditures being understated by 14.8 percent as of March 31, 2021.

**Effect**—The Office’s reporting inaccurate program information results in the federal agency being unable to rely on the reports to effectively monitor the Office’s program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program’s success.

**Cause**—The Office staff members who initially prepared and reviewed the reports and were no longer employed by the Office, did not follow the Office’s established policies and procedures to prepare the reports and did not document the methodology used to compile them, which resulted in some of these errors. Additionally, those former staff members were not adequately trained on what information to gather to correctly classify the expenditures, and the Office’s policies and procedures did not require them to reconcile the expenditure amounts to the Office’s accounting records, a procedure which could have detected the errors before the reports were submitted to the federal agency.

**Criteria**—Federal law, regulation, and guidance requires the Office to report quarterly its cumulative obligations and expenditures by type, such as contracts, grants, loans, direct payments, and transfers to other governmental entities, beginning December 2020.<sup>1</sup> Accordingly, the Office’s policies and procedures, including federal reporting templates, provide instructions for employees to follow to meet these reporting requirements and require an independent review of the reports prior to submitting them to the federal agency. Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms and conditions (2 CFR §200.303).

**Recommendations**—The Office should improve its policies and procedures to report accurate and complete program information to the federal agency that include:

1. Requiring employees to follow the established policies and procedures for preparing reports and to document the methodology used to compile and report program information.
2. Reconciling expenditure amounts reported to the Offices’ accounting records.

3. Continuing to require an independent review of all reports prior to submitting them to the federal agency.
4. Adjusting or resubmitting reports for errors detected on reports the Office already submitted to the federal agency, if practicable, or work with the federal agency so that it is informed of errors on previously submitted reports.
5. Training those employees responsible for preparing and reviewing reports on what information to gather to prepare the reports and on the Office's policies and procedures.

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

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<sup>1</sup> The CARES Act established the CRF and was enacted March 27, 2020. Federal guidance for implementing the CRF was established by the U.S. Treasury in April 2020, revised in June 2020, and further updated by frequently asked questions starting May 4, 2020 through October 19, 2020. All the U.S. Treasury's CRF guidance was finalized in the Federal Register (FR) on January 15, 2021 (FR Vol. 86, No. 10, Doc. 2021-00827). In addition, the U.S. Department of the Treasury, Office of the Inspector General issued frequently asked questions regarding reporting (U.S. Department of the Treasury, Office of Inspector General. [2021.]. *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping (Revised)*, retrieved on 10/5/2022 at <https://oig.treasury.gov/sites/oig/files/2021-03/OIG-CA-20-028R.pdf>).

## 2021-104

<b>Assistance Listings number and name:</b>	<b>84.425C COVID-19 Education Stabilization Fund—Governor's Emergency Education Relief (GEER) Fund</b>
<b>Award number and year:</b>	S425C200052, June 2, 2020 through September 30, 2021
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Cash management
<b>Questioned costs:</b>	Unknown

**Condition**—Contrary to the federal regulations as outlined in the State's agreement with the U.S. Department of Education (U.S. ED), the Governor's Office of Strategic Planning and Budgeting (Office) requested \$19,632,098 in total reimbursements from the U.S. ED earlier than allowed on behalf of the Arizona Department of Education (ADE) and other entities. Specifically, our review of the Office's reimbursements from July 1, 2020 through June 30, 2021 found that the Office submitted 1 of 22 requests for \$18,850,000 in total federal monies to pay the Arizona Department of Education (ADE) 72 to 168 days early and 8 of 22 requests for \$782,098 in total federal monies to pay a nonprofit organization 44 to 226 days early for the GEER Fund program. The Office reported despite assurances to the Office that costs had been incurred for approved programs, ADE and the nonprofit organization had unspent federal assistance totaling \$18,116,963 as of June 30, 2021.

**Effect**—Because the Office had unspent federal assistance, it returned unspent monies to U.S. ED on June 28, 2022. The Office can resubmit for federal reimbursement with the U.S. ED once expenditures have been incurred.

**Cause**—The Office's existing procedures established all subawards to be made on a reimbursement basis; however, when disbursing these program monies, the Office did not follow its established procedures and instead disbursed the monies in advance of incurred costs to ensure monies were available to recipients in response to the public health emergency caused by the COVID-19 pandemic.

**Criteria**—Federal regulations and the State's agreement with the U.S. ED require the Office to minimize the time lapsing between the disbursement of federal monies and their being spent for program purposes



(31 CFR §205.33). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should:

1. Minimize the time lapsing between the disbursement of federal monies and their being spent for program purposes.
2. Follow its existing procedures to disburse program monies to recipients on a reimbursement basis for actual costs incurred.

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

## 2021-105

<b>Assistance Listings number and name:</b>	84.425C <b>COVID-19 Education Stabilization Fund—Governor's Emergency Education Relief (GEER) Fund</b>
<b>Award number and year:</b>	S425C200052, June 2, 2020 through September 30, 2021
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Subrecipient monitoring
<b>Questioned costs:</b>	\$164,221

**Condition**—The Arizona Governor's Office of Strategic Planning and Budgeting (Office) awarded \$3.2 million to 4 subrecipients during fiscal year 2021, or 27 percent of the Office's \$11.7 million total federal expenditures for this federal program, but did not perform all the required monitoring of the subrecipients' activities or compliance with the award terms and program requirements. Specifically, the Office performed some monitoring during the year, which consisted only of reviewing financial and activity reports if submitted by the subrecipient; however, those monitoring procedures alone were not sufficient to evaluate whether subrecipients used program monies in accordance with the award terms and program requirements.

Further, for 1 of 4 subrecipients tested, the Office did not include in the award terms accurate information necessary for the subrecipient to administer the program in accordance with federal requirements. Specifically, the Office included only a broad federal award project description to be performed by the subrecipient and listed an incorrect start date for incurring expenditures that was 12 days earlier than the date allowed by the Office's federal award terms with the federal agency.

**Effect**—The Office's lack of required monitoring increased the risk that the \$3.2 million of program monies the Office awarded to subrecipients may not have been spent in accordance with the award terms and program requirements.

Further, the Office's failure to perform all the required monitoring resulted in the Office reimbursing 1 nonprofit organization subrecipient for \$113,850 of potential unallowable costs related to financial audit and advertising services. Lastly, the Office's failure to include accurate information in the 1 subrecipient's award terms resulted in the Office reimbursing the subrecipient for \$50,371 of expenditures that were incurred prior to the federal award term's start date. Consequently, the Office may be required to return these monies to the federal agency in accordance with Uniform Guidance requirements.<sup>1</sup>

**Cause**—Office management reported that it did not have enough staff to perform its various monitoring procedures and instead the Office performed only limited monitoring procedures. Specifically, the Office had policies and procedures to follow for performing the various monitoring procedures for its subrecipients, including how it should consider and assess risk of each subrecipient and carry out required and various other monitoring procedures based on those risk assessments. However, Office management reported that its staffing levels were not sufficient to perform all the required procedures.

Further, for the subrecipient with inaccurate award terms, when the Office switched the funding source from the Coronavirus Relief Fund to GEER, it did not update all the award terms, such as the federal award project description and start date for incurring expenditures.

**Criteria**—Federal regulation requires the Office to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments; verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §200.332[b] and [d – e]).

Further, federal regulation requires the Office to include in its award terms with subrecipients accurate information necessary for the subrecipient to administer the program in accordance with federal requirements, such as a detailed project description and a start date for incurring project expenditures that aligns with the Office’s award terms with the federal agency (2 CFR §200.332[a]). Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should:

1. Ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by following their established policies and procedures to:
  - a. Assess the risk of each subrecipient’s noncompliance and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on site reviews, selective audits, and/or other monitoring procedures.
  - b. Verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken on audit findings that could potentially affect the program, and issue management decisions for audit findings pertaining to the federal award.
  - c. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures’ results and any Office actions taken, if appropriate.
2. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate an individual to perform necessary subrecipient monitoring procedures.
3. Work with the federal agency to resolve the \$50,371 of program monies the Office spent in violation of its federal award terms, which may involve returning monies to the federal agency.<sup>1</sup>
4. Include accurate federal program information within the subrecipient agreement such as the program’s period of performance and a detailed project description to be performed by the subrecipient.

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

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

## 2021-106

**Assistance Listings number and name:**

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

**Award number and years:**

S425C200052, June 2, 2020 through September 30, 2021

**Federal agency:**

**U.S. Department of Education**

**Compliance requirement:**

Reporting

**Questioned costs:**

Not applicable

**Condition**—Contrary to federal laws and regulations and the State's accounting manual, the Governor's Office of Strategic Planning and Budgeting (Office) failed to report certain information on the federal government's reporting system for \$28.9 million subawards it made to 4 subrecipients and 2 other State agencies under this program. Specifically, the Office awarded federal monies to these entities to provide education-related entities with emergency assistance to prevent, prepare for, and respond to COVID-19. However, the Office had not reported any required information about the subawards, including the subaward organization names and subaward amounts and terms, during fiscal year 2021 when the Office began awarding program monies.

During fiscal year 2021, the Office spent \$10.1 million of federal monies related to these subawards, or 86.3 percent of the Office's \$11.7 million total federal expenditures for this federal program.

**Effect**—The State's stakeholders and the public did not have access to transparent and timely information about the Office's federal award spending decisions on the [USAspending.gov](https://USAspending.gov) website as required by federal laws and regulations.

**Cause**—Although the program's reporting requirements were provided as additional award terms and conditions on the federal agency's website, the Office was aware of the requirements, and the State's accounting manual instructed State departments to follow them, the Office reported that the 2 employees who were responsible for preparing, submitting, and reviewing the report left the Office (i.e., 100 percent turnover in the program), and the replacement staff could not locate any documentation to support that the subaward data was reported on the federal government's subaward reporting system during fiscal year 2021.

**Criteria**—The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require the Office, as a direct recipient of federal awards, to report certain information about each subaward action exceeding \$30,000 in federal monies on the FFATA Subaward Reporting System no later than month-end of the month following the subaward action so that the information can be displayed to the public on the website, [USAspending.gov](https://USAspending.gov).<sup>1</sup> Specifically, the federal Uniform Guidance requires the Office to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action exceeding

the \$30,000 threshold (2 CFR 170.320 and Appendix A to Part 170). Additionally, the State's accounting manual requires the Office to perform this reporting for federal awards (State of Arizona Accounting Manual, Topic 70: Grants, Section 45). Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for this program.
2. Follow the State's accounting manual for reporting subaward actions exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance.
3. Allocate resources to ensure reporting requirements are met and appropriate supporting documentation is maintained.

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

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

## 2021-107

<b>Assistance Listings number and name:</b>	84.425C <b>COVID-19 Education Stabilization Fund—Governor's Emergency Education Relief (GEER) Fund</b>
<b>Award number and year:</b>	S425C200052, June 2, 2020 through September 30, 2021
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Reporting
<b>Questioned costs:</b>	Not applicable

**Condition**—Contrary to its policies and procedures, the Arizona Governor's Office of Strategic Planning and Budgeting (Office) did not maintain documentation to support subawards' performance data, consisting of their full-time equivalent (FTE) positions, that the Office reported in its annual report to the federal agency during fiscal year 2021.

**Effect**—There is an increased risk that the Office could report inaccurate information, affecting the federal agency's ability to rely on the reports to effectively monitor the Office's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success.

**Cause**—The Office staff members who initially prepared, reviewed and submitted the program's annual report and were no longer employed by the Office, did not follow the Office's established policies and procedures for maintaining documentation supporting the performance data in its annual report. Additionally, because documentation was not always maintained, the replacement employees could not

find evidence that the annual report had been reviewed and approved by a person independent of its preparation prior to the Office's submitting it to the federal agency.

**Criteria**—The Office's policies and procedures require it to maintain documentation supporting financial and performance data and other information it reports to the federal agency and to have reports reviewed by someone who is independent of their preparation prior to submitting them to the federal agency. In addition, federal regulation requires the Office to report annual information for amounts the State expended in total and for various uses as well as performance data, such as the number of the State's and subawards' FTE positions as of the report dates, regardless of whether the positions were funded by federal, State, local, or other resources (34 CFR §76.720).<sup>1</sup> Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should follow its existing policies and procedures to:

1. Maintain documentation to support financial and performance data and other information it reports to the federal agency.
2. Perform an independent review of reports for accuracy prior to submitting them to the federal agency.

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

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<sup>1</sup> The annual reporting that is required by 34 CFR §76.720 is prescribed by and submitted to the U.S. Department of Education using the Education Stabilization Fund—Governor's Emergency Education Relief Fund (GEER) Recipient Data Collection Form retrieved from Office of Management and Budget (OMB) report website at <https://omb.report/icr/202007-1810-001/doc/103092901>.

## 2021-108

<b>Assistance Listings number and name:</b>	17.225 <b>COVID-19 Unemployment Insurance</b>
<b>Award number and year:</b>	None
<b>Federal agency:</b>	<b>U.S. Department of Labor</b>
<b>Compliance requirement:</b>	Eligibility
<b>Questioned costs:</b>	\$61,140

**Condition**—As reported in financial statement findings 2021-01 and 2021-03, the Department of Economic Security (DES) did not comply with 2 areas of eligibility requirements, including not implementing 2 of the 3 mandated and 1 of the 8 strongly recommended identity theft and anti-fraud measures for the Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment insurance (UI) benefits programs before paying federal benefits through its new UI benefits system beginning in May 2020 through the fiscal year ended June 30, 2021, and as of October 2022. Specifically, DES:

- Did not implement 2 mandated requirements to cross-match claimants with (1) quarterly wage records and (2) the National Directory of New Hires until May 2022.
- Did not implement 1 strongly recommended measure to cross-match with the State Directory of New Hires until May 2022.

DES reported to us that it made payments of CARES Act UI benefits to fraudsters due to identity theft totaling \$4.3 billion<sup>1</sup> during fiscal years 2020 and 2021, and such payments are not considered benefit payments to valid claimants. Accordingly, these claimants are not subject to our eligibility tests and, although considered as improper payments, are not reported as questioned costs for the purpose of this finding.

In addition, DES reported to us that it paid valid claimants \$218.4 million, during fiscal years 2020 and 2021, of federally funded PUA benefits above the State's \$117-minimum weekly UI benefit, up to \$240 weekly, as allowed by federal regulations.<sup>2</sup> However, DES did not determine whether claimants who were eligible to receive the weekly UI benefit were also qualified to receive the additional weekly UI benefits provided under the CARES Act UI benefits programs. Specifically, DES did not determine whether those claimants had submitted the wage documentation within 21 days of applying, as required, and immediately reduce the claimants' future weekly benefit payments to the \$117-minimum weekly UI benefit and determine how much it had overpaid those claimants. In addition, for those claimants who submitted wage documents, DES did not evaluate the wage documents to determine if and how much in benefits it overpaid those claimants above the weekly minimum.

Our tests of 120 valid claimants for eligibility identified noncompliance for 6 of those claimants who were qualified to receive the \$117-minimum weekly UI benefit but received weekly benefits exceeding the minimum when they did not qualify for them. Consequently, we questioned the costs associated with those 6 claimants for which DES paid more than the minimum weekly UI benefit amount. Specifically, DES:

- Overpaid \$34,080 to 2 claimants who did not submit wage documentation and were ultimately disqualified for Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC) benefits.
- Overpaid \$27,060 to 4 claimants who submitted wage documentation that was incomplete or did not support the additional weekly UI benefit amount DES paid to them.

Of the total \$218.4 million DES paid to 108,377 valid UI claimants in PUA benefits above the State's \$117-weekly minimum, as of October 2022, DES reported to us that, for those claimants who submitted wage documentation, it had not yet completed evaluating the claimants' information to determine if and how much of the \$218.4 million in PUA benefits above the weekly minimum it overpaid those claimants between May 18, 2020 and September 4, 2021, the end of the CARES Act UI benefits programs. After doing that, if DES chooses to apply waivers to the CARES Act programs, it would then be able to determine which overpayments it may be allowed to waive.

**Effect**—As reported in financial statement finding 2020-01, DES reported to us that it paid over \$4.3 billion, or 37 percent, of federal CARES Act UI benefits during fiscal years 2020 and 2021 to alleged fraudsters who had stolen identities of 1.1 million unique claimants. DES disbursed these monies beginning on May 18, 2020, and retroactively covering the benefit weeks beginning January 27, 2020, through September 4, 2021, the date when the CARES Act UI programs ended. According to DES, although it expects to recover through the help of law enforcement agencies some of the \$4.3 billion in fraudulent identify theft claims paid, it does not expect to be required to return any unrecovered monies to the federal government. The following illustrates the monies, number of claimants, and number of claims DES paid because of fraudulent identify theft in relation to total CARES Act UI benefits paid using the new UI benefits system:



	CARES Act			Fraudulent identity theft		
	Total amount of CARES Act UI benefits paid	Total number of unique CARES Act UI claimants	Total number of CARES Act UI claims	Total amount of CARES Act UI benefits paid to alleged fraudsters/stolen identities	Total number of unique claimants/stolen identities	Total number of paid claims with stolen identities
Fiscal year 2020	\$2.1 billion		5.9 million	\$1.6 billion		3.8 million
Fiscal year 2021	<u>5.0 billion</u>		<u>16.5 million</u>	<u>2.7 billion</u>		<u>8.6 million</u>
Total	<u>\$7.1 billion</u>	1.5 million	<u>22.4 million</u>	<u>\$4.3 billion</u>	1.1 million	<u>12.4 million</u>

Source: DES-provided schedules and reports. The table above excludes information for the CARES Act programs from DES' regular UI information system (Legacy UI information system). DES reported due to the limitations of its Legacy UI information system, it was unable to provide this information. The fiscal years 2020 and 2021 schedule of expenditures of federal awards (SEFA) reported \$5.9 billion and \$7.6 billion, respectively, in total CARES Act UI expenditures, which is composed of benefits paid to claimants, program administrative costs, and U.S. generally accepted accounting principles (GAAP) adjustments.

An undeterminable portion of these fraudulent payments may have been prevented if DES had implemented all the critical identity-verification and other anti-fraud measures before making any CARES Act UI benefits payments.

Based on our sample of testing valid claimants for eligibility, we identified \$61,140 of known questioned costs, as described above; however, the amount DES potentially overpaid to valid claimants cannot be determined based on the information DES provided to us. As of October 2022, DES was unable to estimate an amount for CARES Act UI benefits it paid to valid claimants exceeding the \$117-minimum weekly UI benefit that could potentially be considered overpayments, which DES would be required to investigate, recover to the extent possible, and return to the federal government. In addition, this backlog affects DES' ability to pursue timely collection of the specific overpayments that are required to be returned by claimants, and delays DES' returning recovered overpayments to the federal government.

The fraudulent identity-theft payments and the potential overpayments to valid claimants affected only the CARES Act UI benefits programs. They had no effect on the State's regular UI program, which the State has jointly administered with the federal government for over 30 years, because these same issues were not identified in that program.

**Cause**—As described in finding 2020-01, DES reported that the speed with which it needed to process an increased volume of CARES Act UI benefits claims and confusion regarding federal laws, requirements, and guidance initially contributed to it not putting into place all critical identity verification and anti-fraud measures before it started paying benefits. In addition, in fiscal year 2020, DES contracted to use a new UI benefits system to quickly implement the new federal CARES Act UI benefits programs, which took time to get online and ready to process its first UI benefits claims. At that time, DES reported that it encountered computer programming issues interfacing with other State systems and federal databases to be able to conduct all the federally mandated and strongly recommended identity verification and other anti-fraud measures. Further, the system did not have an alert to notify it of claimants who were receiving more than the minimum weekly UI benefit amount but who had not submitted wage documentation within 21 days of applying. Finally, DES also reported it did not initially have the staff needed to process the volume of CARES Act UI benefits claims.

**Criteria**—On April 5, 2020, the U.S. Department of Labor (U.S. DOL) issued PUA implementation instructions reminding states that they were required to take reasonable and customary precautions to deter and detect fraud, and on May 11, 2020, the U.S. DOL issued guidance specifying 3 mandated and 8 strongly recommended identity theft and anti-fraud measures for CARES Act UI benefits.<sup>3,4</sup> Also, federal regulations prescribe the PUA program requirements that apply to claimants and that DES must follow.<sup>5</sup>



Specifically, federal regulation states that claimants who are eligible to participate in the PUA program are entitled to receive the State's \$117-minimum weekly UI benefit and claimants may receive an increased PUA weekly benefit amount up to a maximum—\$240 in Arizona—if the claimant submits wage documentation within 21 days of applying.<sup>6,7</sup> Federal regulations require states to determine and immediately pay a weekly benefit amount based on the claimants' self-certification of eligibility and wages contained in the claimants' application. Claimants who self-certify for more than the minimum weekly benefit amount are required to submit wage documentation within 21 days of applying for the additional weekly PUA benefit, and states are then required to immediately determine the accuracy of each claimant's weekly benefit amount based on the claimant's submitted wage documentation.<sup>6,7</sup> For claimants who did not submit the required wage documentation within 21 days of applying, federal regulation requires states to immediately reduce the claimants' future benefit payments to the minimum weekly benefit amount and consider PUA payments exceeding the minimum weekly benefit as overpayments.<sup>7</sup> In addition, federal regulation requires states to take all reasonable measures under state and federal laws to recover overpayments to claimants, regardless of whether the overpayment resulted from error or fraud on the claimant's part.<sup>8</sup> However, in February 2022, federal regulation was issued that lists 7 scenarios under which states may waive recovery of CARES Act programs overpayments from claimants if the state determines specific criteria have been met, including that the claimant was not at fault.<sup>9</sup> Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms. (2 CFR §200.303).

### **Recommendations**—DES should:

1. Continue to evaluate the CARES Act UI benefits it has paid to identify any additional fraudulent claims payments, using all necessary critical identity verification and other anti-fraud measures.
2. Continue its efforts working with law enforcement agencies to recover improper payments to the extent practicable for fraudulent claims it paid due to identity theft.
3. Repay any recovered improper payments to the federal government.
4. Develop and implement a plan to ensure that for any future new UI benefits programs or regular UI benefits program changes, it puts critical identity verification and other anti-fraud measures in place prior to paying any UI benefits claims.
5. Continue to perform wage verifications for all claimants who received an increased PUA weekly benefit payment to determine the weekly benefit amount they qualify for and identify overpayments and when establishing overpayments determine if DES will apply a waiver. This would include the 6 claimants from our test work who we identified received a total of \$61,140 in overpayments.
6. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

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

This finding is similar to prior-year finding 2020-102.

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<sup>1</sup> In the State of Arizona June 30, 2020, *Report on Internal Control and on Compliance* DES estimated it paid over \$4.4 billion of federal CARES Act UI benefits during fiscal years 2020 and 2021 to alleged fraudsters who had stolen identities of claimants. As of October 2022, DES reported the actual amount to be \$4.3 billion.

<sup>2</sup> In response to the Novel Coronavirus Disease of 2019 (COVID-19) pandemic, the United States Congress passed several laws that essentially expanded unemployment insurance through new federally funded programs for a period of time to provide economic relief to individuals who were unable to work because of the COVID-19 pandemic and established the Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), and Federal Pandemic Unemployment Compensation programs (FPUC). The PUA program, which provided unemployment compensation through September 6, 2021—or September 4, 2021, for the State of Arizona—to individuals who were not traditionally eligible for benefits under regular UI programs, such as those who were self-employed workers, independent contractors, and gig-economy workers, those with limited work history, and certain other workers whose employment was affected by the COVID-19 pandemic. These programs provided claimants with a minimum weekly benefit, pursuant to each state's unemployment compensation law, and anything above Arizona's minimum weekly benefit of \$117—up to \$240 total per week in Arizona—would require wage verification. In addition, the FPUC program supplemented \$600 to the weekly benefits an individual may receive under regular UI or PUA through July 31, 2020, provided they were eligible to participate in the UI programs. Again on December 26, 2020, the FPUC program supplemented \$300 to the weekly benefits an individual may receive under regular UI or PUA through September 6, 2021, or September 4, 2021, in Arizona (Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 [Public Law 116-136], Division N, Title II, Subtitle A (2020); as amended by the Consolidated Appropriations Act of 2021 [Pub. L. 116-260], Title II, Subtitle A; as amended by the American Rescue Plan Act of 2021 [Pub. L. 117-2], Title IX, Subtitle A, Sec. 9011 (2021)).

<sup>3</sup> U.S. Department of Labor, Office of the Inspector General (April 5, 2020). Unemployment Insurance Program Letter No. 16-20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20.pdf).

<sup>4</sup> U.S. Department of Labor, Office of the Inspector General (May 11, 2020). Unemployment Insurance Program Letter No. 23-20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_23-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_23-20.pdf).

<sup>5</sup> On March 27, 2020, the CARES Act, Section 2102(a)(3)(A), provided the criteria for which an individual self-certifies eligibility for PUA under the Presidentially declared public health emergency resulting from the COVID-19 pandemic. The self-certification required claimants to self-declare that they were eligible for the PUA program and were able to work and available for work but unable to do so because of at least 1 specific, qualifying COVID-19-related reason. In addition, the CARES Act, §2102(h), applied the Disaster Unemployment Assistance program's administrative requirements to PUA since PUA was similar to unemployment compensation provided under Presidentially declared disasters.

<sup>6</sup> 20 CFR §625.6(e).

<sup>7</sup> U.S. Department of Labor, Office of the Inspector General (April 27, 2020). Unemployment Insurance Program Letter No. 16-20, Change 1, Attachment I, Question 20. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_16-20\\_Change\\_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_16-20_Change_1.pdf).

<sup>8</sup> 20 CFR §625.14[a].

<sup>9</sup> On February 7, 2022, U.S. Department of Labor (DOL) issued updated guidance that lists 7 scenarios under which states may waive recovery of CARES Act program overpayments if they choose to apply waivers to the CARES Act programs. The list includes 2 previously identified scenarios from the DOL guidance issued on May 5, 2021. U.S. Department of Labor, Office of the Inspector General (February 7, 2022). Unemployment Insurance Program Letter No. 20-21, Change 1. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_20-21\\_Change\\_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-21_Change_1.pdf).

## 2021-109

<b>Assistance Listings number and name:</b>	17.225 <b>COVID-19 Unemployment Insurance</b>
<b>Award number and year:</b>	None
<b>Federal agency:</b>	<b>U.S. Department of Labor</b>
<b>Compliance requirement:</b>	Special tests and provisions—Program integrity
<b>Questioned costs:</b>	Not applicable

**Condition**—Contrary to federal requirements, the Department of Economic Security (DES) had not begun a program integrity process for establishing and collecting overpayments for its Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment insurance (UI) benefit programs until February 2022. DES has a similar program integrity process in place for its regular UI benefit programs, which is necessary for DES to bill claimants and recover overpayments through various means, such as establishing claimant payment plans and recovering overpayments through offsets against claimants' subsequent UI benefit payments, State income tax refunds, or State lottery winnings. As of October 2022, DES determined that it had made \$111.6 million in overpayments; however, it had not yet completed evaluating the information of an additional 108,377 claimants who submitted wage documentation to determine if and how much of the \$218.4 million paid in benefits above the State's \$117-weekly minimum it may have overpaid those claimants between May 18, 2020 and September 4, 2021, the end of the CARES Act UI benefits programs. After doing that, if DES chooses to apply waivers to the CARES Act programs, it would then be able to determine which overpayments it may be allowed to waive.

**Effect**—DES’ not establishing a program integrity process for its CARES Act UI benefit programs impedes its ability to pursue timely collection of the specific overpayments that are required to be returned by claimants, which could be a burden to these claimants, and delays DES’ returning recovered overpayments to the federal government.

**Cause**—When DES began using a contractor’s UI benefits system to manage the federal CARES Act UI programs in May 2020, it reported having encountered computer programming issues between its new UI benefits system and its accounts receivable system that prevented it from recovering overpayments for its CARES Act UI program claimants. DES has since reported that it resolved these programming issues in February 2022 and, also established receivables and payment plans for some claimants’ accounts to recover overpayments based on its review of their wage documents. However, to fully establish a program integrity process for its CARES Act UI benefit programs, DES needs to first complete its wage verification of all CARES Act UI program claimants to identify and recover all such overpayments, as described in federal finding 2021-108.

**Criteria**—Federal regulation requires DES to take all reasonable measures under state and federal laws to recover overpayments, regardless of whether they resulted from error or fraud on the claimant’s part (20 CFR §625.14[a]). However, in February 2022, federal regulation was issued that lists 7 scenarios under which states may waive recovery of CARES Act programs overpayments from claimants if the state determines specific criteria have been met, including that the claimant was not at fault.<sup>1</sup> In addition, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—DES should:

1. Establish a program integrity process for its CARES Act UI benefit programs, similar to its regular UI benefit programs, and continue reviewing all CARES Act UI program claimants’ wage documents to identify overpayments, and when establishing overpayments determine if DES will apply a waiver, as described in our recommendations to federal finding 2021-108.
2. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

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

This finding is similar to prior-year finding 2020-105.

<sup>1</sup> On February 7, 2022, U.S. Department of Labor (DOL) issued updated guidance that lists 7 scenarios under which states may waive recovery of CARES Act programs overpayments if they choose to apply waivers to the CARES Act programs. The list includes 2 previously identified scenarios from the DOL guidance issued on May 5, 2021. U.S. Department of Labor, Office of the Inspector General (February 7, 2022). Unemployment Insurance Program Letter No. 20-21, Change 1. [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_20-21\\_Change\\_1.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_20-21_Change_1.pdf).

## 2021-110

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

**Condition**—Contrary to federal regulation, the Department of Economic Security (DES) did not meet the minimum percentage completion rates for its Benefit Accuracy Measurement (BAM) program to investigate cases of its regular unemployment insurance (UI) program's paid claims for the fiscal year ended June 30, 2021. Specifically, for batches 202027 through 202126 of paid claims we tested, DES' percentage completion rates for its paid claims case investigations were as follows.

Percentage of paid claims case investigations completed within:	Required minimum percentage completed	DES percentage completed
60 days of the batches' week ending date	70.0%	31.28%
90 days of the batches' week ending date	95.0%	60.49%
120 days of calendar year-end	98.0%	63.79%

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

**Cause**—DES reported that it failed to meet the required minimum percentage completion rates for its paid claims case investigations because it lost 50 percent of its staff and had delays in training new staff in its BAM unit.

**Criteria**—The BAM program is the federal agency's quality control system designed to assess the accuracy of UI program paid and denied claims, and states are required to investigate paid and denied claims as part of this program unless exempted from these requirements by the federal agency.<sup>1</sup> Federal regulation requires DES to complete prompt and in-depth case investigations of paid and denied claims to determine if its administration of the UI benefit program is consistent with State and federal law (20 CFR §602.21[d]). In addition, federal guidance requires DES to complete its paid claims case investigations as follows: complete a minimum of 70 percent of cases within 60 days of the batches' week ending date; complete a minimum of 95 percent of cases within 90 days of the batches' week ending date; and complete a minimum of 98 percent of cases for the year within 120 days of calendar year-end.<sup>2</sup>

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

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

<sup>1</sup> In accordance with federal regulation, DES had an approved waiver from the federal agency that exempted it from the requirement to investigate cases of its regular UI program's denied claims for the fiscal year ended June 30, 2021 (20 CFR 602.22). However, DES was still required to investigate its regular UI program's paid claims for the fiscal year ended June 30, 2021.

<sup>2</sup> U.S. Department of Labor. (2014.) *Employment Training Handbook*, No. 395, 5th Edition, Chapter VI, Completion of Cases and Timely Data Entry, page VI-11. [Microsoft Word - ET Handbook 395, 5th Edition.doc \(dola.gov\)](https://www.dola.gov/ET_Handbook_395_5th_Edition.doc) or [https://www.dola.gov/directives/attach/ETHandbook\\_395\\_Ch5\\_acc.pdf](https://www.dola.gov/directives/attach/ETHandbook_395_Ch5_acc.pdf)

## 2021-111

<b>Assistance Listings number and name:</b>	97.050 <b>COVID-19 Presidential Declared Disaster Assistance to Individuals and Households—Other Needs</b>
<b>Award number and period:</b>	4524DRAZSPLW, 2020
<b>Federal agency:</b>	<b>Federal Emergency Management Agency (FEMA)</b>
<b>Compliance requirement:</b>	Reporting
<b>Questioned costs:</b>	Not applicable

**Condition**—For 2 quarterly financial reports we tested, DES reported inaccurate and unsupported information. Specifically, on its December 31, 2020, and March 31, 2021, quarterly financial reports submitted to the Federal Emergency Management Agency (FEMA), DES incorrectly reported cash receipts on the line item for cash disbursements. In addition, DES did not retain documentation to support the federal share of program expenditures reported.

Further, DES did not retain documentation to support amounts it reported on all the weekly reports it submitted to FEMA for the program; therefore, we were unable to verify whether the information was correct for any of the weekly reports.

**Effect**—DES' reporting inaccurate and unsupported program information results in the federal agency being unable to rely on the reports to effectively monitor DES' program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success.

**Cause**—DES did not follow all FEMA reporting instructions when preparing the quarterly financial reports. In addition, DES did not have written policies and procedures to save system-generated information used for reporting purposes for this federal program.

**Criteria**—Federal regulation requires accurate, current, and complete disclosure of the financial results of each federal program in accordance with reporting requirements (2 CFR, §200.302[b][2]). DES also must establish and maintain effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—DES should:

1. Follow all FEMA reporting instructions to accurately prepare quarterly financial reports.
2. Develop and implement written policies and procedures to retain all documentation supporting program information it submits to the federal agency.

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

## 2021-112

**Cluster name:**

**Assistance Listings numbers and names:**

**Aging Cluster**

93.044 **Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers**  
93.044 **COVID-19 Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers**  
93.045 **Special Programs for the Aging—Title III, Part C—Nutrition Services**  
93.045 **COVID-19 Special Programs for the Aging—Title III, Part C—Nutrition Services**  
93.053 **Nutrition Services Incentive Program**

**Award numbers and years:**

18AAAZT3CM, 18AAAZT3HD, and 18AAAZT3SS, 2018;  
1901AZOACM-04, 1901AZOAH-03, 1901AZOANS-03, and  
1901AZOASS-04, 2019; 2001AZOACM-05, 2001AZCMC2-02,  
2001AZOAH-05, 2001AZHDC2-00, 2001AZHDC3-00,  
2001AZOANS-04, 2001AZOASS-04, and 2001AZSSC3-02, 2020;  
2101AZOACM-03, 2101AZOAH-03, 2101AZHDC5-00,  
2101AZOANS-02, and 2101AZOASS-03, 2021

**Federal agency:**

**U.S. Department of Health and Human Services**

**Compliance requirements:**

Activities allowed or unallowed and allowable costs/cost principles  
\$26,623

**Questioned costs:**

**Condition**—Contrary to federal law, the Department of Economic Security (DES)—Division of Aging and Adult Services (Division) misspent \$26,623 of the programs' total \$1,069,334 administrative expenditures for an unallowable purpose. Specifically, Division management authorized the administrative monies to be spent to improve a workspace used for another program, instead of using them for the intended purpose of covering the programs' administrative costs related to carrying out the State's plan for providing supportive and nutrition services to aging residents who rely on such services. This finding was noted for the Special Programs for the Aging—Title III, Part C—Nutrition Services program, for award number and year 2101AZOACM-03, 2021.

**Effect**—The Division's misspending \$26,623 of the programs' administrative monies for an unallowable purpose means that the Division was noncompliant with federal requirements and less monies were available for the programs' intended purpose of covering administrative costs related to preparing the State's plan, evaluating activities carried out under the plan, and performing other administrative activities related to the plan. In addition, the U.S. Department of Health and Human Services may require the State to repay the misspent monies in accordance with Uniform Guidance requirements.<sup>1</sup>

**Cause**—Although the Division followed proper procurement procedures to approve the project and had policies and procedures for reviewing and approving expenditures related to the programs' administrative monies, Division management reported the assigned reviewer did not perform a sufficiently detailed review of the invoice and failed to identify that an incorrect funding source code was used to pay for the workspace improvements.

**Criteria**—Federal law limits the types of administrative costs that are allowable to only those costs that the Division incurs administering the State's plan to provide supportive and nutrition services to aging residents under the Aging Cluster of programs. Accordingly, the Division is limited to those costs related to the State plan's administrative activities, such as preparing the plan; evaluating activities carried out under the plan; collecting data and conducting analyses to assess the need for supportive services, nutrition services, and multi-purpose senior centers within the State; and disseminating information,



providing short-term training, and carrying out other demonstrative projects related to the State's plan (42 United States Code [USC] 3028[a]). In addition, the Division must establish and maintain effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—Division management should:

1. Evaluate and improve the Division's existing policies and procedures for reviewing and approving expenditures related to the programs' administrative monies to ensure the review is sufficiently detailed to authorize only those costs and activities that are allowable to be charged to the programs.
2. Consult with the U.S. Department of Health and Human Services about repaying the misspent monies to the programs and then proceed, accordingly.

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

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

## 2021-113

**Assistance Listings number and name:**

93.658 **Foster Care—Title IV-E**

**Award numbers and years:**

93.658 **COVID-19 Foster Care—Title IV-E**

2001AZFOST, October 1, 2019 through September 30, 2020;  
2101AZFOST, October 1, 2020 through September 30, 2021

**Federal agency:**

**U.S. Department of Health and Human Services**

**Compliance requirement:**

Eligibility

**Questioned costs:**

Unknown

**Condition**—The Department of Child Safety (DCS) paid 3 childcare institutions that provided foster care services \$1,326,307 in federal monies for foster care maintenance payments despite their ineligibility for payments and, contrary to federal regulations, allowed them to care for children before DCS completed all required child safety considerations, which included performing background checks on the childcare institutions' employees. Specifically, for 3 of 9 childcare institutions tested, DCS did not complete 9 of 87 employee name-based criminal records background checks, also referred to as central registry background checks, until 1 to 20 days after the employees' hire dates.

**Effect**—Although none of the 9 employees' name-based criminal records checks returned a criminal record, DCS placed children in State care at potential risk by allowing some childcare institutions' employees to care for children despite DCS not having completed the employees' name-based criminal records background checks. Further, DCS violated federal regulations by making foster care maintenance payments to these 3 childcare institutions even though they were not eligible to receive the payments.

**Cause**—DCS misapplied guidance from the federal grantor that allowed it to delay fingerprint background checks until it was safely able to do so due to the COVID-19 pandemic to the name-based criminal records background checks. However, the federal guidance did not allow DCS to delay the name-



based criminal records background checks.<sup>1</sup> In addition, DCS' checklist tools it used to ensure compliance with these background checks did not align with the DCS' policies and federal and State requirements for completing them, making it difficult for DCS to ensure the background checks were conducted as required.

**Criteria**—DCS' policies and procedures require it to complete background checks on childcare institutions' employees and ensure the background checks are conducted prior to the employees' hire date (Department of Child Safety, Administrative Policy 15-32). Federal regulation requires DCS to address safety considerations of a childcare institution's employees before the childcare institution can be considered eligible to receive maintenance payments under the program (45 CFR §1356.30). Specifically, federal and State laws require DCS to complete the following 2 background checks on all childcare institution employees, whether paid or unpaid: (1) name-based criminal records background checks (the central registry background checks) and (2) fingerprint-based background checks of national crime information databases. The federal grantor allowed a delay for the fingerprint-based background check requirement during the public health emergency resulting from the COVID-19 pandemic.<sup>1</sup> Federal regulation also requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

**Recommendations**—DCS should:

1. Complete the required name-based criminal records background checks on all childcare institutions' employees before allowing employees to care for children and making foster care maintenance payments to childcare institutions.
2. Review and improve its existing procedures, including its checklist tools, to ensure they are consistent with DCS' policies and federal and State requirements.
3. Seek additional guidance from the federal grantor, as needed, to implement administrative flexibilities to federal requirements and ensure that policies and procedures are modified and communicated to DCS employees accordingly.

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

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<sup>1</sup> Federal and State laws require DCS to perform both central registry background checks and fingerprint-based background checks of all childcare institutions' employees, respectively (42 USC §671[a][20] and A.R.S. §§8-804 and 41-141). During the public health emergency resulting from the COVID-19 pandemic, the federal grantor issued a letter dated April 15, 2020, granting flexibility for the fingerprinting requirement, which allowed DCS to complete the fingerprint-based background checks as soon as it could safely do so, providing that it conducted all available name-based criminal background checks in accordance with federal and State laws (U.S. Department of Health and Human Services, Administration for Children And Families. [2020, April 15]. *Stafford Act Flexibility for Criminal Background Checks and Monthly Caseworker Visits in Childs Residence*. [https://www.acf.hhs.gov/sites/default/files/documents/cb/stafford\\_act.pdf](https://www.acf.hhs.gov/sites/default/files/documents/cb/stafford_act.pdf)).

## 2021-114

**Assistance Listings numbers and names:**

93.658 **Foster Care—Title IV-E**

93.658 **COVID-19 Foster Care—Title IV-E**

**Award numbers and years:**

2001AZFOST, October 1, 2019 through September 30, 2020;  
2101AZFOST, October 1, 2020 through September 30, 2021

**Federal agency:**

**U.S. Department of Health and Human Services**

**Compliance requirements:**

Activities allowed or unallowed, allowable costs/cost principles, and special tests and provisions—Payment Rate Setting and Application

**Questioned costs:**

\$282

**Condition**—The Department of Child Safety (DCS) paid incorrect amounts to foster care service providers for 22 of 106 maintenance payments we tested. The incorrect payments ranged from underpayments of \$26.35 to overpayments of \$35.65 totaling \$282 in net overpayments for our sample.

**Effect**—Some foster care service providers received more monies than they were legally entitled to while others received less monies than they were legally entitled to provide services for the foster children in their care. Those providers who were underpaid may have struggled to provide the appropriate level of services for children in their care. Further, as discussed in federal finding 2021-115, although DCS forgave a portion of the overpayments to foster care service providers, because it did so without prior written federal approval, it is at risk of having to repay the federal government these monies. Therefore, DCS could potentially have to recover these monies from the foster care service providers, which could be a burden to them and impact the services they provide to children in their care.

**Cause**—DCS' newly implemented case management system was not accurately programmed to calculate the correct maintenance payment rate to pay service providers for service periods ranging from January 1, 2021 through June 30, 2021. Specifically, the system calculated the maintenance payment rate to pay service providers based on the child's age on the date the system generated the invoice but instead it should have calculated the maintenance payment rate based on the child's age at the beginning of the service period. This programming error was not prevented, detected, and corrected timely by DCS during system development.

**Criteria**—Federal regulations require DCS to establish payment rates and other amounts for foster care maintenance and adoption assistance payments under a state plan approved by the U.S. Department of Health and Human Services (45 CFR §1356.60[a],[1]. DCS' administrative policies and procedures guide it in calculating and making maintenance payments to service providers and set the rates and other amounts that can be paid as allowed by federal regulations.<sup>1</sup> Further, for any significant information technology system's development and implementation, DCS should follow a credible industry source, such as the National Institute of Standards and Technology to establish policies and procedures to help ensure that it effectively develops and implements new systems to achieve operational and compliance objectives.<sup>2</sup> Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

**Recommendations**—DCS management should:

1. Ensure that it pays the correct maintenance payment amounts to foster care service providers by following its established policies and procedures for making system programming changes and

testing the changes to ensure that the system operates as intended and in compliance with DCS' policies for setting maintenance payment rates consistent with federal requirements.

2. Investigate and resolve the system's programming issues that resulted in maintenance payments not being calculated correctly consistent with the policies and procedures as described in recommendation 1.
3. Evaluate maintenance payments made to foster care service providers for service periods ranging from January 1, 2021 through June 30, 2021, and make appropriate adjustments to correct all underpayments and overpayments.
4. Develop written policies and procedures for system development and implementation to help prevent, detect, and correct programming errors in any future system upgrades or new system implementations.

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

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<sup>1</sup> Arizona Department of Child Safety. (2021). *Administrative Policy*, Chapter 4, Section 10—Foster Care Rates, Allowances & Payments. [https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/04\\_Out\\_of\\_Home\\_Care/CH4\\_S10%20Foster%20Care%20Rates,%20Allowances%20&%20Payments.htm](https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/04_Out_of_Home_Care/CH4_S10%20Foster%20Care%20Rates,%20Allowances%20&%20Payments.htm).

<sup>2</sup> U.S. Department of Commerce, National Institute of Standards and Technology. (2020). Special Publication 800-53, Security and Privacy Controls for Federal Systems and Organization (NIST SP 800-53), Revision 5. <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r5.pdf>.

## 2021-115

### Assistance Listings numbers and names:

93.658 **Foster Care—Title IV-E**  
93.658 **COVID-19 Foster Care—Title IV-E**  
93.659 **Adoption Assistance**  
93.659 **COVID-19 Adoption Assistance**

### Award numbers and years:

2001AZFOST, October 1, 2019 through September 30, 2020;  
2101AZFOST, October 1, 2020 through September 30, 2021;  
1901AZADPT, October 1, 2019 through September 30, 2020;  
2001AZADPT, October 1, 2020 through September 30, 2021

### Federal agency:

**U.S. Department of Health and Human Services**

### Compliance requirements:

Activities allowed or unallowed, allowable costs/cost principles, and special tests and provisions—Payment Rate Setting and Application

### Questioned costs:

\$424,598

**Condition**—During fiscal year 2021, the Department of Child Safety (DCS) discovered it overpaid foster care service providers for maintenance payments and adoptive parents for assistance payments totaling \$465,402 and \$113,575, respectively, contrary to the federally allowed payment rates and other amounts. However, instead of attempting to recover the entirety of these overpayments, DCS management chose to forgive and write off overpayments of up to \$1,500 it made to individual foster care service providers and adoptive parents without seeking the federal agency's prior written approval to ensure the costs of the write off amounts were reasonable and necessary for the performance of the grant award. Specifically, DCS management forgave and wrote off overpayments totaling \$331,896 and \$92,702 for the foster care and adoption assistance programs, respectively.

**Effect**—DCS’ overpayments put it at risk of not having sufficient resources for future payments to foster care service providers and adoptive parents and/or needing to recover the overpayments from the foster care service providers and adoptive parents, which could be a burden to them and impact their ability to provide services to children in their care. Further, DCS’s writing off \$424,598 of the overpayments without prior written federal approval could result in it potentially having to return this amount of monies to the federal government, which could impact its ability to provide future services.

**Cause**—To ensure timely payments to foster care service providers, DCS’ management reported it temporarily suspended established policies and procedures requiring the providers to verify information on the system-generated invoices prior to receiving maintenance payments. DCS’ suspension of these policies and procedures was effective for the service periods of January 1, 2021 through March 31, 2021, affected approximately \$4,326,964 of foster care maintenance payments, and resulted in the bulk-approval of these payments, some of which DCS subsequently determined were overpayments. This decision was in response to some new system implementation issues, including the migration of data from the legacy system as well as the new system’s programming for calculating maintenance and assistance payments for foster care service providers and adoptive parents, respectively, and generating invoices for them, all of which caused payment errors and delays.

DCS management reported that its decision to forgive and write off a portion of the overpayments was based on its priority to avoid interruption of maintenance and assistance payments to foster care service providers and adoptive parents, respectively, in support of the placement and stability of the children in their care.

**Criteria**—Federal regulations require DCS to establish payment rates and other amounts for foster care maintenance and adoption assistance payments under a state plan approved by the U.S. Department of Health and Human Services (45 CFR §1356.60[a],[1]. DCS’ administrative policies and procedures guide it in calculating and making maintenance and assistance payments to foster care service providers and adoptive parents, respectively, and correcting payment errors.<sup>1,2</sup> Further, to be allowable, costs under federal awards must be necessary and reasonable for the performance of the grant award and adequately documented (45 CFR §75.403[a],[g]). Lastly, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

**Recommendations**—DCS management should:

1. Ensure that it makes accurate maintenance payments to foster care service providers and assistance payments to adoptive parents.
2. Follow its established policies and procedures requiring foster care service providers to verify information on system-generated invoices prior to DCS’ making maintenance payments to them.
3. Implement the recommendations described in federal finding 2021-114 and investigate and resolve the system’s migration and programming issues that resulted in maintenance and assistance payments not being calculated correctly.
4. Not forgive and write off any overpayments to foster care service providers or adoptive parents in the future without obtaining prior written approval from the federal agency.
5. Consult with legal counsel and the federal agency regarding the maintenance and assistance overpayments DCS has not yet recovered and whether DCS will be required to repay the overpayments.

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

<sup>1</sup> Arizona Department of Child Safety. (2021). *Administrative Policy*, Chapter 4, Section 10—Foster Care Rates, Allowances & Payments. [https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/04\\_Out\\_of\\_Home\\_Care/CH4\\_S10%20Foster%20Care%20Rates.%20Allowances%20&%20Payments.htm](https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/04_Out_of_Home_Care/CH4_S10%20Foster%20Care%20Rates.%20Allowances%20&%20Payments.htm).

<sup>2</sup> Arizona Department of Child Safety. (2021). *Administrative Policy*, Chapter 5, Section 21—Eligibility, Application, Review & Appeals. [https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/05\\_Child\\_Permanency/03%20Adoption%20Subsidy/CH5\\_S21%20Eligibility.%20Application.%20Review%20&%20Appeals.htm](https://extranet.azdcs.gov/DCSPolicy/Content/Program%20Policy/05_Child_Permanency/03%20Adoption%20Subsidy/CH5_S21%20Eligibility.%20Application.%20Review%20&%20Appeals.htm).

## 2021-116

<b>Assistance Listings number and name:</b>	93.658 <b>Foster Care—Title IV-E</b> 93.658 <b>COVID-19 Foster Care—Title IV-E</b>
<b>Award numbers and years:</b>	2001AZFOST, October 1, 2019 through September 30, 2020; 2101AZFOST, October 1, 2020 through September 30, 2021
<b>Federal agency:</b>	<b>U.S. Department of Health and Human Services</b>
<b>Compliance requirement:</b>	Subrecipient monitoring
<b>Questioned costs:</b>	Unknown

**Condition**—The Department of Child Safety (DCS) awarded \$5,798,495 to 15 subrecipients during fiscal year 2021, or 4.0 percent of DCS’ \$145,391,201 total federal expenditures for this federal program, but did not perform the required monitoring of the subrecipients’ activities or of their compliance with the award terms and program requirements. DCS performed some monitoring during the year, which consisted only of reviewing annual progress reports; however, those monitoring procedures alone were not sufficient to evaluate whether subrecipients used program monies in accordance with the award terms and program requirements.

**Effect**—There is an increased risk that the \$5,798,495 of program monies DCS awarded to the 15 subrecipients may not have been spent in accordance with the award terms and program requirements. Also, since DCS’ award terms require subrecipients to use program monies to supplement, and not supplant, costs of legal representation in child welfare court cases, the lack of monitoring could potentially have increased the risk that these monies may have supplanted these legal costs or may not have been spent to obtain adequate legal representation.

**Cause**—Despite the subrecipient monitoring requirements being included in the federal regulations, DCS management reported it was not aware of these requirements. Further, DCS had not developed written policies and procedures for performing the various monitoring procedures for its subrecipients, including how it considers and assesses risk of each subrecipient and carries out required and various other monitoring procedures based on those risk assessments.

**Criteria**—Federal regulations require DCS to monitor subrecipients, which includes required monitoring procedures for assessing the risk of each subrecipient’s noncompliance and monitoring activities based on those risk assessments; verifying single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing onsite reviews, selective

audits, and/or other monitoring procedures (45 CFR §§75.352[b] and [d – e]). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

**Recommendations**—DCS should ensure it performs required monitoring of its subrecipients and their compliance with the award terms and program requirements by developing and implementing policies and procedures to:

1. Assess the risk of each subrecipient’s noncompliance and carry out monitoring activities based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
2. Verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken on audit findings that could potentially affect the program, and issue management decisions for audit findings pertaining to the federal award.
3. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures’ results and any DCS actions taken, if appropriate.

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

## 2021-117

**Assistance Listings number and name:**

93.658 **Foster Care—Title IV-E**

**Award numbers and years:**

93.658 **COVID-19 Foster Care—Title IV-E**

2001AZFOST, October 1, 2019 through September 30, 2020;  
2101AZFOST, October 1, 2020 through September 30, 2021

**Federal agency:**

**U.S. Department of Health and Human Services**

**Compliance requirement:**

Reporting

**Questioned costs:**

Not applicable

**Condition**—Contrary to federal laws and regulations and the State’s accounting manual, the Department of Child Safety (DCS) failed to report certain information on the federal government’s reporting system for \$14.3 million in subawards it made to 13 Arizona counties under this program. Specifically, DCS awarded federal monies to the Arizona counties to supplement, but not supplant, costs of legal representation in child welfare court cases. However, DCS had not reported any required information about the subawards, including subaward organization names and subaward amounts and terms, during fiscal year 2021 or in the prior year when DCS began awarding program monies.

During fiscal year 2021, DCS spent \$5.8 million of federal monies related to these subawards, or 4 percent of DCS’ \$145.4 million total federal expenditures for this federal program. It spent \$8.5 million of federal monies related to these subawards in the prior fiscal year.

**Effect**—The State’s stakeholders and the public did not have access to transparent and timely information about DCS’ federal award spending decisions on the [USAspending.gov](https://www.usaspending.gov) website as required by federal laws and regulations.



**Cause**—Although the program’s reporting requirements were provided as additional award terms and conditions on the federal agency’s website, and the State’s accounting manual instructed State departments to follow them, DCS staff reported they were not aware of the program’s reporting requirements because of an oversight.

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

**Recommendations**—DCS should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for this program.
2. Follow the State’s accounting manual for reporting subaward actions exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, and ensure DCS employees are aware of all program requirements.

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

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

## 2021-118

<b>Assistance Listings number and name:</b>	84.425D <b>COVID-19 Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund</b>
<b>Award numbers and years:</b>	S425D200038, March 13, 2020 through September 30, 2022; S425D210038, March 13, 2020 through September 30, 2023
<b>Federal agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance requirement:</b>	Reporting
<b>Questioned costs:</b>	Not applicable

**Condition**—Contrary to federal laws and regulations and the State’s accounting manual, the Department of Education failed to report complete and accurate information on the federal government’s reporting system related to its \$257.7 million in subawards it made to Local Education Agencies (LEA) under the ESSER I and ESSER II parts of this program during fiscal year 2021. The Department awarded these



federal monies to the LEAs to help address local relief, prevention and preparation, and recovery efforts relative to responding to COVID-19. Specifically, as shown in the table below, the Department failed to report:

- Any required information about the subawards, including the subaward organization names and subaward amounts and terms, for 22 of 60 subaward transactions we tested, totaling almost \$9.9 million of the \$38.1 million we tested.
- Required information within the required time frame for 6 of 60 subaward transactions we tested, totaling \$9.4 million, resulting in reports submitted between 1 to 4 months late.
- An accurate subaward obligation date, which is a required key element, for 8 of 60 subaward transactions tested, totaling \$5.6 million.

Finally, the Department did not meet its quarterly reporting requirements for ESSER I and ESSER II monies it spent during fiscal year 2021, since the ESSER reporting requirements were fulfilled through this same reporting on the federal government’s reporting system.

During fiscal year 2021, the Department spent \$257.7 million of federal monies related to subawards, or 97.5 percent of the Department’s \$264.2 million total federal expenditures for this federal program. It spent \$0.5 million of federal monies related to subawards in the prior fiscal year.

The table below describes results for the transactions we tested.

Number of transactions					
Transactions tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements	Subaward with other incorrect key elements
60	22	6	0	0	8
Dollar amount of transactions					
Transactions tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements	Subaward with other incorrect key elements
\$38,104,555	\$9,885,957	\$9,413,231	\$0	\$0	\$5,600,001

**Effect**—The State’s stakeholders and the public did not have access to transparent and timely information about the Department’s federal subaward spending decisions on the [USAspending.gov](https://www.usaspending.gov) website as required by federal laws and regulations. Further, the federal grantor, which relies on the Department’s data on the federal government’s reporting system for quarterly reports, lacked all needed information to effectively monitor the Department’s program administration. Therefore, the Department put the contractor at risk of not being able to carry out its oversight responsibilities and effectively evaluate the program’s success and prevent and detect fraud.

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

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

**Recommendations**—The Department should:

1. Immediately report on the FFATA Subaward Reporting System the required information for its subawards for this program.
2. Follow the State’s accounting manual for reporting subaward actions exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, and implement procedures requiring independent reviews to:
  - a. Ensure the subaward data is complete and accurate prior to uploading it to the federal government’s reporting system.
  - b. Verify that the subaward data it uploaded to the federal government’s reporting system was complete and correctly displayed.

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

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

<sup>2</sup> For ESSER I, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (Public Law 116-136), Section 15011, requires the Department to submit quarterly reports to the U.S. Department of Education if it received more than \$150,000 in federal awards under the CARES Act, although the quarterly reporting requirements are met if more frequent monthly reporting is performed, such as under the FFATA. These same reporting requirements applied to ESSER II in accordance with the Department’s award terms and conditions and Division M, Section 303(f), of the Consolidated Appropriations Act of 2021 (Public Law 116-260).

## 2021-119

**Assistance Listings numbers and names:**

10.558 **Child and Adult Care Food Program**  
10.558 **COVID-19 Child and Adult Care Food Program**

**Award numbers and years:**

6AZ300003 Amendment 16, October 1, 2019 through September 30, 2020; 6AZ300003 Amendment 21, October 1, 2020 through September 30, 2021; 6AZ3000411, March 27, 2020 through September 30, 2020; 6AZ300004, October 1, 2020 through September 30, 2022

**Federal agency:**

**U.S. Department of Agriculture**

**Compliance requirement:**

Eligibility

**Questioned costs:**

None

**Condition**—Contrary to federal law, the Arizona Department of Education (Department) did not review grant applications from applicants such as childcare centers, adult care centers, family daycare homes, and emergency centers, and notify them within 30 days of their applications' completion date as to whether they were eligible to participate in the federal program and receive assistance for grants-in-aid and donated food. Specifically, for 4 of 49 grant applications tested, the Department did not notify the applicants of their eligibility status until between 36 to 47 days after receiving the completed application, which was between 6 and 17 days past the required time period.

**Effect**—Although the Department determined these applicants were eligible, the Department's lack of timeliness in reviewing grant applications and notifying applicants of their eligibility status delayed the applicants' ability to request a reimbursement claim by between 6 and 15 days<sup>1</sup> of when they should have been able to request the reimbursement.

**Cause**—Department employees reported that they were unaware of the federal requirement to notify applicants within 30 days. Further, the Department did not have written policies and associated procedures specifying that Department employees must complete the grant application reviews and notify applicants of their eligibility within the required 30-day time period.

**Criteria**—Federal law requires the Department to notify the applicant no later than 30 days after their completing an application as to whether they are eligible to participate in the program (42 U.S.C. 1766[d][1][D]). Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Department should:

1. Review grant applications and notify applicants within 30 days of their application completion date as to whether they are eligible to participate in the federal program.
2. Develop and implement policies and procedures requiring Department employees to review grant applications and notify applicants within 30 days of their application completion date as to whether they are eligible to participate in the federal program, and ensure employees are aware of these requirements.

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

<sup>1</sup> Applicants are eligible to submit reimbursement claims on the first day of the month following the month that reimbursements are being claimed for. In this case, the center submitted their application on September 29, 2020, requiring the Department to provide a response by October 29, 2020. The Department did not approve the application until November 15, 2020, or 17 days late. Therefore, as the center would not have been eligible to submit a reimbursement request for October expenses until November 1, 2020, we excluded October 30 and 31, 2020, from the calculation to determine the number of days the center was delayed from being able to submit a reimbursement request.

## 2021-120

<b>Assistance Listings number and name:</b>	17.002 <b>Labor Force Statistics</b>
<b>Award numbers and years:</b>	LM-33077-20-75-J-04, October 1, 2019 through September 30, 2020; LM-34561-21-75-J-04, October 1, 2020 through September 30, 2021
<b>Cluster name:</b>	<b>Employment Service Cluster</b>
<b>Assistance Listings number and name:</b>	17.207 <b>Employment Service/Wagner-Peyser Funded Activities</b>
<b>Award number and year:</b>	ES-35329-20-55A-4, July 1, 2020 through June 30, 2021
<b>Cluster name:</b>	<b>WIOA Cluster</b>
<b>Assistance Listings numbers and names:</b>	17.258 <b>WIOA Adult Program</b> 17.259 <b>WIOA Youth Activities</b> 17.278 <b>WIOA Dislocated Worker Formula Grants</b>
<b>Award number and year:</b>	AA-34755-20-55-A-4, July 1, 2020 through June 30, 2021
<b>Federal agency:</b>	<b>U.S. Department of Labor</b>
<b>Compliance requirement:</b>	Allowable costs/cost principles
<b>Questioned costs:</b>	\$330,489

**Condition**—In our performance audit and sunset review of the Arizona Office of Economic Opportunity (Office) issued September 30, 2022, we identified and reported potential unallowable costs for 3 nonmajor programs that the Office administers.<sup>1</sup> Contrary to federal regulations, the Office allocated \$330,489 of costs to 3 federal programs during July 1, 2019 through March 31, 2022 without documenting that the costs were commensurate with the services and benefits those programs received and allowable based on the programs’ requirements and award terms. These costs consisted of various Arizona Commerce Authority (Commerce Authority) administrative and technical services, including human resources and public relations functions and services, provided to the Office by various Commerce Authority executive staff.

We did not audit the Labor Force Statistics, Employment Service Cluster, and WIOA Cluster programs for fiscal year 2021, since these programs/clusters did not meet the major federal program criteria. However, the State reported on its schedule of expenditures of federal awards for the year ended June 30, 2021, that it spent a total of \$934,482, \$12,309,790, and \$72,370,234 for these programs, respectively. Of these amounts, the Office spent a total of \$934,482, \$550,285, and \$1,058,481 for these programs, respectively, during fiscal year 2021.

**Effect**—By allocating costs to its various federal programs without ensuring the costs were allowable and commensurate with the services and benefits each federal program received, the Office risks that at least some of the administrative and technical services costs it allocated to these programs, which totaled \$330,489, may be unallowable costs for which the federal government may seek repayment.<sup>2</sup>

**Cause**—The Office and the Commerce Authority are separate legal entities that have integrated their operations together, and the Office lacked written policies and procedures for its employees to follow to ensure that it complied with federal program requirements for the federal awards it administered. Specifically, the Office lacked processes for determining what costs were allowable for the federal programs it administered, allocating allowable costs to them in a manner provided by federal regulations, and requiring its employees to prepare documentation to support that the costs it allocated to federal programs, such as administrative and technical services the Commerce Authority provided to the Office, were allowable and commensurate with the services and benefits those federal programs received.

**Criteria**—Federal Uniform Guidance requires the State to use federal program monies for only those costs allowed by federal regulations and that provide a benefit directly or indirectly to the program's purposes (2 CFR§200.405[a]).<sup>3</sup> Federal Uniform Guidance also requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

**Recommendations**—The Office should:

1. Develop and implement written policies and procedures for administering federal programs to ensure it complies with each federal program's requirements and award terms that include processes to:
  - a. Determine costs that are allowable for the federal programs it administers.
  - b. Allocate allowable costs to federal programs in a manner provided by federal regulations.
  - c. Require its employees to prepare documentation to support that costs allocated to federal programs are allowable and commensurate with the services and benefits those federal programs received.
2. Consult with the federal agency or state pass-through agency and legal counsel as necessary regarding the allowability of the costs it allocated to federal programs for the Commerce Authority's administrative and technical services.

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

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<sup>1</sup> Arizona Auditor General. (2022). *Performance Audit and Sunset Review of Arizona Office of Economic Opportunity, September 2022, Report 22-113*, Phoenix, AZ.

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

<sup>3</sup> Federal Uniform Guidance sets the general criteria for the allowability of costs for federal programs; although, federal agency regulations and federal award terms may further specify the allowability of costs for a particular federal program. Generally, costs must meet the following criteria to be considered allowable for federal awards. Costs must (1) be necessary and reasonable for the performance of the federal award and allocable under the Uniform Guidance's costs principles requirements, (2) conform to any limitations or exclusions set for in the Uniform Guidance's costs principles or federal award as to types or the amount of cost items, (3) be consistent with the entity's policies and procedures that apply uniformly to both federal and nonfederal activities of the entity, (4) be consistently applied as either a direct cost or an indirect cost, such that a cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost, (5) be deemed a cost in accordance with generally accepted accounting principles, (6) not be included as a cost or used to meet the cost-sharing requirement for another federal award, (7) be adequately documented and supported in accordance with 2 CFR 200.300 through .309, and (8) be incurred during the federal award's approved budget period (2 CFR §200.403). Federal Uniform Guidance further specifies criteria for costs to be considered reasonable and allocable to federal programs (2 CFR §§200.404-405).

## 2021-121

<b>Assistance Listings numbers and names:</b>	Various
<b>Award numbers and years:</b>	Various
<b>Federal agencies:</b>	Various
<b>Compliance requirements:</b>	Activities allowed or unallowed and allowable costs/cost principles
<b>Questioned costs:</b>	Unknown

**Condition**—The Arizona Department of Administration (ADOA) reported to us that during fiscal year 2021, the State may have used an estimated \$550,000 of restricted federal program monies, including interest, for unallowable purposes, contrary to federal regulations.

**Effect**—Similar to prior years, ADOA will be required to repay the U.S. Department of Health and Human Services (U.S. HHS) the total amount of restricted federal program monies the State spent for unallowable purposes once U.S. HHS finalizes its review of ADOA's estimate and either approves or adjusts it. For example, previously in fiscal year 2020, ADOA reported that the State may have similarly used an estimated \$1.2 million of restricted program monies contrary to federal regulations. As a result, in July 2021, ADOA worked with U.S. HHS to repay \$1.5 million from the State's Risk Management Fund monies. Additionally, this finding could potentially affect any federal programs the State administers through its various agencies that have State legislatively mandated transfers that include restricted federal program monies.

**Cause**—Despite ADOA having informed us that the State may have used restricted federal program monies for unallowable purposes, and our having included this finding in the State's Single Audit Report for at least the past 11 years, during the 2020 legislative session, laws were enacted that mandated or directed transfers of monies from specific State agency account balances that included restricted federal program monies. These laws directed the transferred monies to be used for general operating expenses or other specific purposes, such as child safety litigation services. For example, Laws 2020, Ch. 58, §76, transferred unused monies from the State's Risk Management Revolving Fund, which included a proportional share of monies from restricted federal program sources to the Department of Public Safety (DPS) for general operating expenses. When the State transferred and DPS spent the monies, which included the restricted federal program monies to pay for the legislatively mandated uses, it did not have a basis to show the relative benefits for each specific federal program's objectives.

**Criteria**—Federal regulation requires the State to use federal program monies for only those costs allowed by federal regulations and that provide a benefit directly or indirectly to the program's purposes (2 CFR §200.405[a]). In addition, federal regulation prohibits the State from using federal monies to cover the general costs of government, such as police and litigation services, or the costs of prosecutorial activities having no direct benefit to a federal program (2 CFR §§200.444[a][4-5]).

**Recommendations**—ADOA should:

1. Continue to work with U.S. HHS for remittance of any disallowed costs identified, including disallowed costs identified in prior fiscal years.
2. Continue to inform the Legislature, the Arizona Governor's Office of Strategic Planning and Budgeting, and other State agencies of the State agency funds that include restricted federal program monies in their fund balance.



3. Continue to monitor legislative bills being considered during legislative sessions and recommend bill revisions to help prevent transferring restricted federal program monies.

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

This finding is similar to prior-year finding 2020-110.

## 2021-122

**Assistance Listings numbers and names:** Not applicable

**Questioned costs:** Not applicable

**Condition**—Contrary to federal regulations and guidance, the Arizona Department of Administration (ADOA) submitted the State's June 30, 2021, Single Audit Report to the federal audit clearinghouse on November 29, 2022, which was 60 days later than allowed by the COVID-19-related single audit extension of September 30, 2022.

**Effect**—The State's late Single Audit Report submission may have prevented the U.S. Department of Health and Human Services, which is the State's federal cognizant agency, as well as the U.S. Department of Education, which oversees the State's 3 universities' student financial aid programs, and other federal agencies that oversee the State's federal programs from having timely information to effectively monitor federal programs and impose corrective actions for any findings we report. Further, the State, including its 3 universities, could potentially face actions taken by federal agencies that may affect the State's and universities' future federal awards, such as additional cash monitoring, other compliance monitoring, and funding restrictions or penalties.

**Cause**—The State's Single Audit Report was late because State agencies continued to experience resource challenges caused by reduced staffing from retirements and other employee turnover and increased workloads due to carrying out additional responsibilities and administering new federal funding in response to the COVID-19 pandemic as described in financial statement findings 2021-01 through 2021-04 and federal award findings 2021-108 and 2021-109. Further, the Arizona Health Care Cost Containment System (AHCCCS), the Department of Health Services (DHS), and the Department of Economic Security (DES), did not finalize program expenditures for ADOA to include on the Schedule of Expenditures of Federal Awards (SEFA) until August 9, 2022, September 14, 2022, and September 14, 2022, respectively. Consequently, ADOA was unable to finalize the SEFA until October 14, 2022.

Lastly, as described in federal award finding 2021-102, the Arizona Governor's Office of Strategic Planning and Budgeting (Office) had deficiencies in administering the State's Coronavirus Relief Fund program monies, including seeking after-the-fact information from State agencies to determine unallowable costs, which should have been completed at the time of expenditure reimbursement.

**Criteria**—Federal regulations normally require the State to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after fiscal year-end (2 CFR §200.512). However, due to the COVID-19 pandemic, the U.S. Office of Management and Budget (OMB) extended this deadline by allowing an additional 6 months—until September 30, 2022—for the State to file its June 30, 2021, Single Audit Report.<sup>1</sup>



**Recommendations**—ADOA should submit all future Single Audit Reports on or before the federally required submission deadline, which is normally no later than 9 months after fiscal year-end, or by March 31 of the subsequent year.

In addition, those individuals in management who are responsible for AHCCCS', DHS', DES', and the Office's federal program administration should:

1. Ensure they allocate the appropriate resources to timely submit the necessary accurate and final program expenditures for the SEFA to ADOA and for the audit to meet the State's single audit submission requirements.
2. Coordinate and communicate directly with ADOA any difficulties they are having and to seek guidance and assistance when needed.

Further, DES and the Office should take corrective action on our recommendations described in findings 2021-108 and 2021-109 for DES and 2021-102 for the Office.

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

This finding is similar to prior-year finding 2020-111.

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<sup>1</sup> Executive Office of the President, OMB. (March 19, 2021). OMB Memorandum M-21-20, Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources. Grants Policies & Regulations. U.S. Department of Health and Human Services. Retrieved on August 18, 2022. <https://www.hhs.gov/grants/grants/grants-policies-regulations/index.html>.

# STATE SECTION

State of Arizona  
Schedule of expenditures of federal awards  
Year ended June 30, 2021

Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
<b>PEACE CORPS</b>						
08.1145PC20P0011	Professional Campus Recruitment Services - Revision - 1 Peace Corps Subtotal			ASA	\$ 6,005 <u>6,005</u>	
<b>DEPARTMENT OF AGRICULTURE</b>						
<b>SNAP Cluster</b>						
10.551	Supplemental Nutrition Assistance Program 10.551 Subtotal			DEA	1,950,129,405 <u>1,950,129,405</u>	
10.561	COVID - 19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	1,538,276	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	64,993,971	\$ 4,479,456
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	5,972,637	3,331,835
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	4,779,240	53,825
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 Subtotal	Coconino County, Arizona	LTR DTD 121820	UAA	6,836 <u>77,290,960</u>	<u>7,865,116</u>
	SNAP Cluster Subtotal				<u>2,027,420,365</u>	<u>7,865,116</u>
<b>Child Nutrition Cluster</b>						
10.553	COVID19 - School Breakfast Program			DCA	20,762	
10.553	COVID19 - School Breakfast Program			EDA	7,182,128	7,182,128
10.553	School Breakfast Program			DJA	134,702	
10.553	School Breakfast Program			EDA	48,976,372	48,976,372
10.553	School Breakfast Program 10.553 Subtotal			SDA	51,874 <u>56,365,838</u>	<u>56,158,500</u>
10.555	COVID-19 - National School Lunch Program			DJA	224,902	
10.555	COVID-19 - National School Lunch Program			EDA	16,355,081	16,355,081
10.555	National School Lunch Program			DCA	43,065	
10.555	National School Lunch Program			EDA	138,731,877	102,415,629
10.555	National School Lunch Program 10.555 Subtotal			SDA	86,401 <u>155,441,326</u>	<u>118,770,710</u>
10.556	Special Milk Program for Children			EDA	10,135	10,135
10.559	COVID-19 - Summer Food Service Program for Children			EDA	17,383,796	17,383,796
10.559	Summer Food Service Program for Children 10.559 Subtotal			EDA	211,413,586 <u>228,797,382</u>	<u>210,756,950</u> <u>228,140,746</u>
10.579	Child Nutrition Discretionary Grants Limited Availability  Child Nutrition Cluster Subtotal			EDA	684,505 <u>441,299,186</u>	684,505 <u>403,764,596</u>
<b>Food Distribution Cluster</b>						
10.565	Commodity Supplemental Food Program			DEA	1,540,750	1,288,114
10.568	COVID-19 - Emergency Food Assistance Program (Administrative)			DEA	7,055,605	7,055,605
10.568	Emergency Food Assistance Program (Administrative Costs) 10.568 Subtotal			DEA	3,834,747 <u>10,890,352</u>	<u>3,413,906</u> <u>10,469,511</u>
10.569	COVID-19 - Emergency Food Assistance Program (Food Commodities)			DEA	12,350,068	
10.569	Emergency Food Assistance Program (Food Commodities) 10.569 Subtotal			DEA	43,087,062 <u>55,437,130</u>	
	Food Distribution Cluster Subtotal				<u>67,868,232</u>	<u>11,757,625</u>
<b>Other Department of Agriculture Programs</b>						
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,159,434	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	499,265	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			GFA	14,125	
10.025	Plant and Animal Disease, Pest Control, and Animal Care 10.025 Subtotal			UAA	275,428 <u>1,948,252</u>	
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	166,914	
10.163	Market Protection and Promotion			AHA	16,896	
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	1,386,014	1,168,123
10.171	Organic Certification Cost Share Programs			AHA	39,158	35,462
10.178	Trade Mitigation Program Eligible Recipient Agency Operational Funds			DEA	1,018,000	1,018,000
10.210	Higher Education—Graduate Fellowships Grant Program			NAA	23,000	
10.215	Sustainable Agriculture Research and Education	Montana State University	G161-19-W7506	UAA	22,033	
10.215	Sustainable Agriculture Research and Education 10.215 Subtotal	Utah State University	202570-671	UAA	11,348 <u>33,381</u>	
10.223	Hispanic Serving Institutions Education Grants			UAA	11,663	
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	24,893	
10.310	Agriculture and Food Research Initiative (AFRI)	Desert Research Institute	GR11726	UAA	38,622	
10.310	Agriculture and Food Research Initiative (AFRI)	New Mexico State University	Q01909	UAA	7,501	
10.310	Agriculture and Food Research Initiative (AFRI) 10.310 Subtotal	University of Vermont	29034SUB52911/173257	UAA	20,896 <u>91,912</u>	<u>10,740</u> <u>10,740</u>
10.311	Beginning Farmer and Rancher Development Program			UAA	153,359	52,022
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	218,309	

State of Arizona  
Schedule of expenditures of federal awards  
Year ended June 30, 2021

Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.334	Enhancing Agricultural Opportunities for Military Veterans Competitive Grants Program	Painted Desert Demonstration Projects Inc.	NLID-56197	UAA	66,539	
10.351	Rural Business Development Grant	Apex Applied Technology, Incorporated	LTR DTD 031020	UAA	3,619	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	73,385	
10.479	Food Safety Cooperative Agreements			HSA	79,493	
10.500	Cooperative Extension Service			UAA	598,863	
10.500	Cooperative Extension Service	Purdue University	F9001573902010	UAA	72,996	
10.500	Cooperative Extension Service	University of Hawaii	MA1492	UAA	6,213	
10.500	Cooperative Extension Service	Washington State University	134194 G004221/14470	UAA	27,606	
	10.500 Subtotal				<u>705,678</u>	
10.511	Smith-Lever Funding (Various Programs)			UAA	1,614,029	
10.514	Expanded Food and Nutrition Education Program			UAA	724,972	
10.515	Renewable Resources Extension Act and National Focus Fund			UAA	90,040	
10.527	New Beginnings for Tribal Students			UAA	41,563	
10.534	CACFP Meal Service Training Grants			EDA	10,882	
10.542	COVID-19- Pandemic EBT Food Benefits (P-EBT)			DEA	466,724,735	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	74,514,590	22,178,072
10.557	COVID-19 - Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	11,724,143	3,171,959
	10.557 Subtotal				<u>86,238,733</u>	<u>25,350,031</u>
10.558	COVID-19 - Child and Adult Care Food Program			EDA	7,687,315	7,687,315
10.558	Child and Adult Care Food Program			EDA	61,312,105	60,638,552
	10.558 Subtotal				<u>68,999,420</u>	<u>68,325,867</u>
10.560	State Administrative Expenses for Child Nutrition			EDA	5,623,233	
10.572	WIC Farmers' Market Nutrition Program (FMNP)			DEA	84,801	84,801
10.574	Team Nutrition Grants			EDA	92,327	
10.575	Farm to School Grant Program			EDA	16,477	
10.575	Farm to School Grant Program			HSA	1,792	
10.576	Senior Farmers Market Nutrition Program			DEA	157,180	157,180
10.578	WIC Grants to States (WGS)			HSA	63,640	21,028
10.582	Fresh Fruit and Vegetable Program			EDA	2,156,670	2,100,398
10.589	Child Nutrition Direct Certification Performance Awards			EDA	73,320	
10.649	COVID-19- Pandemic EBT Administrative Costs			DEA	2,875,589	
10.649	COVID-19- Pandemic EBT Administrative Costs			EDA	196,381	
	10.649 Subtotal				<u>3,071,970</u>	
10.652	Forestry Research			GFA	109,596	
10.652	Forestry Research			UAA	9,091	
	10.652 Subtotal				<u>118,687</u>	
10.664	Cooperative Forestry Assistance			FOA	3,261,682	389,206
10.674	Wood Utilization Assistance			FOA	22,331	
10.676	Forest Legacy Program			FOA	15,237	
10.682	National Forest Foundation			GFA	58,990	
10.691	Good Neighbor Authority			EVA	1,067,578	
10.691	Good Neighbor Authority			FOA	182,048	
	10.691 Subtotal				<u>1,249,626</u>	
10.697	State & Private Forestry Hazardous Fuel Reduction Program			LDA	23,500	
10.697	State & Private Forestry Hazardous Fuel Reduction Program			UAA	4,264	
	10.697 Subtotal				<u>27,764</u>	
10.698	State & Private Forestry Cooperative Fire Assistance			FOA	29,184	
10.707	Research Joint Venture and Cost Reimbursable Agreements			NAA	25,274	
10.902	Soil and Water Conservation			FOA	43,655	
10.902	Soil and Water Conservation			UAA	50,928	
	10.902 Subtotal				<u>94,583</u>	
10.912	Environmental Quality Incentives Program			FOA	21,446	
10.17-CR-11031600-044	Arizona Rangeland Monitoring and Vegetation GIS Data System (VGS) Enhancement			UAA	171,125	
10.18-CR-11031600-066	Arizona Rangeland Education, Outreach, and Monitoring			UAA	11,355	
10.18-CS-11031200-009	Salt River Horse Management Agreement			AHA	36,592	
10.18-CS-11030500-019	Coronado Range Monitoring			UAA	38,892	
10.19JV11221633103	Dendroentomology Database Management			UAA	13,226	
10.20-CS-11030700-179	Three Forest Cooperative Range Monitoring			UAA	9,578	
10.20-CS-11031600-151	Rangeland Extension, Education, Outreach, Monitoring, and Vegetation GIS Data Systems (VGS) Enhancement			UAA	27,036	
10.AZ-CNF-000413	AZDFFM Public Information Officer			UAA	4,936	
10.Unknown	San Xavier Cooperative Farm Value-added Meat Processing Program in Southern Arizona	Apex Applied Technology, Incorporated	LTR DTD 092019	UAA	4,007	
10.WM-08	US Department of Agriculture			NAA	49,120	
	Total Department of Agriculture				<u>3,183,699,810</u>	<u>522,100,195</u>
<b>DEPARTMENT OF COMMERCE</b>						
<b>Economic Development Cluster</b>						
11.307	Economic Adjustment Assistance			ASA	60,125	

**State of Arizona**  
**Schedule of expenditures of federal awards**  
**Year ended June 30, 2021**

Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
11.307	Economic Adjustment Assistance			NAA	144,102	
	11.307 Subtotal				204,227	
	Economic Development Cluster Subtotal				204,227	
<b>Other Department of Commerce Programs</b>						
11.008	NOAA Mission-Related Education Awards	Watershed Management Group	NA16SEC0080003	UAA	44,949	
11.303	Economic Development Technical Assistance			NAA	90,992	
11.611	Manufacturing Extension Partnership			CAA	1,942,425	
11.Unknown	Economic Development Administration	Central Arizona Governments	21.0219	NAA	68,824	
	Total Department of Commerce				2,351,417	
<b>DEPARTMENT OF DEFENSE</b>						
12.005	Conservation and Rehabilitation of Natural Resources on Military Installations			GFA	497,586	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	959,759	
12.300	Basic and Applied Scientific Research			GFA	530,515	
12.330	Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program			ASA	226,050	56,753
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801-ASU-01-PGO-051-PO3, PGO1801-ASU-01, PGO1801-ASU-01	ASA	274,425	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801UAZ15, PGO1801UAZ15PGO051PO2	UAA	461,000	
	12.357 Subtotal				735,425	
12.400	National Guard Military Construction Projects			DEA	7,656,589	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			GFA	19,763	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	45,244,983	
	12.401 Subtotal				45,264,746	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-ASU-1, 0054-ASU-CHN-280-PO7, 0054-ASU-1, 0054-ASU-1	ASA	292,464	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-UAZ-9, 0054-UAZ-9-ARA-280-PO1, 0054UAZ9SSA280PO5, 0054UAZ9SSA280PO6	UAA	537,873	
	12.550 Subtotal				830,337	
12.620	Troops to Teachers Grant Program			EDA	118,131	
12.632	Legacy Resource Management Program			GFA	34,646	
12.901	Mathematical Sciences Grants			ASA	6,936	
12.902	Information Security Grant Program			UAA	335,550	
12.910	Research and Technology Development			GFA	1,619	
12.2020-20061700005	60 Month Grant to the University of Arizona and Consortium Members is for the Intelligence Community Centers of Academic Excellence Critical Languages Studies Program (IC CAE CLSP)			UAA	288,862	
12.FA330019CA018	AU-ASU Partnership: e-School Migration (Air University)			ASA	1,538,504	
12.H98230-20-1-0243	ASU Chinese Startalk Summer Camp	University of Maryland: College Park	H98230-20-1-0243	ASA	50,841	
12.W911NF1920007	Compugirls Cybersecurity: A Culturally Responsive Collective Impact Model for Underanticipated Girls	RTI International	16-312-0216908-65829L, 16-312-0216908-65829L	ASA	316,028	
	Total Department of Defense				59,392,124	56,753
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
<b>Section 8 Project-Based Cluster</b>						
14.195	Section 8 Housing Assistance Payments Program			HDA	64,686,750	
	Section 8 Project—Based Cluster Subtotal				64,686,750	
<b>Housing Voucher Cluster</b>						
14.871	Section 8 Housing Choice Vouchers			HDA	1,244,189	1,210
	Housing Voucher Cluster Subtotal				1,244,189	1,210
<b>Other Department of Housing and Urban Development Programs</b>						
14.171	Manufactured Home Dispute Resolution			HDA	107,230	
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	33,018	33,018
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	10,396,457	10,185,011
	14.228 Subtotal				10,429,475	10,218,029
14.231	COVID-19 - Emergency Solutions Grant Program			DEA	6,861,723	6,836,710
14.231	Emergency Solutions Grant Program			DEA	1,862,660	1,701,657
	14.231 Subtotal				8,724,383	8,538,367
14.239	Home Investment Partnerships Program			HDA	6,130,516	5,510,965
14.241	COVID-19 - Housing Opportunities for Persons with AIDS			HDA	32,978	32,978
14.241	Housing Opportunities for Persons with AIDS			HDA	396,149	387,513
	14.241 Subtotal				429,127	420,491
14.267	Continuum of Care Program			HDA	4,527,133	4,159,173
14.267	Continuum of Care Program	Our Family Services, Inc.	AZ0220Y9T011800	UAA	49,362	
	Subtotal 14.267				4,576,495	4,159,173
14.275	Housing Trust Fund			HDA	3,853,548	3,685,812

State of Arizona  
Schedule of expenditures of federal awards  
Year ended June 30, 2021

Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
14.276	United States Department of Housing and Urban Development	City of Tucson, Arizona	23228/18869	UAA	37,427	
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities			HDA	377,024	
14.401	Fair Housing Assistance Program State and Local			AGA	671,711	
	Total Department of Housing and Urban Development				<u>101,267,875</u>	<u>32,534,047</u>
<b>DEPARTMENT OF THE INTERIOR</b>						
<b>Fish and Wildlife Cluster</b>						
15.605	Sport Fish Restoration			GFA	6,515,305	
15.611	Wildlife Restoration and Basic Hunter Education			GFA	17,228,150	490,981
15.626	Enhanced Hunter Education and Safety			GFA	188,540	77,500
	Fish and Wildlife Cluster Subtotal				<u>23,931,995</u>	<u>568,481</u>
<b>Other Department of the Interior Programs</b>						
15.130	Indian Education Assistance to Schools			EDA	435,859	346,153
15.156	Tribal Climate Resilience			NAA	475,651	
15.159	Cultural Resources Management			UAA	75,307	
15.224	Cultural and Paleontological Resources Management			ASA	9,809	8,348
15.224	Cultural and Paleontological Resources Management			UAA	8,564	713
	15.224 Subtotal				<u>18,373</u>	<u>9,061</u>
15.228	BLM Fuels Management and Community Fire Assistance Program Activities			FOA	169,594	91,388
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	27,428	
15.244	Fisheries and Aquatic Resources Management			GFA	58,370	
15.246	Threatened and Endangered Species			GFA	36,274	
15.247	Wildlife Resource Management		L19AC00226	GFA	436,890	
15.511	Cultural Resources Management			ASA	13,266	
15.517	Fish and Wildlife Coordination Act			GFA	1,679,346	
15.557	Applied Science Grants			GFA	1,222	
15.608	Fish and Wildlife Management Assistance			GFA	346,925	
15.615	Cooperative Endangered Species Conservation Fund			AHA	95,572	
15.615	Cooperative Endangered Species Conservation Fund			GFA	345,053	
15.615	Cooperative Endangered Species Conservation Fund			UAA	8,805	
	15.615 Subtotal				<u>449,430</u>	
15.616	Clean Vessel Act			GFA	114,249	111,465
15.631	Partners for Fish and Wildlife			GFA	200,000	
15.634	State Wildlife Grants			GFA	1,915,758	188,060
15.654	National Wildlife Refuge System Enhancements			GFA	12,824	
15.657	Endangered Species Conservation—Recovery Implementation Funds			GFA	273,596	31,402
15.660	Endangered Species - Candidate Conservation Action Funds			GFA	15,000	
15.663	National Fish and Wildlife Foundation		90116054723	GFA	20,547	
15.664	Fish and Wildlife Coordination and Assistance			GFA	24,020	
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention			GFA	86,342	
15.684	White-nose Syndrome National Response Implementation			GFA	10,994	
15.670	Adaptive Science			GFA	61,266	
15.674	National Fire Plan-Wildland Urban Interface Community Fire			FOA	29,690	
15.678	Cooperative Ecosystem Studies Units			GFA	48,134	
15.808	U.S. Geological Survey Research and Data Collection			GFA	199,507	
15.812	Cooperative Research Units		1003640AZGF	GFA	10,731	
15.904	Historic Preservation Fund Grants-In-Aid			PRA	904,145	63,448
15.916	Outdoor Recreation Acquisition, Development and Planning			PRA	1,271,585	164,759
15.922	Native American Graves Protection and Repatriation Act			UAA	1,456	
15.944	Natural Resource Stewardship			GFA	2,037	
15.945	Cooperative Research and Training Programs—Resources of the National Park System		P19AC01152, P20AC00755	NAA	25,812	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	197,786	
	15.945 Subtotal				<u>223,598</u>	
15.980	National Ground-Water Monitoring Network			WCA	35,868	
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,672,715	
15.LTR DTD 041520	IPA: Research Manager for the Southwest Climate Adaptation Center			UAA	43,077	
15.LTR DTD 080119	Bureau of Land Management/Joint Fire Science Program Intergovernmental Personnel Act Agreement for Molly Hunter			UAA	121,975	
	Total Department of the Interior				<u>40,455,044</u>	<u>1,574,217</u>
<b>DEPARTMENT OF JUSTICE</b>						
16.017	Sexual Assault Services Formula Program			GVA	416,606	416,606
16.034	Coronavirus Emergency Supplemental Funding Program			AGA	118,434	
16.034	Coronavirus Emergency Supplemental Funding Program			DCA	2,230,656	
16.034	Coronavirus Emergency Supplemental Funding Program			DEA	128,525	
16.034	Coronavirus Emergency Supplemental Funding Program			DJA	87,802	
16.034	Coronavirus Emergency Supplemental Funding Program			JCA	3,111,994	2,865,205
16.034	Coronavirus Emergency Supplemental Funding Program			PSA	296,202	
16.034	Coronavirus Emergency Supplemental Funding Program			SPA	408,736	
16.034	Coronavirus Emergency Supplemental Funding Program			NAA	22,983	
	16.034 Subtotal				<u>6,405,332</u>	<u>2,865,205</u>
16.320	Services for Trafficking Victims		KR200798	AGA	19,287	

State of Arizona  
Schedule of expenditures of federal awards  
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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.320	Services for Trafficking Victims			ASA	164,978	
	16.320 Subtotal				184,265	
16.526	OWW Technical Assistance Initiative	Johns Hopkins University	2003621245	ASA	47,855	
16.528	Enhanced Training and Services to End Violence and Abuse of Women Later in Life			DEA	247	
16.540	Juvenile Justice and Delinquency Prevention			GVA	878,148	772,947
16.540	Juvenile Justice and Delinquency Prevention			JCA	28,430	22,406
	16.540 Subtotal				906,578	795,353
16.543	Missing Children's Assistance			PSA	65,000	
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	43,814	
16.554	National Criminal History Improvement Program (NCHIP)			JCA	783,141	588,832
16.554	National Criminal History Improvement Program (NCHIP)			PSA	283,232	
	16.554 Subtotal				1,066,373	588,832
16.575	Crime Victim Assistance			AGA	838,979	
16.575	Crime Victim Assistance			CHA	609,044	
16.575	Crime Victim Assistance			DCA	464,729	
16.575	Crime Victim Assistance			DEA	7,778,091	
16.575	Crime Victim Assistance			DJA	47,562	
16.575	Crime Victim Assistance			NAA	151,810	
16.575	Crime Victim Assistance			PSA	34,121,277	32,852,145
16.575	Crime Victim Assistance			SPA	68,326	
16.575	Crime Victim Assistance			STA	145,891	
	16.575 Subtotal				44,225,709	32,852,145
16.576	Crime Victim Compensation			JCA	1,190,946	1,128,386
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	18657	UAA	127,651	
16.582	Crime Victim Assistance/Discretionary Grants			NAA	133,934	15,993
16.582	Crime Victim Assistance/Discretionary Grants			UAA	17,925	
	16.582 Subtotal				151,859	15,993
16.588	Violence Against Women Formula Grants			GVA	1,981,792	1,567,894
16.588	Violence Against Women Formula Grants			PSA	238,772	
16.588	Arizona Intimate Partner Risk Assessment Instrument System (APRAIS)			ASA	131,423	
16.588	STOP Violence Against Women Formula Grant			ASA	72,187	
	16.588 Subtotal				2,424,174	1,567,894
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	41,256	
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	70,201	
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	164,549	116,962
	16.593 Subtotal				276,006	116,962
16.710	Public Safety Partnership and Community Policing Grants			SDA	175,357	
16.726	Juvenile Mentoring Program	National 4-H Council	2018-JU-FX-0005, 2019-MU-FX-0002	UAA	42,918	
16.734	Special Data Collections and Statistical Studies			PSA	48,178	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	476,086	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	2,723,914	2,431,367
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	326,288	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			SPA	240,210	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Tempe: Police Department	C2018-36	ASA	41,120	
	16.738 Subtotal				3,807,618	2,431,367
16.741	DNA Backlog Reduction Program			PSA	887,019	
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	169,276	127,705
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	79,977	
	16.742 Subtotal				249,253	127,705
16.751	Edward Byrne Memorial Competitive Grant Program	Phoenix Police Department	147177--0	ASA	21,258	
16.756	Court Appointed Special Advocates			SPA	4,206	
16.812	Second Chance Act Reentry Initiative			DCA	70,954	
16.812	Second Chance Act Reentry Initiative			SPA	182,591	
	16.812 Subtotal				253,545	
16.813	NICS Act Record Improvement Program			JCA	125,725	
16.813	NICS Act Record Improvement Program			PSA	62,876	
	16.813 Subtotal				188,601	
16.816	John R. Justice Prosecutors and Defenders Incentive Act			JCA	338	
16.820	Postconviction Testing of DNA Evidence			JCA	27,946	27,946
16.833	National Sexual Assault Kit Initiative			PSA	645	
16.835	Body Worn Camera Policy and Implementation	CNA Corporation	20-ASU-1-1616	ASA	365,134	
16.838	Comprehensive Opioid Abuse Site-Based Program			JCA	25,536	
16.839	STOP School Violence			GVA	78,821	78,821
16.889	Grants for Outreach and Services to Underserved Populations	Intertribal Council of Arizona, Inc.	OWW-ASU-00 ; OWW-ASU-01 ; OWW-ASU-02	ASA	19,541	
16.922	Equitable Sharing Program			AGA	212,183	
16.922	Equitable Sharing Program			PSA	128,028	
	16.922 Subtotal				340,211	
16.2015-DE-BX-K002	Body Worn Camera Training and Technical Assistance TTA Provider	CNA Corporation	16-ASU-1-1376	ASA	101,831	



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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.2016-CZ-BX-0016	Second Chance Coalition Building and Training			ASA	79,762	
16.2018-088	DEA/DOJ agreements			PSA	249,720	
16.2020-AD-R-5117	FY 2020 Arizona Board of Regents/University of Arizona and its Native Nations Institute Commission of Native Children			UAA	130,965	
16.LTR DTD 060616	Joint Terrorism Task Force - Officer Overtime			UAA	1,001	
	Total Department of Justice				<u>64,631,819</u>	<u>43,013,215</u>
<b>DEPARTMENT OF LABOR</b>						
<b>Employment Service Cluster</b>						
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	10,375,254	
17.207	Employment Service/Wagner-Peyser Funded Activities			EOA	550,285	
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	1,384,251	105,000
	17.207 Subtotal				<u>12,309,790</u>	<u>105,000</u>
17.801	Disabled Veterans' Outreach Program (DVOP)			DEA	2,205,213	
17.804	Local Veterans' Employment Representative Program			DEA	1,255,652	
	Employment Service Cluster Subtotal				<u>15,770,655</u>	<u>105,000</u>
<b>WIOA Cluster</b>						
17.258	WIOA Adult Program			ASA	837,443	
17.258	WIOA Adult Program			CAA	2,939,297	
17.258	WIOA Adult Program			DCA	479,000	
17.258	WIOA Adult Program			DEA	16,937,494	15,848,098
17.258	WIOA Adult Program			EDA	1,649,195	291,210
17.258	WIOA Adult Program			GVA	1,805,865	905,050
17.258	WIOA Adult Program			HSA	8,275	
17.258	WIOA Adult Program			VSA	299,994	
	17.258 Subtotal				<u>24,956,563</u>	<u>17,044,358</u>
17.259	WIOA Youth Activities			DEA	22,348,295	21,416,929
17.259	WIOA Youth Activities			EOA	1,058,481	
	17.259 Subtotal				<u>23,406,776</u>	<u>21,416,929</u>
17.278	WIOA Dislocated Worker Formula Grants			DEA	23,840,844	19,051,146
17.278	WIOA Dislocated Worker Formula Grants			GVA	21,713	21,713
17.278	WIOA Dislocated Worker Formula Grants			PEA	144,338	
	17.278 Subtotal				<u>24,006,895</u>	<u>19,072,859</u>
	WIOA Cluster Subtotal				<u>72,370,234</u>	<u>57,534,146</u>
<b>Other Department of Labor Programs</b>						
17.002	Labor Force Statistics			EOA	934,482	
17.005	Compensation and Working Conditions			ICA	105,813	
17.225	COVID-19 - Unemployment Insurance			DEA	6,624,480,570	
17.225	Unemployment Insurance			DEA	1,023,166,677	
17.225	Unemployment Insurance			EOA	31,277	
	17.225 Subtotal				<u>7,647,678,524</u>	
17.235	Senior Community Service Employment Program			DEA	1,055,973	1,016,409
17.245	Trade Adjustment Assistance			DEA	804,815	
17.268	H-1B Job Training Grants			ASA	142,541	3,200
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	255,554	
17.273	Temporary Labor Certification for Foreign Workers			DEA	158,631	
17.285	Apprenticeship USA Grants			DEA	363,103	
17.503	Occupational Safety and Health State Program			ICA	2,479,540	
17.504	Consultation Agreements			ICA	1,021,142	
17.600	Mine Health and Safety Grants			MIA	349,372	
17.603	Brookwood-Sago Grant			UAA	28,559	
	Total Department of Labor				<u>7,743,518,938</u>	<u>58,658,755</u>
<b>DEPARTMENT OF STATE</b>						
19.009	Academic Exchange Programs—Undergraduate Programs	University of Nebraska: Omaha	45-2402-1030-401	ASA	71,605	
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	3000194864, 943360412	ASA	142,006	
19.011	Academic Exchange Programs—Special Academic Exchange	American Institute of Maghreb Studies	LTR DTD 110101	UAA	57,833	
19.022	Educational and Cultural Exchange Programs Appropriation Overseas Grants			ASA	39,704	
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	53,803	
19.401	Academic Exchange Programs—Scholars	University of Montana	PG19-26935-01, PG19-26935-01	ASA	44,024	
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	International Research and Exchanges Board (IREX)	YLAI FY19 – 5005 - 01, YLAI FY19 – 5005 - 01	ASA	45,642	
19.421	Academic Exchange Programs— English Language Programs	FHI 360	PO20003044, PO20002086, PO20002988, PO21001522, PO20000180	ASA	329,257	
19.750	Bureau of Western Hemisphere Affairs (WHA) Grant Programs (including Energy and Climate Partnership for the Americas)			ASA	316,116	
19.900	AEECA/ESF PD Programs	Yerevan State University	SPA00002753	ASA	17,676	
19.SECAGD18CA1045 MB	Study of the US Institute for Student Leaders on History and Government	Institute for Training and Development	LTR DTD 021021, LTR DTD 052319	UAA	24,876	
19.SECAGD20CA0008	Fulbright Pre-Departure Orientation – South and Central Asia 2020	Institute of International Education	3000187275	ASA	55,968	
19.S-LMAQM-20-GR-2384	Program for the Study of Eastern Europe and the Independent States of the Former Soviet Union (Title VIII)			ASA	205,856	
	Total Department of State				<u>1,404,366</u>	

State of Arizona  
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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
<b>DEPARTMENT OF TRANSPORTATION</b>						
<b>Highway Planning and Construction Cluster</b>						
20.205	Highway Planning and Construction			DTA	682,726,772	70,352,552
20.205	Highway Planning and Construction			EOA	40,415	
20.205	Highway Planning and Construction		IG0004, UNR-21-55	GFA	193,972	
20.205	Highway Planning and Construction			PSA	1,852,227	
	20.205 Subtotal				<u>684,813,386</u>	<u>70,352,552</u>
20.219	Recreational Trails Program			DTA	1,665,325	
20.219	Recreational Trails Program			LDA	111,940	
20.219	Recreational Trails Program			PRA	1,817,076	1,052,476
	20.219 Subtotal				<u>3,594,341</u>	<u>1,052,476</u>
	Highway Planning and Construction Cluster Subtotal				<u>688,407,727</u>	<u>71,405,028</u>
<b>Transit Services Programs Cluster</b>						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	2,883,238	2,593,375
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			NAA	23,924	
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	City of Phoenix	151692-0	NAA	25,905	
	20.513 Subtotal				<u>2,933,067</u>	<u>2,593,375</u>
	Transit Services Program Cluster Subtotal				<u>2,933,067</u>	<u>2,593,375</u>
<b>Highway Safety Cluster</b>						
20.600	State and Community Highway Safety			ASA	6,258	
20.600	State and Community Highway Safety			GHA	5,049,485	3,484,292
20.600	State and Community Highway Safety			LLA	63,893	
20.600	State and Community Highway Safety			PSA	374,262	
20.600	State and Community Highway Safety			SPA	47,772	
20.600	State and Community Highway Safety			UAA	24,828	
	20.600 Subtotal				<u>5,566,498</u>	<u>3,484,292</u>
20.616	National Priority Safety Programs			GHA	4,544,644	2,950,876
20.616	National Priority Safety Programs			NAA	22,823	
20.616	National Priority Safety Programs			PSA	1,003,499	
20.616	National Priority Safety Programs			SPA	101,884	101,884
20.616	National Priority Safety Programs			UAA	10,272	
	20.616 Subtotal				<u>5,683,122</u>	<u>3,052,760</u>
	Highway Safety Cluster Subtotal				<u>11,249,620</u>	<u>6,537,052</u>
<b>FMCSA Cluster</b>						
20.218	Motor Carrier Safety Assistance			DTA	277,114	
20.218	Motor Carrier Safety Assistance			PSA	8,372,950	
	20.218 Subtotal				<u>8,650,064</u>	
	FMCSA Cluster Subtotal				<u>8,650,064</u>	
<b>Other Department of Transportation Programs</b>						
20.106	COVID-19 - Airport Improvement Program			DTA	987,169	
20.106	Airport Improvement Program			DTA	4,817,205	
	20.106 Subtotal				<u>5,804,374</u>	
20.200	Highway Research and Development Program			DTA	608,178	206,981
20.215	Highway Training and Education			DTA	156,316	
20.215	Highway Training and Education			NAA	4,855	
	20.215 Subtotal				<u>161,171</u>	
20.301	Railroad Safety			CCA	1,327	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			DTA	108,738	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	3,662,885	3,604,532
20.509	COVID-19 - Formula Grants for Rural Areas			DTA	18,642,009	18,286,551
20.509	Formula Grants for Rural Areas			DTA	5,062,460	4,596,273
	20.509 Subtotal				<u>23,704,469</u>	<u>22,882,824</u>
20.526	Bus and Bus Facilities Formula Program			DTA	30,925	30,925
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program			DTA	193,299	
20.615	E-911 Grant Program			ADA	193,580	
20.700	Pipeline Safety Program State Base Grant			CCA	1,591,700	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			EVA	343,214	227,835
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	74,694	
	20.703 Subtotal				<u>417,908</u>	<u>227,835</u>
20.720	State Damage Prevention Program Grants			CCA	50,814	
20.933	National Infrastructure Investments			DTA	19,037,044	
	Total Department of Transportation				<u>766,806,890</u>	<u>107,488,552</u>
<b>DEPARTMENT OF THE TREASURY</b>						
21.019	COVID-19 - Coronavirus Relief Fund			ADA	4,673,628	
21.019	COVID-19 - Coronavirus Relief Fund			ASA	46,000,000	
21.019	COVID-19 - Coronavirus Relief Fund			CAA	2,000,000	
21.019	COVID-19 - Coronavirus Relief Fund			CCA	147,145	

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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
21.019	COVID-19 - Coronavirus Relief Fund			CLA	513,037	
21.019	COVID-19 - Coronavirus Relief Fund			DCA	21,434,318	
21.019	COVID-19 - Coronavirus Relief Fund			DEA	76,107,436	
21.019	COVID-19 - Coronavirus Relief Fund			DJA	13,287	
21.019	COVID-19 - Coronavirus Relief Fund			DTA	2,877,100	
21.019	COVID-19 - Coronavirus Relief Fund			GVA	566,308,868	562,741,713
21.019	COVID-19 - Coronavirus Relief Fund			HSA	249,014,520	
21.019	COVID-19 - Coronavirus Relief Fund			MAA	4,118,076	4,118,076
21.019	COVID-19 - Coronavirus Relief Fund			PIA	645,345	
21.019	COVID-19 - Coronavirus Relief Fund			PRA	35,745	
21.019	COVID-19 - Coronavirus Relief Fund			PSA	13,790,080	
21.019	COVID-19 - Coronavirus Relief Fund			SDA	7,764	
21.019	COVID-19 - Coronavirus Relief Fund			SPA	2,500,000	
21.019	COVID-19 - Coronavirus Relief Fund			STA	700,442	201,307
21.019	COVID-19 - Coronavirus Relief Fund			TOA	3,993,495	
21.019	COVID-19 - Coronavirus Relief Fund			VSA	19,970	
21.019	COVID-19 - Coronavirus Relief Fund			NAA	123,815	
21.019	COVID-19 - Coronavirus Relief Fund			NAA	23,000,000	
21.019	COVID-19 - Coronavirus Relief Fund			UAA	46,000,000	
	21.019 Subtotal				<u>1,064,024,071</u>	<u>567,061,096</u>
21.016	Equitable Sharing			AGA	12,088	
21.023	COVID-19 - Emergency Rental Assistance Program			DEA	15,805,044	
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			DEA	1,154,222	
21.SJI-20-P-025	Designing a New Tier of Civil Legal Professionals for Survivors of Domestic Violence	State Justice Institute	SJI-20-P-025	UAA	83,511	8,864
	Total Department of the Treasury				<u>1,081,078,936</u>	<u>567,069,960</u>
<b><u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u></b>						
38.006	State Appraiser Agency Support Grants			IDA	46,748	
	Total Equal Employment Opportunity Commission				<u>46,748</u>	
<b><u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>						
43.001	Science	Jet Propulsion Laboratory (JPL)	1641084	ASA	7,094	
43.001	Science	SETI Institute	SC-3177	UAA	57,065	
	43.001 Subtotal				<u>64,159</u>	
43.008	Office of Stem Engagement			NAA	101,174	
43.008	Office of Stem Engagement	Carthage College	FLN21 7.2	NAA	1,631	
43.008	Office of Stem Engagement			UAA	330,184	61,715
	43.008 Subtotal				<u>432,989</u>	<u>61,715</u>
43. NNX16AC53A	National Aeronautics and Space Administration			NAA	397,044	77,098
	Total National Aeronautics and Space Administration				<u>894,192</u>	<u>138,813</u>
<b><u>NATIONAL ENDOWMENT FOR THE ARTS</u></b>						
45.024	Promotion of the Arts Grants to Organizations and Individuals			ASA	7,931	
45.025	COVID-19 - Promotion of the Arts Partnership Agreements			HUA	430,000	430,000
45.025	Promotion of the Arts Partnership Agreements			HUA	921,496	
	45.025 Subtotal				<u>1,351,496</u>	<u>430,000</u>
45.129-c19	Covid-19 - Promotion of the Humanities_Federal/State Partnership	Arizona Humanities	71252020	ASA	5,303	
45.Unknown	NEA Challenge Grant Endowment			UAA	73,962	
	Total National Endowment for the Arts				<u>1,438,692</u>	<u>430,000</u>
<b><u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u></b>						
45.129	Promotion of the Humanities Federal State Partnership			HIA	5,000	
45.129	Promotion of the Humanities Federal/State Partnership	Arizona Humanities	30642021, 70992019	ASA	2,800	
45.129	Promotion of the Humanities Federal/State Partnership	Arizona Humanities Council	30582020, 71162020	NAA	4,617	
45.129	Promotion of the Humanities Federal/State Partnership	Arizona Humanities	30572020/SO-50519, 70772018, 71002019, 71152020	UAA	10,913	
	45.129 Subtotal				<u>23,330</u>	
45.130	Promotion of the Humanities Challenge Grants			UAA	252,939	
45.149	Promotion of the Humanities Division of Preservation and Access			NAA	13,913	
45.149	COVID-19- Promotion of the Humanities Division of Preservation and Access			UAA	67,064	
45.149	Promotion of the Humanities Division of Preservation and Access			UAA	168,699	
45.149	Promotion of the Humanities Division of Preservation and Access	University of Texas Rio Grande Valley	PW2694302001	UAA	16,592	
	45.149 Subtotal				<u>266,268</u>	
45.160	Promotion of the Humanities_Fellowships and Stipends			UAA	31,646	
45.161	COVID-19 - Promotion of the Humanities_Research			UAA	90,032	
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development			ASA	19,701	
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development			UAA	72,234	
	45.162 Subtotal				<u>91,935</u>	
45.163	Promotion of the Humanities—Professional Development			UAA	120,616	

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45.Unknown	NEH/ASM Educational Endowment			UAA	424,084	
45.Unknown	Towards Justice: Race, Politics and American Democracy	Arizona Humanities	LTR DTD 012521	UAA	10,000	
	Total National Endowment for the Humanities				<u>1,310,850</u>	
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>						
45.301	Museums for America			UAA	78,397	
45.310	COVID-19 - Grants to States			STA	160,255	70,607
45.310	COVID-19 - Grants to States			HIA	10,000	
45.310	COVID-19 - Grants to States			STA	611,501	445,358
45.310	Grants to States			STA	3,663,974	924,488
45.310	Grants to States			ASA	43,474	
45.310	Grants to States			NAA	65,338	
	45.310 Subtotal				<u>4,554,542</u>	<u>1,440,453</u>
45.312	National Leadership Grants			ASA	23,070	
45.313	Laura Bush 21st Century Librarian Program			UAA	42,201	
45.313	Laura Bush 21st Century Librarian Program	New York University	F1601-01	UAA	16,851	
45.313	Laura Bush 21st Century Librarian Program	Purdue University	19200254-003	UAA	7,412	
	45.313 Subtotal				<u>66,464</u>	
	Total Institute of Museum and Library Services				<u>4,722,473</u>	<u>1,440,453</u>
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>						
47.050	Geoscience	University of Colorado Boulder	PO 1001268122	NAA	5,394	
47.076	Education and Human Resources			NAA	848,733	40,477
47.076	Education and Human Resources	San Francisco State University	S18-0002	NAA	33,595	
47.076	Education and Human Resources			UAA	472,209	
	47.076 Subtotal				<u>1,354,537</u>	<u>40,477</u>
47.082	ARRA-Trans-NSF Recovery Act Research Support			UAA	209,679	
47.CRT HRD-2016587	National Science Foundation			UAA	129,334	
47.H98230-20-1-0049	SummerUp GenCyber Camp			ASA	22,127	
	Total National Science Foundation				<u>1,721,071</u>	<u>40,477</u>
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>						
59.061	State Trade Expansion			CAA	77,620	
	Total Small Business Administration				<u>77,620</u>	
<b><u>DEPARTMENT OF VETERANS AFFAIRS</u></b>						
64.005	Grants to States for Construction of State Home Facilities			VSA	20,158,573	
	Total Department of Veterans Affairs				<u>20,158,573</u>	
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>						
<b><u>Clean Water State Revolving Fund Cluster</u></b>						
66.458	Capitalization Grants for Clean Water State Revolving Funds			FAA	6,671,006	6,190,883
	Clean Water State Revolving Fund Cluster Subtotal				<u>6,671,006</u>	<u>6,190,883</u>
<b><u>Drinking Water State Revolving Fund Cluster</u></b>						
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	3,929,019	
66.468	Capitalization Grants for Drinking Water State Revolving Funds			FAA	23,827,671	19,260,580
	66.468 Subtotal				<u>27,756,690</u>	<u>19,260,580</u>
	Drinking Water State Revolving Fund Cluster Subtotal				<u>27,756,690</u>	<u>19,260,580</u>
<b><u>Other Environmental Protection Agency Programs</u></b>						
66.032	State Indoor Radon Grants			HSA	64,925	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	331,480	94,196
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	290,846	
	66.034 Subtotal				<u>622,326</u>	<u>94,196</u>
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,420,076	
66.204	Multipurpose Grants to States and Tribes			EVA	131,919	
66.204	Multipurpose Grants to States and Tribes			HSA	22,539	
	66.204 Subtotal				<u>154,458</u>	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	199,853	
66.442	Assistance for Small and Disadvantaged Communities Drinking Water Grant Program			FAA	151,317	
66.444	WIIN			HSA	122,281	
66.454	Water Quality Management Planning			EVA	135,285	73,322
66.460	Nonpoint Source Implementation Grants			EVA	2,809,564	558,160
66.460	Nonpoint Source Implementation Grants			GFA	146	
	66.460 Subtotal				<u>2,809,710</u>	<u>558,160</u>

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66.605	Performance Partnership Grants			AHA	371,559	
66.605	Performance Partnership Grants			EVA	8,980,139	590,643
	66.605 Subtotal				9,351,698	590,643
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			NAA	184,616	
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	198,311	
	66.608 Subtotal				382,927	
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			NAA	48,820	
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	Extension Foundation	SA-2020-14, SA-2021-15	UAA	22,594	
	66.716 Subtotal				71,414	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	502,154	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	311,509	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	817,676	
66.808	Solid Waste Management Assistance Grants			NAA	219,817	
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	213,438	
66.817	State and Tribal Response Program Grants			EVA	924,745	449,374
66.931	International Financial Assistance Projects Sponsored by the Office of International and Tribal Affairs	North American Development Bank (NADB)	1033/TAA20-005/NADBC20-045	UAA	68,980	
66.951	Environmental Education Grants			ASA	28,426	3,607
66.Unknown X7-83697301	Environmental Protection Agency			NAA	152,663	
	Total Environmental Protection Agency				53,153,374	27,220,765
<b>DEPARTMENT OF ENERGY</b>						
81.042	Weatherization Assistance for Low-Income Persons			HDA	1,885,231	1,748,749
81.O-P106-P-00043-00	Digital Curation of Archaeological Data from Air Force Installations and Ranges	UChicago Argonne, LLC	O-P106-P-00043-00	ASA	291,353	
81.SUB-2020-10310, DE-SC0021139	Department of Energy			NAA	73,452	
	Total Department of Energy				2,250,036	1,748,749
<b>DEPARTMENT OF EDUCATION</b>						
<b>Special Education Cluster (IDEA)</b>						
84.027	Special Education—Grants to States			DCA	126,994	
84.027	Special Education—Grants to States			DJA	105,132	
84.027	Special Education—Grants to States			EDA	217,907,840	199,372,419
84.027	Special Education—Grants to States			NAA	414,315	
84.027	Special Education—Grants to States			SDA	234,555	
	84.027 Subtotal				218,788,836	199,372,419
84.173	Special Education—Preschool Grants			EDA	4,291,068	4,017,200
84.173	Special Education—Preschool Grants			SDA	2,758	
	84.173 Subtotal				4,293,826	4,017,200
	Special Education Cluster (IDEA) Subtotal				223,082,662	203,389,619
<b>TRIO Cluster</b>						
84.042	TRIO—Student Support Services			ASA	514,023	
84.042	TRIO—Student Support Services			NAA	305,778	
84.042	TRIO—Student Support Services			UAA	450,011	
	84.042 Subtotal				1,269,812	
84.044	TRIO—Talent Search			ASA	297,177	
84.044	TRIO—Talent Search			NAA	225,095	
	84.044 Subtotal				522,272	
84.047	TRIO—Upward Bound			ASA	262,266	
84.047	TRIO—Upward Bound			NAA	663,701	
84.047	TRIO—Upward Bound			UAA	337,918	
	84.047 Subtotal				1,263,885	
84.066	TRIO—Educational Opportunity Centers			NAA	471,839	
	TRIO Cluster Subtotal				3,527,808	
<b>Other Department of Education Programs</b>						
84.002	Adult Education—Basic Grants to States			EDA	12,526,585	10,166,488
84.004	Civil Rights Training and Advisory Services	Indiana University	S00D160011	UAA	33,807	
84.010	Title I Grants to Local Educational Agencies			EDA	328,355,907	323,136,364
84.010	Title I Grants to Local Educational Agencies			SDA	166,015	
	84.010 Subtotal				328,521,922	323,136,364
84.011	Migrant Education State Grant Program			EDA	6,586,950	5,653,101
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	575,196	

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84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	420,251	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	18,050	
	84.013 Subtotal				<u>1,013,497</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	719,109	
84.016	Undergraduate International Studies and Foreign Language Programs			UAA	54,733	
84.021	Overseas Programs - Group Projects Abroad			UAA	123,256	
84.031	Higher Education—Institutional Aid			UAA	319,749	
84.031	Higher Education—Institutional Aid	Arizona Western College	PO31C160019	UAA	258,759	
	84.031 Subtotal				<u>578,508</u>	
84.048	Career and Technical Education—Basic Grants to States			DJA	73,886	
84.048	Career and Technical Education—Basic Grants to States			EDA	29,923,750	26,617,647
84.048	Career and Technical Education—Basic Grants to States			SDA	22,852	
84.048	Career and Technical Education—Basic Grants to States			UAA	47,809	
	84.048 Subtotal				<u>30,068,297</u>	<u>26,617,647</u>
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			DEA	69,143,501	
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			SDA	1,087,119	
	84.126 Subtotal				<u>70,230,620</u>	
84.129	Rehabilitation Long-Term Training			UAA	157,032	
84.144	Migrant Education Coordination Program			EDA	42,957	
84.149	Migrant Education College Assistance Migrant Program			ASA	358,646	
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind			DEA	393,034	
84.181	Special Education—Grants for Infants and Families			DEA	10,880,550	
84.181	Special Education—Grants for Infants and Families			SDA	276,637	
	84.181 Subtotal				<u>11,157,187</u>	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	13,992	
84.196	Education for Homeless Children and Youth			EDA	2,018,887	1,693,917
84.206	Javits Gifted and Talented Students Education	University of Hawaii	MA1370	NAA	52,137	25,155
84.229	Language Resource Centers			UAA	128,896	
84.250	Rehabilitation Services American Indians with Disabilities			NAA	847,049	
84.282	Charter Schools			EDA	5,309,053	4,741,750
84.287	Twenty-First Century Community Learning Centers			EDA	22,783,519	21,387,748
84.287	Twenty-First Century Community Learning Centers			UAA	7,843	
	84.287 Subtotal				<u>22,791,362</u>	<u>21,387,748</u>
84.295	Ready-To-Learn Television	Corporation for Public Broadcasting	34823-EDU	ASA	42,383	
84.299	Indian Education—Special Programs for Indian Children			NAA	93,969	
84.299	Indian Education—Special Programs for Indian Children			UAA	489,301	
	84.299 Subtotal				<u>583,270</u>	
84.310	Statewide Family Engagement Centers			EDA	129,523	
84.323	Special Education—State Personnel Development			ASA	1,264	
84.323	Special Education—State Personnel Development			EDA	345,252	128,260
84.323	Special Education—State Personnel Development			NAA	270,383	
84.323	Special Education—State Personnel Development	Missouri Department of Elementary		NAA	909,810	128,125
	84.323 Subtotal				<u>1,526,709</u>	<u>256,385</u>
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	335,915	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	298,795	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	Missouri Department of Education		NAA	176,485	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	635,432	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	81,829	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	University of Florida	16-01-ED	EDA	4,990	
	84.325 Subtotal				<u>1,533,446</u>	
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			EDA	21,331	
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	213,539	
	84.326 Subtotal				<u>234,870</u>	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	5,287,509	3,564,022
84.335	Child Care Access Means Parents in School			ASA	129,006	
84.336	Teacher Quality Partnership Grants			ASA	2,578,624	
84.358	Rural Education			EDA	2,604,095	2,503,197
84.365	English Language Acquisition State Grants			ASA	311,807	19,429
84.365	English Language Acquisition State Grants			EDA	13,743,432	12,629,229
84.365	English Language Acquisition State Grants			NAA	425,806	
	84.365 Subtotal				<u>14,481,045</u>	<u>12,648,658</u>

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84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			DJA	2,126	
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			EDA	34,876,615	33,395,517
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			SDA	18,749	
	84.367 Subtotal				<u>34,897,490</u>	<u>33,395,517</u>
84.369	Grants for State Assessments and Related Activities			EDA	8,593,042	
84.371	Striving Readers/Comprehensive Literacy Development			EDA	71,872	9,500
84.377	School Improvement Grants			EDA	4,267,842	4,267,842
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education			NAA	95,519	
84.424	Student Support and Academic Enrichment Program			EDA	24,739,222	23,741,649
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			ASA	3,518,556	
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			BRA	111,627	111,627
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			DTA	724,667	
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			EDA	949,649	949,649
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			GVA	3,192,649	3,192,649
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			NAA	1,557,759	
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			SDA	970,629	
84.425C	COVID-19 Education Stabilization Fund—Governor’s Emergency Education Relief (GEER) Fund			UAA	643,056	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			DCA	48,073	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			DJA	151,154	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			EDA	263,265,604	257,713,649
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			SDA	225,576	
84.425E	COVID-19 - Education Stabilization Fund—Student Aid Portion			ASA	37,405,023	
84.425E	COVID-19 - Education Stabilization Fund—Student Aid Portion			NAA	12,703,102	
84.425E	COVID-19 - Education Stabilization Fund—Student Aid Portion			UAA	30,410,574	
84.425F	COVID-19 - Education Stabilization Fund—Institutional Portion			ASA	135,891,607	
84.425F	COVID-19 - Education Stabilization Fund—Institutional Portion			NAA	16,469,775	
84.425F	COVID-19 - Education Stabilization Fund—Institutional Portion			UAA	47,971,858	
84.425L	COVID-19 - Education Stabilization Fund—Minority Serving Institutions (MSIs)			ASA	285,972	
84.425L	COVID-19 - Education Stabilization Fund—Minority Serving Institutions (MSIs)			UAA	2,342,243	
84.425M	COVID-19 - Education Stabilization Fund—Strengthening Institutions Program (SIP)			ASA	56,257	
84.425M	COVID-19 - Education Stabilization Fund—Strengthening Institutions Program (SIP)			NAA	1,594,137	
	84.425 Subtotal				<u>560,489,547</u>	<u>261,967,574</u>
84.426	Randolph-Sheppard - Financial Relief and Restoration Payments			DEA	328,612	
84.H325A170003	Professional Learning Library and CEEDAR Learning Resource Provider - Revision - 1 - Renewal - 1	University of Florida: Board of Trustees	AGR 1/3/2019	ASA	21,986	
84.SFEC CFDA 84.310A	Yuma County Family Literacy Workshops	National Center for Families Learning (NCFL)	AGR 01/02/20	ASA	10,848	
84.UNKNOWN	Child Welfare Education Program: CWEP FY21 Including MSW-BSW			ASA	4,544,761	
84.Unknown	Migratory Student Summer Academy at Arizona State University			ASA	41,768	
	Total Department of Education				<u>1,387,570,975</u>	<u>939,166,133</u>
<b><u>MORRIS K. UDALL FOUNDATION</u></b>						
85.MKU07978	Udall Foundation Workplan 2020			UAA	297,760	
85.MKU08170	Udall Foundation Workplan 2021			UAA	96,814	
85.MKU08171	2021 Native Nations Institute for Leadership, Management, and Policy			UAA	272,612	
85.NNI001	Native Nations Institute for Leadership, Management, and Policy			UAA	753,047	
	Total Morris K. Udall Foundation				<u>1,420,233</u>	
<b><u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u></b>						
89.003	National Historical Publications and Records Grants			HIA	1,830	
89.003	National Historical Publications and Records Grants			STA	28,070	22,094
	89.003 Subtotal				<u>29,900</u>	<u>22,094</u>
89.Unknown	David R. Wilcox Papers Processing Project	Arizona Historical Records Advisory	LTR DTD 061521	UAA	2,000	
	Total National Archives and Records Administration				<u>31,900</u>	<u>22,094</u>
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>						
90.404	2018 HAVA Election Security Grants			STA	4,659,743	3,131,160
	Total Election Assistance Commission				<u>4,659,743</u>	<u>3,131,160</u>



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<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<b><u>Aging Cluster</u></b>						
93.044	COVID-19 - Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers			DEA	3,287,995	3,287,995
93.044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers			DEA	9,576,798	9,388,627
	93.044 Subtotal				<u>12,864,793</u>	<u>12,676,622</u>
93.045	COVID-19 - Special Programs for the Aging - Title III, Part C - Nutrition Services			DEA	12,161,579	12,161,579
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services			DEA	11,138,385	10,257,222
	93.045 Subtotal				<u>23,299,964</u>	<u>22,418,801</u>
93.053	Nutrition Services Incentive Program			DEA	1,967,287	1,967,287
	Aging Cluster Subtotal				<u>38,132,044</u>	<u>37,062,710</u>
<b><u>CCDF Cluster</u></b>						
93.575	COVID-19 - Child Care and Development Block Grant			DEA	78,461,807	
93.575	Child Care and Development Block Grant			CHA	32,467,655	
93.575	Child Care and Development Block Grant			DEA	98,979,947	
93.575	Child Care and Development Block Grant			GVA	193,523	181,796
93.575	Child Care and Development Block Grant			HSA	878,086	
	93.575 Subtotal				<u>210,981,018</u>	<u>181,796</u>
93.596	COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	7,045,737	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	79,560,794	
	93.596 Subtotal				<u>86,606,531</u>	
	CCDF Cluster Subtotal				<u>297,587,549</u>	<u>181,796</u>
<b><u>Head Start Cluster</u></b>						
93.600	Head Start			EDA	176,590	80,270
	Head Start Cluster Subtotal				<u>176,590</u>	<u>80,270</u>
<b><u>Medicaid Cluster</u></b>						
93.775	State Medicaid Fraud Control Units			AGA	3,105,289	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	595	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	3,371,858	
	93.777 Subtotal				<u>3,372,453</u>	
93.778	COVID-19- Medical Assistance Program			HCA	688,219,000	
93.778	Medical Assistance Program			HCA	12,864,918,000	20,397,000
	93.778 Subtotal				<u>13,553,137,000</u>	<u>20,397,000</u>
	Medicaid Cluster Subtotal				<u>13,559,614,742</u>	<u>20,397,000</u>
<b><u>Other Department of Health and Human Services Programs</u></b>						
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	82,320	50,069
93.042	COVID-19 - Special Programs for the Aging - Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals			DEA	267,383	217,383
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			DEA	436,694	411,746
	93.042 Subtotal				<u>704,077</u>	<u>629,129</u>
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			DEA	539,412	539,412
93.048	COVID-19 - Special Programs for the Aging - Title IV - and Title II - Discretionary Projects			DEA	346,238	346,238
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			DEA	315,144	194,154
	93.048 Subtotal				<u>661,382</u>	<u>540,392</u>
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E			DEA	1,281,171	1,281,171
93.052	National Family Caregiver Support, Title III, Part E			DEA	3,646,724	3,498,286
	93.052 Subtotal				<u>4,927,895</u>	<u>4,779,457</u>
93.069	Public Health Emergency Preparedness			HSA	10,836,233	6,895,565
93.069	Public Health Emergency Preparedness			UAA	4,041	
	93.069 Subtotal				<u>10,840,274</u>	<u>6,895,565</u>
93.070	Environmental Public Health and Emergency Response			HSA	819,905	170,000
93.071	Medicare Enrollment Assistance Program			DEA	464,784	464,784
93.072	Lifespan Respite Care Program			DEA	68,188	68,188
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			HSA	194,252	64,588
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			UAA	369,899	
	93.073 Subtotal				<u>564,151</u>	<u>64,588</u>

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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			HSA	394,795	162,115
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			HSA	66,566	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	845,627	715,166
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			UAA	148,979	
	93.092 Subtotal				<u>994,606</u>	<u>715,166</u>
93.103	Food and Drug Administration Research			AHA	737,724	
93.103	Food and Drug Administration Research			HSA	643,472	96,066
93.103	Food and Drug Administration Research	University of Arkansas	UA2021-226	UAA	13,846	
	93.103 Subtotal				<u>1,395,042</u>	<u>96,066</u>
93.107	COVID-19 - Area Health Education Centers Point of Service Maintenance and Enhancement Awards			UAA	96,142	71,591
93.107	Area Health Education Centers			UAA	718,579	513,198
	93.107 Subtotal				<u>814,721</u>	<u>584,789</u>
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	95,066	
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	6,872	
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,033,221	29,864
93.110	Maternal and Child Health Federal Consolidated Programs	American College of Obstetricians and Gynecologists	AGR2020-031	HSA	26,000	
93.110	Maternal and Child Health Federal Consolidated Programs	Association of Public Health Laboratories	AGR2020-029	HSA	40,693	
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health and Science University	1010559_UAZ	UAA	1,548,206	
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	UG4MC27861	UAA	37,981	
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	21,204	
93.110	Maternal and Child Health Federal Consolidated Programs	University of Colorado: Denver	FY16.368.016	HSA	1,634,907	488,347
	93.110 Subtotal				<u>4,444,150</u>	<u>518,211</u>
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	1,188,125	630,205
93.118	Acquired Immunodeficiency Syndrome (AIDS) Activity			HSA	6,427	
93.124	Nurse Anesthetist Traineeships			UAA	18,882	
93.127	Emergency Medical Services for Children			HSA	135,100	5,000
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	197,756	
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	311,108	
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	4,670,230	3,156,823
93.136	Injury Prevention and Control Research and State and Community Based Programs			PMA	284,027	
	93.136 Subtotal				<u>5,265,365</u>	<u>3,156,823</u>
93.145	COVID-19 - HIV-Related Training and Technical Assistance	University of California, San Francisco	12200sc	UAA	34,936	
93.145	HIV-Related Training and Technical Assistance	University of California: San Francisco	11468sc	UAA	182,300	10,000
	93.145 Subtotal				<u>217,236</u>	<u>10,000</u>
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HCA	1,270,000	1,258,000
93.165	Grants to States for Loan Repayment Program			HSA	1,020,671	
93.178	Nursing Workforce Diversity			UAA	499,185	
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			HSA	290,249	
93.211	COVID-19 - Telehealth Programs			UAA	643,213	63,634
93.211	Telehealth Programs			UAA	324,659	61,129
	93.211 Subtotal				<u>967,872</u>	<u>124,763</u>
93.235	COVID-19 - Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			HSA	490,128	426,175
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			HSA	661,394	577,499
	93.235 Subtotal				<u>1,151,522</u>	<u>1,003,674</u>
93.236	Grants to States to Support Oral Health Workforce Activities			HSA	170,903	150
93.237	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	Hualapai Tribe		18.009 NAA	13,377	2,950
93.237	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects			UAA	2,950	
	93.237 Subtotal				<u>16,327</u>	<u>2,950</u>
93.241	State Rural Hospital Flexibility Program			UAA	698,430	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			EDA	1,866,550	1,164,466
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			GVA	1,647,705	1,550,919
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HCA	66,000	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HSA	286,982	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			JCA	76,968	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	1,248,730	415,722

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93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Caring Health Center, Inc.	483781	UAA	66,534	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	166,746	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Old Pueblo Community Foundation	1H79TI080589-02-ASU, 1H79TI080589-02-ASU, 1H79TI080589-02-ASU	ASA	61,481	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	University of Minnesota	A005780001, A005780001, A005780001	ASA	71,507	
	93.243 Subtotal				<u>5,559,203</u>	<u>3,131,107</u>
93.253	COVID-19- Poison Center Support and Enhancement Grant Program			UAA	39,532	
93.253	Poison Center Support and Enhancement Grant Program			UAA	125,017	
	93.253 Subtotal				<u>164,549</u>	
93.261	Scaling the National Diabetes Prevention Program to Priority Populations	Association of Diabetes Care and Education Specialists	17NU58DP006361-04-00	UAA	325	
93.262	Occupational Safety and Health Program			UAA	365,000	
93.268	COVID-19 - Immunization Cooperative Agreements			HSA	7,746,037	1,391,962
93.268	Immunization Cooperative Agreements			HSA	105,373,353	3,558,780
	93.268 Subtotal				<u>113,119,390</u>	<u>4,950,742</u>
93.270	Viral Hepatitis Prevention and Control			HSA	175,169	32,500
93.270	Viral Hepatitis Prevention and Control			UAA	1,000,440	
	93.270 Subtotal				<u>1,175,609</u>	<u>32,500</u>
93.279	Drug Abuse and Addiction Research Programs			NAA	238,623	
93.296	State Partnership Grant Program to Improve Minority Health			HSA	53,158	
93.301	COVID-19 - Small Rural Hospital Improvement Grant Program			UAA	1,180,477	1,003,380
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)			HSA	160,252	22,705
93.307	Minority Health and Health Disparities Research			NAA	3,975	
93.314	Early Hearing Detection and Intervention Information System (EHDHS) Surveillance Program			HSA	16,835	
93.322	CSELS Partnership: Strengthening Public Health Laboratories	Association of Public Health Laboratories	AGR2020-023, AGR 56300-250-702-2	HSA	85,508	
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			ADA	710,525	
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	105,738,766	6,423,806
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	2,731,212	88,270
93.323	COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			UAA	376,736	
	93.323 Subtotal				<u>109,557,239</u>	<u>6,512,076</u>
93.324	State Health Insurance Assistance Program			DEA	959,206	787,089
93.336	Behavioral Risk Factor Surveillance System			HSA	356,945	
93.354	COVID-19 - Arizona Public Health Crisis Response			HSA	3,367,638	1,403,802
93.359	Nurse Education, Practice and Retention Grants			NAA	252,416	
93.367	Flexible Funding Model—Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs			HSA	202,933	
93.369	ACL Independent Living - State Grants			DEA	335,873	
93.387	National and State Tobacco Control Program			HSA	590,030	67,407
93.387	National and State Tobacco Control Program			UAA	184,954	
	93.387 Subtotal				<u>774,984</u>	<u>67,407</u>
93.391	Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health and Healthcare Crises			NAA	77,473	
93.391	Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health and Healthcare Crises			UAA	929	
	93.391 Subtotal				<u>78,402</u>	
93.421	COVID-19 - Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health			HSA	70,808	53,865
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	Council of State and Territorial (CSTE)	NU38OT000297	HSA	1,559	
93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	Association of State Public Health Nutritionists	NU38OT000279-03	UAA	3,419	
	93.421 Subtotal				<u>75,786</u>	<u>53,865</u>
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			HSA	1,447,025	456,526
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke			UAA	484,321	
	93.426 Subtotal				<u>1,931,346</u>	<u>456,526</u>
93.434	Every Student Succeeds Act/Preschool Development Grants			EDA	51,409	
93.448	Food Safety and Security Monitoring Project			HSA	225,491	
93.471	Title IV-E Kinship Navigator Program			CHA	36,487	
93.464	ACL Assistive Technology			NAA	620,844	
93.470	Alzheimer's Disease Program Initiative	Hospice of the Valley	HOV 0001	UAA	827	
93.478	Preventing Maternal Deaths: Supporting Maternal Morality Review Committees			HSA	429,806	
93.498	Provider Relief Fund			UAA	127,024	
93.500	Pregnancy Assistance Fund Program			GVA	81,617	81,617
93.516	Public Health Training Centers Program			UAA	992,592	291,709

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93.556	Promoting Safe and Stable Families			CHA	6,970,604	
93.558	Temporary Assistance for Needy Families			CHA	147,832,718	
93.558	Temporary Assistance for Needy Families			DEA	67,037,282	17,941,248
	93.558 Subtotal				<u>214,870,000</u>	<u>17,941,248</u>
93.563	Child Support Enforcement			DEA	51,069,120	3,954,692
93.563	Child Support Enforcement			SPA	187,775	
	93.563 Subtotal				<u>51,256,895</u>	<u>3,954,692</u>
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs			DEA	8,299,887	6,369,645
93.568	COVID-19 - Low-Income Home Energy Assistance			DEA	11,502,976	11,502,976
93.568	Low-Income Home Energy Assistance			DEA	15,595,637	15,074,372
93.568	Low-Income Home Energy Assistance			HDA	3,980,306	3,876,383
	93.568 Subtotal				<u>31,078,919</u>	<u>30,453,731</u>
93.569	COVID-19 - Community Services Block Grant			DEA	3,615,188	3,615,188
93.569	Community Services Block Grant			DEA	4,904,601	4,727,065
	93.569 Subtotal				<u>8,519,789</u>	<u>8,342,253</u>
93.576	Refugee and Entrant Assistance Discretionary Grants			DEA	13,819	13,819
93.583	Refugee and Entrant Assistance Wilson/Fish Program			DEA	12,779	
93.586	State Court Improvement Program			SPA	528,391	100,131
93.590	Community-Based Child Abuse Prevention Grants			CHA	1,559,529	
93.597	Grants to States for Access and Visitation Programs			DEA	237,584	237,584
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	1,952,768	
93.602	Assets for Independence Demonstration Program			ASA	69,307	
93.602	Assets for Independence Demonstration Program			NAA	349,800	
	93.602 Subtotal				<u>419,107</u>	
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,774,031	1,051,232
93.630	Developmental Disabilities Basic Support and Advocacy Grants			EDA	1,864	
	93.630 Subtotal				<u>1,775,895</u>	<u>1,051,232</u>
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	575,841	59,789
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			UAA	14,460	
	93.632 Subtotal				<u>590,301</u>	<u>59,789</u>
93.643	Children's Justice Grants to States			GVA	422,918	252,120
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	5,998,548	
93.658	COVID-19 - Foster Care Title IV-E			CHA	4,294,317	
93.658	Foster Care Title IV-E			CHA	134,019,188	
93.658	Foster Care Title IV-E			SPA	7,077,696	6,519,200
	93.658 Subtotal				<u>145,391,201</u>	<u>6,519,200</u>
93.659	COVID-19 - Adoption Assistance			CHA	11,507,747	
93.659	Adoption Assistance			CHA	166,087,245	
	93.659 Subtotal				<u>177,594,992</u>	
93.667	Social Services Block Grant			CHA	16,744,639	
93.667	Social Services Block Grant			DEA	19,640,492	17,157,313
	93.667 Subtotal				<u>36,385,131</u>	<u>17,157,313</u>
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			HCA	1,028,000	638,000
93.669	Child Abuse and Neglect State Grants			CHA	1,466,938	
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	461,645	461,645
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,961,030	1,883,362
	93.671 Subtotal				<u>2,422,675</u>	<u>2,345,007</u>
93.674	COVID-19- John H. Chafee Foster Care Program for Successful Transition to Adulthood			CHA	1,114,515	
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood			CHA	3,774,420	
	93.674 Subtotal				<u>4,888,935</u>	
93.732	Mental and Behavioral Health Education and Training Grants			UAA	387,718	
93.735	State Public Health Approaches for Ensuring Quitline Capacity Funded in part by Prevention and Public Health Funds (PPHF)			HSA	3,819	
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County, Arizona	CT-HD19-273	UAA	164,032	
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County Health Department	CTHD19272	UAA	129,403	
	93.738 Subtotal				<u>293,435</u>	
93.747	COVID-19 - Elder Abuse Prevention Interventions Program			DEA	404,004	
93.747	Elder Abuse Prevention Interventions Program			DEA	656,671	
	93.747 Subtotal				<u>1,060,675</u>	
93.762	A Comprehensive Approach to Good Health and Wellness in Indian County – financed solely by Prevention and Public Health	Hualapai Tribe	20-0247	NAA	21,551	

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93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			UAA	1,337	
93.767	COVID-19- Children's Health Insurance Program			HCA	1,159,000	
93.767	Children's Health Insurance Program			HCA	260,154,000	
93.767	Children's Health Insurance Program			HSA	3,241,218	
	93.767 Subtotal				<u>264,554,218</u>	
93.788	Opioid STR			CDA	189,233	189,233
93.788	Opioid STR			CHA	2,145,160	
93.788	Opioid STR			DCA	221,880	
93.788	Opioid STR			GVA	2,626,947	2,067,935
93.788	Opioid STR			HCA	916,000	550,000
93.788	Opioid STR			HCA	33,715,000	21,732,000
93.788	Opioid STR			HSA	296,965	
93.788	Opioid STR			HSA	3,250,951	1,455,475
93.788	Opioid STR			VSA	672,454	
93.788	Opioid STR			ASA	204,750	
93.788	Opioid STR			ASA	168,468	
	93.788 Subtotal				<u>44,407,808</u>	<u>25,994,643</u>
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid			HSA	961,376	
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities			HSA	4,583	1,196
93.822	Health Careers Opportunity Program			UAA	483,879	59,783
93.859	Biomedical Research and Training			NAA	239,310	16,915
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			CDA	1,099,335	1,093,608
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			CHA	3,533,803	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			HSA	6,167,892	2,975,454
	93.870 Subtotal				<u>10,801,030</u>	<u>4,069,062</u>
93.877	Autism Collaboration, Accountability, Research, Education, and Support	Association of University Centers on Disability	UT2 Autism Intervention Res	UAA	5,585	
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program			HSA	1,738,145	1,459,228
93.889	National Bioterrorism Hospital Preparedness Program			EDA	113,743	
93.889	National Bioterrorism Hospital Preparedness Program			HSA	4,541,162	2,414,256
93.889	National Bioterrorism Hospital Preparedness Program			UAA	103,899	
	93.889 Subtotal				<u>6,496,949</u>	<u>3,873,484</u>
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			HSA	4,265,340	3,026,920
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Arizona Alliance for Community Health Centers	LTR DTD 091720	UAA	53,038	
93.913	Grants to States for Operation of Offices of Rural Health			UAA	204,489	
93.914	HIV Emergency Relief Project Grants	Department of Public Health	H89HA11478	HSA	575,000	
93.917	HIV Care Formula Grants			HSA	14,101,099	12,572,120
93.917	HIV Care Formula Grants			DCA	44,108	
93.917	HIV Care Formula Grants			HSA	1,183,026	
93.917	HIV Care Formula Grants			HSA	15,652,121	3,270,005
93.917	HIV Care Formula Grants			UAA	843,374	
	93.917 Subtotal				<u>31,823,728</u>	<u>15,842,125</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	3,045,235	
93.940	HIV Prevention Activities Health Department Based			HSA	5,386,607	3,904,294
93.940	HIV Prevention Activities Health Department Based			UAA	260,747	
	93.940 Subtotal				<u>5,647,354</u>	<u>3,904,294</u>
93.945	Assistance Programs for Chronic Disease Prevention and Control			UAA	1,440	
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	226,639	
93.958	Block Grants for Community Mental Health Services			HCA	20,418,000	19,615,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			GVA	3,844,534	1,688,877
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HCA	40,177,000	33,817,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	693,997	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			LLA	169,463	
	93.959 Subtotal				<u>44,884,994</u>	<u>35,505,877</u>
93.970	Health Professions Recruitment Program for Indians			UAA	543,498	
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	1,515,637	965,143
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			EDA	318,501	4,750
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			HSA	12,204	
	93.981 Subtotal				<u>330,705</u>	<u>4,750</u>
93.982	Mental Health Disaster Assistance and Emergency Mental Health			HCA	1,276,000	1,213,000
93.991	Preventive Health and Health Services Block Grant			HSA	1,777,553	1,050,667
93.994	Maternal and Child Health Services Block Grant to the States			HSA	5,783,111	2,675,932

**State of Arizona**  
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Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.994	Maternal and Child Health Services Block Grant to the States			UAA	67,610	
	93.994 Subtotal				<u>5,850,721</u>	<u>2,675,932</u>
93.20IPA2014073	CDC IPA Agreement/Mobility Assignment for Jin Zhou, PhD			UAA	19,301	
93.CTR047360	State Unintentional Drug Overdose Reporting System (SUDORS)			ASA	594,104	
93.CRT	Center for Disease Control & Prevention			NAA	809	
75D30118C00594						
93.CRT	Center for Disease Control & Prevention			NAA	12,483	
75D30118C00607						
93.CRT	Center for Disease Control & Prevention			NAA	27,986	
75D30119P05696						
93.CRT	National Institutes of Health			NAA	82,108	
75N95019P00313						
93.D04RH23596	Vivir Mejor! Diabetes System of Prevention and Care	Mariposa Community Health Center	LTR DTD 080912	UAA	18,965	
93.LTR DTD 041416	West Nile Virus Testing			UAA	1,820	
93.PDG B-5	Preschool Development Grant – Arizona PBS Parent Text Initiative			ASA	24,045	
93.247	Advanced Nursing Education Nurse Practitioner Residency (ANE-NPR) Program	El Rio Community Health Center	1 T14HP33132-01-00	ASA	36,812	
93.TBD	HIV SURVEILLANCE DATA ENTRY SERVICES			ASA	111,328	
93.Unknown	Indian Health Service			NAA	40,618	
93.3 H80CS00141-18-03	Mountain Park Health Center-Motivational Interviewing Training 2020	Mountain Park Health Center	H80CS00141	ASA	11,790	
93.75040119C00013	American Indian and Alaska Native Compliance Training Development and Delivery Services	Rainmakers Strategic Solutions LLC	AGR 11/1/2019	ASA	13,394	
93.Unknown	Arizona Division of Developmental Disabilities COVID-19 Supplemental Fund: ArtWorks			UAA	40,566	
93.Unknown	LifeSTEP- AZ Complete Health			UAA	5,187	
93.Unknown	LifeSTEP- AZ Complete Health	Arizona Complete Health	LTR DTD 022621	UAA	118,033	
93.Unknown	LifeSTEP FY2019 - UnitedHealthcare Insurance Company	United Healthcare of Arizona, Incorporated	LTR DTD 020717	UAA	54,255	
93.Unknown	LifeSTEP Program - Banner	Banner University Health Plans	LTR DTD 072018	UAA	44,584	
	Total Department of Health and Human Services				<u>15,336,095,449</u>	<u>312,240,352</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>						
<b><u>Foster Grandparent/Senior Companion Cluster</u></b>						
94.011	Foster Grandparent Program			NAA	805,393	
94.016	Senior Companion Program			NAA	587,889	
	Foster Grandparents/Senior Companion Cluster Subtotal				<u>1,393,282</u>	
<b><u>Other Corporation for National and Community Service Programs</u></b>						
94.002	Retired and Senior Volunteer Program			NAA	142,302	
94.003	State Commissions	Corporation for National and Community Service	13CAHAZ001	GVA	411,080	
94.006	AmeriCorps			ASA	143,522	
94.006	AmeriCorps	Public Allies	OP007-94.006-20-PAAZ, OP007-94.006-21-PAAZ	ASA	444,125	
94.006	AmeriCorps			DCA	56,557	
94.006	AmeriCorps			GVA	2,870,815	2,870,815
94.006	AmeriCorps			SPA	27,642	14,599
94.006	AmeriCorps		AC-VSG-18-090118-04, AC-VSG-20-090120-02, ISAACGR-19-090118-05	NAA	607,424	
94.006	AmeriCorps			UAA	531,032	
	94.006 Subtotal				<u>4,681,117</u>	<u>2,885,414</u>
94.008	Commission Investment Fund			GVA	6,037	
94.009	Training and Technical Assistance			GVA	48,932	48,932
94.009	Training and Technical Assistance			UAA	253,506	
	94.009 Subtotal				<u>302,438</u>	<u>48,932</u>
94.021	Volunteer Generation Fund			ASA	58,046	
94.021	Volunteer Generation Fund			GVA	35,614	4,561
94.021	Volunteer Generation Fund		AC-VGF-18-060118-03	NAA	2,477	
	94.021 Subtotal				<u>96,137</u>	<u>4,561</u>
94.18AFHAZ001	Increasing Access to Evidence-based Care for Survivors of Domestic Violence - Revision - 1			ASA	82,103	937
94.ISA-ACTTA-18-071517-01	Year 2 of ISA-ACTTA-18-071517-01 - Rural Arizona Training and Investment Project			ASA	101,237	
94.VSG-18-090118-03	Increasing Access to Evidence-based Care for Survivors of Domestic Violence			ASA	347,797	13,062
	Total Corporation for National and Community Service				<u>7,563,530</u>	<u>2,952,906</u>
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>						
95.001	High Intensity Drug Trafficking Areas Program			AGA	652,723	
95.001	High Intensity Drug Trafficking Areas Program			PSA	764,445	
95.001	High Intensity Drug Trafficking Areas Program	City of Tucson, Arizona	HT-21	UAA	6,143	
	95.001 Subtotal				<u>1,423,311</u>	
	Total Executive Office of the President				<u>1,423,311</u>	

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<b>SOCIAL SECURITY ADMINISTRATION</b>						
<b>Disability Insurance/SSI Cluster</b>						
96.001	Social Security—Disability Insurance			DEA	36,235,397	
	Disability Insurance/SSI Cluster Subtotal				36,235,397	
	Total Social Security Administration				36,235,397	
<b>DEPARTMENT OF HOMELAND SECURITY</b>						
97.008	Non-Profit Security Program			HLA	657,171	657,171
97.012	Boating Safety Financial Assistance			GFA	1,527,059	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)			WCA	160,818	
97.029	Flood Mitigation Assistance			MAA	27,810	27,810
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	5,240,900	81,345
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Pima County, Arizona	CT-HD-21-512-00	UAA	1,221,614	
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	446,306	446,306
	97.036 Subtotal				6,908,820	527,651
97.041	National Dam Safety Program			WCA	70,563	
97.042	Emergency Management Performance Grants			AHA	161,472	
97.042	Emergency Management Performance Grants			ASA	8,767	
97.042	Emergency Management Performance Grants			MAA	5,515,950	3,018,728
	97.042 Subtotal				5,686,189	3,018,728
97.045	Cooperating Technical Partners			WCA	162,456	
97.047	Pre-Disaster Mitigation			MAA	1,302,080	1,213,070
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs			DEA	900,872,674	
97.067	Homeland Security Grant Program			HLA	17,966,517	16,397,472
97.067	Homeland Security Grant Program			MAA	66,341	51,647
97.067	Homeland Security Grant Program			PSA	4,570,512	
	97.067 Subtotal				22,603,370	16,449,119
97.082	Earthquake Consortium			UAA	54,453	
	Total Department of Homeland Security				940,033,463	21,893,549
<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>						
98.001	USAID Foreign Assistance for Programs Overseas			ASA	4,308,386	636,031
98.012	USAID Development Partnerships for University Cooperation and Development	National Opinion Research Center (NORC)	8361	ASA	52,920	
98.72061720C00001	Integrated Child and Youth Development (ICYD) Activity	Education Development Center (EDC)	2020-0204	ASA	158,584	
98.AID-OAA-I-15-00011	Secondary Prevention Program Adaption and Evaluation Support Services	Creative Associates International, Inc.	CFYR-0010	ASA	3,283	
98.S-ECAGD-18-CA-0022	2020 MWF Leadership Institute	International Research and Exchanges Board (IREX)	FY20-YALI-PM-ASU-05, FY20-YALI-PM-ASU-05	ASA	11,818	
	Total Agency for International Development				4,534,991	636,031
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>						
<b>Department of Education</b>						
84.007	Federal Supplemental Educational Opportunity Grants			ASA	6,948,743	
84.007	Federal Supplemental Educational Opportunity Grants			NAA	1,244,814	
84.007	Federal Supplemental Educational Opportunity Grants			UAA	1,893,877	
	84.007 Subtotal				10,087,434	
84.033	Federal Work—Study Program			ASA	6,654,023	
84.033	Federal Work—Study Program			NAA	997,048	
84.033	Federal Work—Study Program			UAA	2,846,379	
	84.033 Subtotal				10,497,450	
84.038	Federal Perkins Loan Program - Federal Capital Contributions			ASA	5,217,880	
84.038	Federal Perkins Loan Program - Federal Capital Contributions			UAA	8,317,822	
	84.038 Subtotal				13,535,702	
84.063	Federal Pell Grant Program			ASA	182,654,313	
84.063	Federal Pell Grant Program			NAA	39,960,359	
84.063	Federal Pell Grant Program			UAA	57,690	
84.063	Federal Pell Grant Program			UAA	52,035,075	
	84.063 Subtotal				274,707,437	
84.268	Federal Direct Student Loans			ASA	687,914,650	
84.268	Federal Direct Student Loans			NAA	134,171,878	
84.268	Federal Direct Student Loans			UAA	240,193,153	
	84.268 Subtotal				1,062,279,681	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	1,854,790	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	1,294,984	



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84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	17,887	
	84.379 Subtotal				<u>3,167,661</u>	
84.408	Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (IASG))			ASA	8,226	
	Department of Education Subtotal				<u>1,374,283,591</u>	
<b>Department of Health and Human Services</b>						
93.264	Nurse Faculty Loan Program (NFLP)			ASA	1,085,312	
93.264	Nurse Faculty Loan Program (NFLP)			UAA	6,538,800	
	93.264 Subtotal				<u>7,624,112</u>	
93.342	Health Professional Loans, Including Primary Care Loans/Loans for Disadvantaged Students			UAA	11,703,211	
93.364	Nursing Student Loans			NAA	25,721	
93.364	Nursing Student Loans			UAA	268,635	
	93.364 Subtotal				<u>294,356</u>	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds - Scholarships for Disadvantaged Students (SDS)			NAA	1,300,000	
	Department of Health and Human Services Subtotal				<u>20,921,679</u>	
	Total Student Financial Assistance Cluster				<u>1,395,205,270</u>	
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>						
<b>Department of Agriculture</b>						
10.RD	Agricultural Research Service			UAA	1,476,883	
10.RD	COVID-19- Economic Research Service			ASA	9,248	
10.RD	Department of Agriculture			ASA	156,863	3,731
10.RD	Department of Agriculture			NAA	503,155	7,680
10.RD	Forest Service			ASA	33,658	
10.RD	Forest Service			NAA	2,746,276	18,713
10.RD	National Institute of Food and Agriculture			ASA	1,434,099	204,309
10.RD	National Institute of Food and Agriculture			NAA	483,561	27,557
10.RD	Natural Resources Conservation Service			NAA	55,836	
10.RD	Natural Resources Conservation Service			UAA	849,175	146,892
10.RD	United States Department of Agriculture			UAA	8,923,735	1,182,331
10.RD	United States Forest Service			UAA	322,592	
10.RD		Arizona Department of Agriculture	SCBGP20-37	ASA	16,492	
10.RD		Arizona Department of Agriculture	HUALX2461700, LTR DTD 050416, SCBGP19-07, SCBGP19-09, SCBGP19-10, SCBGP19-13, SCBGP19-14, SCBGP19-15, SCBGP19-16, SCBGP19-17, SCBGP19-20, SCBGP19-21, SCBGP19-22, SCBGP19-23, SCBGP19-24, SCBGP19-28, SCBGP19-33, SCBGP20-01, SCBGP20-03, SCBGP20-08, SCBGP20-10, SCBGP20-17, SCBGP20-18, SCBGP20-19, SCBGP20-20, SCBGP20-24, SCBGP20-26, SCBGP20-30, SCBGP20-34, SCBGP20-39, SCBGP20-45, SCBGP20-47, SCBGP20-53, SCBGP-FB18-07, SCBGP-FB18-10, SCBGP-FB18-12, SCBGP-FB18-14, SCBGP-FB18-15, SCBGP-FB18-22, SCBGP-FB18-25, SCBGP-FB18-28, SCBGP19-08, SCMP19-08	UAA	1,165,971	
10.RD		Arizona Department of Forestry and Fire Management	UFHMPE 19-101, UFHMPE 19-102	UAA	43,997	
10.RD		Arizona State University	16-927	UAA	29,973	
10.RD		Atkins Global Incorporated (United Kingdom)	1008511	UAA	19,459	
10.RD		California Polytechnic State University	2020-1-46109	ASA	47,620	
10.RD		Center for Produce Safety	2019CPS03, 2019CPS04, 2019CPSRR01, 2021CPS02/20-0001-053-SF	UAA	93,959	
10.RD		Dine College	1819-3-193	NAA	6,299	
10.RD		Dine College	LTR DTD 021121	UAA	938	
10.RD		Duncan Family Farms, LLC	LTR DTD 082620	UAA	42,830	
10.RD		Gloucester Marine Genomics Institute	00001	UAA	22,765	
10.RD		Gretchen Swanson Center for Nutrition	LTR DTD 031120	UAA	1,374	
10.RD		HM3 Energy, Inc	N/A	NAA	15,576	
10.RD		Iowa State University	2020-68013-30934	UAA	29,521	
10.RD		Johns Hopkins University (JHU)	2003761098	ASA	98,724	
10.RD		Michigan State University	RC110566UA	UAA	3,246	
10.RD		Montana State University	G143-21-W7902, G147-20-7503, G244-19-W7500, G246-20-W7905	UAA	168,329	
10.RD		Nature Conservancy	ORFO0100820-01A0	NAA	19,770	
10.RD		Nature Conservancy	NMFO-190624	UAA	19,504	
10.RD		Navajo Technical University (NTU)	30927-00-1174, 30601-00-1174	ASA	48,188	
10.RD		Navajo Technical University (NTU)	30923, 30924, 30932	NAA	87,977	
10.RD		New Mexico State University	Q01860	UAA	12,079	
10.RD		North Carolina State University	2016-1498-05, 2018-2074-01	UAA	18,780	

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10.RD		Oregon State University	C0537A-D	UAA	5,638	
10.RD		Pennsylvania State University	5650-ASU-USDA-6584	ASA	102,728	
10.RD		PJ Woodlands	N/A	NAA	52,904	
10.RD		Purdue University	F0003750302014	NAA	19,416	
10.RD		Princeton University	SUB0000464	UAA	37,552	
10.RD		Rayn Innovations	FP00011442	ASA	31,070	
10.RD		Texas A and M University	06-M1703387, M2002510	UAA	98,953	
10.RD		Texas A&M AgriLife Research	A-3A75-16-048/M1902957, M1900060	UAA	216,485	
10.RD		TGEN	DME USDA 01	NAA	38,580	
10.RD		Troy University	2040005-002	ASA	18,110	
10.RD		University of Arizona	PO 483107	NAA	15,853	
10.RD		University of California Division of Agriculture and Natural Resources	SA18-4060-02	UAA	89,953	
10.RD		University of California, Davis	201504249-02, 201603794-10, A19-0428-S001/18-0001-044-S, A20-1347-S030, A21-0144-S004, A21-1456-S001, SA14-2309-02	UAA	136,481	
10.RD		University of California, Riverside	S-001296	UAA	107,059	
10.RD		University of Central Arkansas	PO13288	NAA	86,271	
10.RD		University of Colorado, Boulder	1556407	UAA	50,014	
10.RD		University of Florida	2020-51181-32157, SUB00001911/2019-67021-29, UFDSP00011766	UAA	29,982	
10.RD		University of Idaho	NR3078-SB-223203	UAA	132,452	
10.RD		University of Maryland	35504-Z5782001, 91308-Z5208202	UAA	38,919	
10.RD		University of Minnesota	H006552202	UAA	15,877	
10.RD		University of Missouri: Columbia	C00069782-2	ASA	6,537	
10.RD		University of Montana	PG17-65073-01	NAA	9,863	
10.RD		University of Nebraska-Lincoln	25-6238-0965-003	UAA	4,505	
10.RD		University of Nevada: Reno	UNR-19-01	ASA	97,605	
10.RD		University of Nevada, Reno	UNR-19-04	NAA	59,492	
10.RD		University of Nevada, Reno	UNR-15-70, UNR-17-55/17-JV-11272138-01	UAA	27,695	
10.RD		Utah State University	200592-440, 200592-518/2016-38640-25383	UAA	24,763	
10.RD		Virtual Reality Rehab Inc. (VRR)	NAVY- ADAPTHH-21-C-0195 PHII	ASA	11,910	
10.RD		Washington State University	136947 SPC002232	UAA	6,290	
	Department of Agriculture Subtotal				<u>20,581,409</u>	<u>1,591,213</u>
	<b>Department of Commerce</b>					
11.RD	National Institute of Standards and Technology			ASA	62,797	
11.RD	National Institute of Standards and Technology			NAA	204,614	
11.RD	National Institute of Standards and Technology			UAA	51,779	
11.RD	National Oceanic and Atmospheric Administration			ASA	153,455	53,234
11.RD	National Oceanic and Atmospheric Administration			NAA	92,055	
11.RD	National Oceanic and Atmospheric Administration			UAA	1,065,317	55,617
11.RD	Alphacore, Inc.		[7058] NIST PH II	ASA	112,560	
11.RD	D&P, LLC		DP-ASU-090920-C	ASA	28,119	
11.RD	Desert Research Institute		GR09346, GR10546	UAA	114,186	
11.RD	Greater Phoenix Economic Council (GPEC)		AGR 7/23/19	ASA	37,108	
11.RD	Museum of Science		4746-ASU-01	ASA	31,008	
11.RD	Pacific States Marine Fisheries Commission		21-047G	ASA	26,896	
11.RD	South Eastern Arizona Governments		N/A	NAA	58,161	
11.RD	UCAR: COMET		SUBAWD001574	ASA	2,758	
11.RD	University Corporation for Atmospheric Research		SUBAWD001541, SUBAWD002633,	UAA	12,656	
11.RD	University of Miami		OS00000400; PO SPC-000499, SPC-000614	ASA	38,465	
11.RD	University of Missouri: Columbia		C00066632-1	ASA	19,201	
11.RD	Western Pacific Regional Fishery Management Council		20-CORAL-03	ASA	7,354	
	Department of Commerce Subtotal				<u>2,118,489</u>	<u>108,851</u>
	<b>Department of Defense</b>					
12.RD	AFRL DET 8			ASA	332,036	
12.RD	AFRL Kirtland AFB			ASA	3,324	
12.RD	Air Force Academy			ASA	1,884	
12.RD	Air Force Office of Scientific Research			ASA	1,501,151	116,051
12.RD	Air Force Office of Scientific Research			NAA	36,164	
12.RD	Air Force Office of Scientific Research			UAA	3,515,724	150,800
12.RD	Air Force Research Laboratory			NAA	3,149,763	1,211,798
12.RD	Air Force Research Laboratory			UAA	1,101,882	238,938
12.RD	Army Contracting Command			NAA	2,385,874	1,174,343
12.RD	DARPA - Biological Technologies Office			ASA	429,035	214,438
12.RD	DARPA - Defense Sciences Office			ASA	601,948	107,772
12.RD	DARPA - Information Innovation Office			ASA	4,601,766	1,675,124
12.RD	DARPA - Microsystems Technology Office			ASA	4,058,445	2,360,594
12.RD	Defense Advanced Research Projects Agency			ASA	97,117	
12.RD	Defense Advanced Research Projects Agency			UAA	1,715,309	49,817
12.RD	Defense Threat Reduction Agency			ASA	164,732	6,961
12.RD	Defense Threat Reduction Agency			NAA	1,835,560	369,113
12.RD	Defense Threat Reduction Agency			UAA	523,659	168,446
12.RD	Department of the Army			NAA	120,209	55,862
12.RD	Department of Defense			ASA	753,827	53,754
12.RD	Department of Defense			NAA	180,697	
12.RD	Department of the Navy			NAA	6,599	
12.RD	Dept of the Army -- Materiel Command			ASA	1,897,371	451,900

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12.RD	Dept. of the Army -- Corps of Engineers			ASA	458,533	78,292
12.RD	Dept. of the Army -- USAMRAA			ASA	1,269,038	186,850
12.RD	DOD: Advanced Distributed Learning (ADL)			ASA	507,704	66,133
12.RD	DOD: Washington Headquarters Services Acquisition Directorate			ASA	893,177	380,160
12.RD	DOD-ARMY-ARL: Army Research Office (ARO)			ASA	698,158	
12.RD	Engineer Research and Development Center			ASA	26,236	
12.RD	Intelligence Advance Research Projects			NAA	73,969	
12.RD	Maryland Procurement Office			UAA	98,701	
12.RD	National Geospatial-Intelligence Agency			UAA	105,186	
12.RD	Naval Research Laboratory			ASA	212,359	
12.RD	Naval Supply Systems Command			ASA	59,542	
12.RD	NSWC Indian Head			ASA	314,115	
12.RD	Office of Naval Research			ASA	5,319,048	294,478
12.RD	Office of Naval Research			UAA	2,808,237	259,935
12.RD	United States Air Force Academy			UAA	180,824	54,123
12.RD	United States Army Contracting Command			UAA	2,475,217	1,737,857
12.RD	United States Army Corps of Engineers			NAA	501,862	156,357
12.RD	United States Army Corps of Engineers			UAA	1,170,003	189,174
12.RD	United States Army Material Command			UAA	65,350	
12.RD	United States Army Medical Research Acquisition Activity			UAA	5,962,950	125,343
12.RD	United States Army Research Office			UAA	812,713	
12.RD	United States Department of Defense			UAA	49,088	
12.RD	United States Naval Research Laboratory			UAA	50,939	
12.RD	United States Navy			UAA	209,157	
12.RD		Advanced Regenerative Manufacturing Institute (ARMI)	TO138, TO138	ASA	420,431	
12.RD		Advanced Silicon Carbide Materials, LLC	LTR DTD 110420	UAA	6,671	
12.RD		Advanced Technology International	2019-693/1	UAA	1,071,189	213,447
12.RD		Advent Diamond, LLC	HDTRA 120P0013	ASA	464	
12.RD		Alphacore, Inc.	No. 7077-ARMY STTR Phase I Contract Number W911NF-21-P-0035, 7059, 7051, No. [7075] DMEA STTR PH I RH Material Modeling	ASA	257,880	
12.RD		Applied Research, LLC	114-1	ASA	36,253	
12.RD		Aptima, Inc	1369-2130, 1429-2177	ASA	932,207	
12.RD		Arizona State University	ASUB000000268	NAA	55,084	26,827
12.RD		Arizona State University	ASUB000000088, ASUB000000744	UAA	273,209	
12.RD		Arizona Veterans Research and Education Foundation	17-0473-ASU	ASA	13,982	
12.RD		Astrobotic	AGR 6/22/2021	ASA	9,071	
12.RD		ASU: ASU Research Enterprise (ASURE)	0011518216, PO 20-001	ASA	158,038	
12.RD		ATA Engineering, Inc.	69049-020	ASA	85,002	
12.RD		Aurora Flight Sciences, A Boeing Company	AMA-20-0004	UAA	1,242,699	246,621
12.RD		Avirtek, Incorporated	LTR DTD 112219	UAA	6,762	
12.RD		Barrow Neurological Institute	UofA33071	UAA	129,865	
12.RD		Boeing Company	1661154	ASA	368,254	
12.RD		Booz, Allen, and Hamilton, Incorporated	S901067BAH	UAA	69,344	
12.RD		Boston Fusion Corp	BF-5044-SK001, BF-5060-SK001, BF-5051-SK001, BF-5051-SK001	ASA	400,081	
12.RD		California Institute of Technology	S479450	ASA	76,919	
12.RD		Carl T Hayden Medical Research Foundation	17-0473-UA-2	UAA	129,769	
12.RD		Center for Open Science	N660011924015	ASA	9,695	
12.RD		CFD Research Corporation	20190626, 9457	ASA	188,498	
12.RD		Clemson University	2201-202-2013886	UAA	22,426	
12.RD		Coalition for National Trauma Research	NTRAP-18-06	UAA	26,931	
12.RD		Colorado School of Mines	401466-5801	ASA	89,118	
12.RD		Colorado State University	G-16022-01	UAA	9,427	
12.RD		Cornell University	76091-21130	UAA	53,018	
12.RD		Dartmouth College	R1388	ASA	194,853	
12.RD		Desert Microtechnology Associates, Inc.	DMEA 20A-001	ASA	73,617	
12.RD		Development Seed	AGR 11/17/19	ASA	17,027	
12.RD		DOD: Defense Advanced Research Projects Agency (DARPA)	HR001118C0060, HR001118C0060, HR001118C0060	ASA	1,183,433	713,019
12.RD		Duke University	313-1045	ASA	58,988	
12.RD		Duke University	3130915	UAA	82,442	
12.RD		DZYNE Technologies, Inc.	MON001-S-016-01	ASA	16,454	
12.RD		Eccalon, LLC	AGR 01/21/21, AGR 12/30/20, AGR 10/16/20	ASA	145,682	
12.RD		Embry Riddle Aeronautical University	61654-01	ASA	20,931	
12.RD		Florida International University	000003, 800007372-01UG ; 800007372/000162	ASA	63,615	
12.RD		Florida State University	R02152	UAA	35,516	
12.RD		Freedom Photonics	S7152-01-ASU, S7150-02-ASU, S7113-01 ASU	ASA	113,095	
12.RD		Galois, Inc.	2020-011, 2020-023	UAA	130,771	
12.RD		General Electric Company	401152595	UAA	67,691	
12.RD		George Mason University	E2043345	UAA	144,459	
12.RD		Georgia Institute of Technology (Georgia Tech)	AWD-000084-G1	ASA	170,578	
12.RD		Georgia Institute of Technology	AWD101487G1	UAA	101,843	
12.RD		German Cancer Research Center (DKFZ)	C020-ID4316-Sub.4	ASA	32,683	
12.RD		HartSCI, LLC.	FA945119C0581	UAA	104,724	
12.RD		Henry M Jackson Foundation for Advancement of Military Medicine	5165/986695/65298	UAA	526,136	
12.RD		Honeywell International Inc.	3503615984E	NAA	47,550	
12.RD		HRL Laboratories, LLC	16105-173203-US	ASA	292	
12.RD		Hydrosat Inc.	AF SBIR No. 191-005	ASA	178,190	
12.RD		IBM: Thomas J Watson Research Center	CW3033964, CW3033964	ASA	232,622	

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12.RD		Indiana University	BL-4324210-ASU, BL-4324210-ASU	ASA	100,672	
12.RD		Intelligent Automation, Inc. (IAI)	2503-4, 2503-4, 2533-1	ASA	85,311	
12.RD		Iowa State University	4212070B	ASA	71,837	
12.RD		Johns Hopkins University (JHU)	2004142901, 2004674493	ASA	92,997	
12.RD		Johns Hopkins University	2004730872	UAA	74,536	
12.RD		Kairos Research, LLC	KR2021S3P1_ASU	ASA	63,634	
12.RD		Kitware Inc.	K003088-00-S02, K003088-00-S02	ASA	158,513	
12.RD		L3 Technologies, Inc.	4500253050, 4500255024	ASA	218,625	
12.RD		Lawrence Livermore National Laboratory (LLNL)	B643056	ASA	98,285	
12.RD		Lockheed Martin Corporation	4104584381	ASA	309,618	
12.RD		Macaulay-Brown Inc	DSC3128-02	ASA	132,426	
12.RD		Magee Technologies LLC (MTech)	PO 180025	ASA	63,905	
12.RD		Massachusetts Institute of Technology (MIT)	7000295379, 5710003815	ASA	91,721	
12.RD		Massachusetts Institute of Technology	700443114	NAA	82,424	
12.RD		Massachusetts Institute of Technology	S4917 PO# 339424	UAA	79,440	
12.RD		Mayo Clinic Arizona	ARI-259318	ASA	133,620	
12.RD		Mayo Clinic Rochester	ARI-273330, UNI-274747	ASA	86,726	
12.RD		Mayo Foundation for Medical Education and Research (Mayo Clinic)	UNI-259318	UAA	179,784	
12.RD		Medical Technology Enterprise Consortium (MTEC)	2017-608 002 18-01-MEDLOG-03, 2017-608 002 18-01-MEDLOG-03, 2017-608 002 18-01-MEDLOG-03, 2017-608 002 18-01-MEDLOG-03	ASA	358,693	266,122
12.RD		Metawave Corporation	FP00027267	ASA	40,693	
12.RD		Michigan State University	RC112086 - ASU, RC110724 -	ASA	156,983	
12.RD		Microelectronics Research and Development Corporation	07067-SC-001	ASA	93,742	
12.RD		Nano-Bio Materials Consortium	NB18-19-18	UAA	365,271	
12.RD		National Science Teachers Association	AGR 20-871-003	ASA	500	
12.RD		NCDMM: America Makes Innovation Factory	20190043, 20190043	ASA	209,939	
12.RD		Northrop Grumman	PO 8200198232/PO5300002650	ASA	518	
12.RD		Northwestern University	60051287 ARIZ	UAA	29,688	
12.RD		Novateur Research Solutions LLC	W31P4Q18C0055	UAA	28,056	
12.RD		Ohio Aerospace Institute	OAI-C2644-18010	UAA	10,200	3,366
12.RD		Ohio State University	60052493, 60076520	UAA	121,307	
12.RD		Oregon State University	N035A-A	NAA	90,887	
12.RD		Osemi, Inc.	AGR 01/20/21	ASA	73,032	
12.RD		Parallax Advanced Research Corporation (Parallax)	11076-ASU	ASA	182,885	
12.RD		Paxauris	PaxC002	ASA	98,543	
12.RD		Philips	W81XWH1810332-3	UAA	44,890	
12.RD		Phoenix Children's Hospital	APPAVU-19-01	ASA	29,114	
12.RD		Polaris Semiconductor, LLC	AFX20C-TCSO1-0266	ASA	23,137	
12.RD		Prime Solutions Group, Inc.	2019-PSG190805	ASA	182	
12.RD		Princeton University	SUB0000443	ASA	27,568	
12.RD		Purdue University	40001859-024 (Formerly 4301-83284), 13000844-023, 13000844-023	ASA	606,585	
12.RD		Rayn Innovations	AGR 08/30/18	ASA	33,418	
12.RD		Raytheon Company	HR001119S0053	UAA	138,551	
12.RD		Rice University	R1A602	ASA	83,676	
12.RD		San Diego State University Foundation	SA0000589	ASA	220	
12.RD		Scientific Systems Company Inc.	1639-ASU	ASA	40,408	
12.RD		Southwest Autism Research & Resource Center	AGR 6/3/2020	ASA	81,787	
12.RD		Space Micro, Inc.	11203, 13595	ASA	41,118	
12.RD		SpringActive	AGR 08/18/17	ASA	1,186	
12.RD		Stanford University	60744757114407	UAA	96,116	
12.RD		State University of New York Research Foundation	FA8650-15-2-5220	UAA	150,154	
12.RD		Steel Founders' Society of America	2017-105	UAA	102,748	
12.RD		STOC Supply, LLC	203431902	UAA	22,633	
12.RD		Systems and Technology Research	2020-0049	ASA	116,208	
12.RD		Taitech, Inc	TS16-16-61-005	ASA	11,387	
12.RD		Technical Data Analysis, Inc.	2120-001-01, 2121-001-02, 2120-001-01	ASA	196,937	43,418
12.RD		Texas A&M University (TAMU)	M2000546-28-513640-00004	ASA	21,966	
12.RD		Texas Engineering Experiment Station	M2100481-28-517700-00002	UAA	124,319	
12.RD		The Donald Danforth Plant Science	23107-AZ	UAA	160,711	
12.RD		TUFTS University	AR0007, DOD060, AR0007	ASA	834,769	
12.RD		United States Biotest Incorporated	USB002-2020-001/W81XWH21100	UAA	19,648	
12.RD		University of Arizona	572613, PO 184426	ASA	10,281	
12.RD		University of Arkansas	UA2020-119, UA2020-119	ASA	226,195	
12.RD		University of California: Berkeley	00009417	ASA	56,483	
12.RD		University of California, Berkeley	00008554	UAA	58,013	
12.RD		University of California, Los Angeles	0160GVA520, 0190GUB220	UAA	276,205	
12.RD		University of California: Regents	0190 G UB219, 0190 G UB219, 0190 G UB219, 0190 G UB219	ASA	280,879	
12.RD		University of California: San Diego	703688	ASA	333,784	
12.RD		University of California, San Diego	126352571	UAA	85,649	
12.RD		University of California: Santa Barbara (UCSB)	KK1847	ASA	135,457	
12.RD		University of Central Florida	65018A50-01	UAA	8,294	
12.RD		University of Colorado, Boulder	1553897/1000641524	UAA	106,371	
12.RD		University of Maryland: College Park	35503-Z8165001	ASA	324,367	
12.RD		University of Maryland	1802254, 38404-Z8424102	UAA	227,737	
12.RD		University of Massachusetts	OSP2018017	ASA	30,034	

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12.RD		University of Michigan	SUBK00008690, SUBK00009960, SUBK00009635	ASA	310,906	
12.RD		University of Minnesota	A0006845601	UAA	64,280	
12.RD		University of Nevada: Reno	UNR-17-09	ASA	150,307	
12.RD		University of New Hampshire	L0069, L0103	ASA	68,211	
12.RD		University of North Carolina: Charlotte	20160357-01-ASU	ASA	21,522	
12.RD		University of Pennsylvania	576708	UAA	35,264	
12.RD		University of Pittsburgh	0055964-3, AWD000037634176012	UAA	216,553	
12.RD		University of Southern California	107235268, 123756967, 92675527	ASA	343,700	
12.RD		University of Texas: Austin	UTA21-000010	ASA	24,786	
12.RD		Utah State University	203111708	UAA	115,506	
12.RD		Virtual Reality Rehab Inc. (VRR)	AFWERX-HH 21-0061- phi, N68335-20-C-0427	ASA	53,000	
12.RD		Wright State University	P0060546/670956-1	UAA	51,203	
12.RD		Zona Technology, Inc.	ZTSASU-BAY-I, ZTSASU-BAY-II	ASA	146,600	
Department of Defense Subtotal					<u>73,977,695</u>	<u>13,447,233</u>
<b>United States Department of Housing and Urban Development</b>						
14.RD		City of Tucson, Arizona	18695	ASA	69,834	
14.RD		City of Tucson, Arizona	2313918867	UAA	1,381	
14.RD		Sonora Environmental Research Institute, Incorporated	HHT001	UAA	7,065	
14.RD		University of Iowa	S01193-01	ASA	59,112	
United States Department of Housing and Urban Development					<u>137,392</u>	
<b>Department of the Interior</b>						
15.RD		Bureau of Indian Affairs		NAA	328	
15.RD		Bureau of Indian Affairs		UAA	136,221	
15.RD		Bureau of Land Management		NAA	152,070	
15.RD		Bureau of Land Management		UAA	110,443	
15.RD		Bureau of Reclamation		ASA	80,932	17,639
15.RD		Bureau of Reclamation		NAA	83,160	27,732
15.RD		Bureau of Reclamation		UAA	552,164	
15.RD		Department of the Interior		NAA	6,834	
15.RD		Fish and Wildlife Service		NAA	72,881	
15.RD		Geological Survey		ASA	563,004	
15.RD		International Boundary and Water Commission		UAA	398,895	208,640
15.RD		Joint Fire Science Program		UAA	83,484	20,142
15.RD		National Park Service		NAA	424,213	
15.RD		National Park Service		UAA	839,184	1,567
15.RD		Pacific Northwest National Laboratory (PNNL)		ASA	36,132	
15.RD		United States Fish and Wildlife Service		UAA	277,695	
15.RD		United States Geological Survey		UAA	4,256,035	1,131,663
15.RD		United States Geological Survey		NAA	1,064,558	
15.RD		US Geological Survey Biological Science Center		NAA	171,150	
15.RD		American Fisheries Society	F20AP00178	UAA	56,484	
15.RD		Arizona Department of Agriculture	24-2019-2021-3	UAA	1,767	
15.RD		Arizona Game and Fish Department	1434-13HQRU1580, 1434-20HQRU1580/21-x2/CTR05, 1434-20QRU1580, CTR048459	UAA	107,334	
15.RD		Carnegie Institution of Washington	09-10638-01	ASA	25,518	
15.RD		CESU: Colorado Plateau Cooperative Ecosystem Study Unit	P21AC10112-00, R19AC00052	ASA	44,904	
15.RD		Kansas State University	A20-0354-S001	NAA	9,854	
15.RD		National Fish & Wildlife Foundation	0310.20.066751	ASA	8,674	
15.RD		Northern Jaguar Project	F17AP00655	UAA	10,371	
15.RD		Shippensburg University	4000055202	NAA	19,068	
15.RD		Southern Utah University	105507-01	UAA	40,428	
15.RD		The Water Institute of the Gulf	BOEM-2016-COM-SH	UAA	2,942	
15.RD		University of Alaska Fairbanks	UAF 20-0090	NAA	6,119	
15.RD		University of Arizona	562862, 527317	NAA	16,538	
15.RD		University of California Los Angeles	0830 G XB195-44382	NAA	5,144	
15.RD		University of Southern California	131435668, 131435668	ASA	36,330	
15.RD		University of Washington	UWSC10219 / 28333	UAA	26,185	
Department of the Interior Subtotal					<u>9,727,043</u>	<u>1,407,383</u>
<b>Department of Justice</b>						
16.RD		Community Oriented Policing Services		ASA	20,576	
16.RD		Department of Justice		ASA	117,733	
16.RD		Library of Congress (LOC)		ASA	2,908	
16.RD		National Institute of Justice		ASA	605,824	42,059
16.RD		National Institute of Justice		UAA	94,477	
16.RD		Office of Justice Programs		ASA	206,896	
16.RD		Arizona Department of Administration	GFR-PSN-20-001	ASA	84,717	
16.RD		Arizona Department of Corrections	17-030-19 ; PO0000169148	ASA	38,235	
16.RD		Arizona Office of the Governor: Office of Youth, Faith and Family (GOYFF)	ST-WSG-20-010121-06	ASA	49,215	
16.RD		AZ: City of Shreveport	FP00007901; PO 2017-00008998	ASA	99,032	
16.RD		AZ: Pinal County	AGR 1/7/2021	ASA	33,418	
16.RD		California State University: Long Beach	S233420100ASU	ASA	19,123	
16.RD		Dignity Health	215366	ASA	91,117	
16.RD		Fox Valley Technical College	D2018008; D2019007; D2019006; D2020007; D2020006, D2018008; D2019007; D2019006; D2020007; D2020006	ASA	74,360	
16.RD		Johns Hopkins University (JHU)	2004162346, At-Risk	ASA	45,626	
16.RD		Las Vegas Metropolitan Police Department	AGR 3/10/2020, AGR 03/26/18	ASA	15,080	

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16.RD		Phoenix Police Department	153669--0, 153347--0, 146350	ASA	42,785	
16.RD		Rape Crisis Center Las Vegas (RCCLV)	AGR 5/26/2020	ASA	25,120	
16.RD		Rhode Island Hospital	7137601	ASA	10,920	
16.RD		University of South Florida	1221-1042-00-A	ASA	95,519	
	Department of Justice Subtotal				<u>1,772,681</u>	<u>42,059</u>
	<b>Department of Labor</b>					
17.RD	Employment and Training Administration			ASA	269,161	
17.RD	Mine Safety and Health Administration			UAA	52,709	
17.RD		Arizona Office of the Governor	ISA-WIOA-21-070120-01	ASA	500,000	
	Department of Labor Subtotal				<u>821,870</u>	
	<b>Department of State</b>					
19.RD	Bureau of East Asian and Pacific Affairs			ASA	58,781	
19.RD	Bureau of International Narcotics-Law Enforcement			ASA	682,245	473,282
19.RD	Department of State			ASA	97,981	9,938
19.RD	DOS: US Embassy-Paris			ASA	72,168	56,760
19.RD	U.S. Mission to Costa Rica			ASA	9,972	
19.RD		Aspen Institute	SI_ASU1_SUBR_2017	ASA	990	
19.RD		Drexel University	960124	UAA	6,966	
19.RD		FHI 360	PO21000364	ASA	52,186	
19.RD		University of Pristina	AGR 11/26/19	ASA	1,531	
19.RD		West Virginia University: Research Corporation	URC20MENTEROASU	ASA	19,067	
19.RD						
	Department of State Subtotal				<u>1,001,887</u>	<u>539,980</u>
	<b>Department of Transportation</b>					
20.RD	Department of Transportation			ASA	1,444,306	900,896
20.RD	DOT Federal Highway Administration			ASA	8,315	
20.RD	DOT: Federal Aviation Administration (FAA)			ASA	165,009	
20.RD	Pipeline and Hazardous Materials Safety Admin			ASA	81,455	
20.RD		ADOT: Research Center	MPD 0038-18; ADOT16-147805/4, ADOT16-147805	ASA	15,097	
20.RD		Arizona Department of Transportation (ADOT)	ADSP018-197721, ADSP018-197721	ASA	40,162	
20.RD		Arizona Office of the Governor: Office of Highway Safety	2021-405d-003, 2019-AL-003, 2020-PTS-003, 2020-405h-001, 2021-405h-001, 2020-405d-003	ASA	87,952	
20.RD		Arizona State Parks	472116	ASA	9,442	
20.RD		California Department of Transportation	65A0728	UAA	72,756	3,935
20.RD		Gas Technology Institute (GTI)	S848, S831	ASA	96,147	
20.RD		Iowa State University	022355A	UAA	3,825	
20.RD		Leidos	P010246418	ASA	36,719	
20.RD		Leidos Holdings, Inc.	P01020245750	UAA	44,950	
20.RD		Maricopa County, Arizona	C.91.09.052.M.02, C-91-09-052-M-02/TE059	UAA	30,992	
20.RD		Michigan State University	RC109287-ASU, RC111495 - ASU	ASA	115,589	
20.RD		Nevada Department of Transportation	AGR P676-19-803, AGR P676-19-803	ASA	86,652	5,516
20.RD		Portland State University	69A3551747112, NITC2016-UA-06, NITC2016-UA-10, NITC2016-UA-14, NITC2016-UA-20, NITC2016-UA-21, NITC2016-UA-22, NITC2016-UA-23, NITC2016-UA-24, NITC2016-UA-25, NITC2016-UA-26, NITC2016-UA-27, NITC2016-UA-29, NITC2016-UA-30, NITC2016-UA-31, NITC2016-UA-35	UAA	299,716	
20.RD		Tomnet UTC	Email 8/5/2020, Email 8/21/2019, Email 08/06/19	ASA	73,462	
20.RD		Transportation Research Board (TRB)	HR 01-59	ASA	92,750	
20.RD		University of California: Los Angeles (UCLA)	0121 G XA079	ASA	31,725	
20.RD		University of Illinois: Urbana-Champaign (UIUC)	087795-17705, 089041-17819	ASA	70,020	
20.RD		University of Maryland: College Park	86839-Q0459201	ASA	20,127	
20.RD		University of Southern California	126628333, 69A3551747109	NAA	114,165	
20.RD		University of Virginia	GS11466.156142	UAA	118,112	80,631
	Department of Transportation Subtotal				<u>3,159,445</u>	<u>990,978</u>
	<b>United States Department of the Treasury</b>					
21.RD	COVID-19 - Coronavirus Relief Fund	Arizona Department of Health Services	CTR050053	UAA	1,072,974	
	United States Department of the Treasury Subtotal				<u>1,072,974</u>	
	<b>Equal Employment Opportunity Commission</b>					
30.RD		Southwest Research Institute	L99051JRG, L99051JRG, L99051JRG	ASA	1,147,705	67,105
	Equal Employment Opportunity Commission Subtotal				<u>1,147,705</u>	<u>67,105</u>
	<b>United States General Services Administration</b>					
	<b>National Aeronautics and Space Administration</b>					
43.RD	National Aeronautics Space Administration (NASA)			ASA	1,630,738	278,306



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43.RD	National Aeronautics Space Administration (NASA)			NAA	2,671,520	630,826
43.RD	NASA: Ames Research Center			ASA	460,229	
43.RD	NASA Ames Research Center			UAA	484,246	165,271
43.RD	NASA Armstrong Flight Research Center			UAA	732,672	62,362
43.RD	NASA Glenn Research Center			ASA	73,833	60,753
43.RD	NASA Goddard Space Flight Center			ASA	15,996,082	2,498,764
43.RD	NASA Goddard Space Flight Center			UAA	12,357,659	3,728,022
43.RD	NASA Headquarters			ASA	3,366,933	1,829,633
43.RD	NASA Headquarters			UAA	15,572,469	2,654,336
43.RD	NASA Johnson Space Center			ASA	83,869	15,719
43.RD	NASA Johnson Space Center			UAA	228,465	67,002
43.RD	NASA Langley Space Center			UAA	256,305	
43.RD	NASA Marshall Space Flight Center			ASA	9,229,914	7,325,618
43.RD	NASA Marshall Space Flight Center			UAA	15,783,269	6,803,857
43.RD	NASA: Shared Services Center (NSSC)			ASA	4,660	3,154
43.RD	Smithsonian Astrophysical Observatory			UAA	119,821	
43.RD		Alphacore, Inc.	7074 NASA STTR Phase I Contract, [7070] NASA PH I SBIR, [7072] NASA PH I SBIR RH Analog Library, 7054	ASA	81,084	
43.RD		American College of Sports Medicine Foundation	LTR DTD 040820	UAA	3,194	
43.RD		Analytical Mechanics Associates (AMA)	TEAMS3-ASU	ASA	9,671	
43.RD		Arizona Science Center	19-001	ASA	21,808	
43.RD		Arizona State University	LOU NO 17-122	NAA	13,750	
43.RD		Arizona State University	7790, 16976, 17062, 17178, 18320	UAA	116,995	
43.RD		Association of Universities for Research in Astronomy, Incorporated	N79550C, STScI51534	UAA	110,696	
43.RD		ATA Aerospace, LLC.	MIST0071 NNG15CR64C	UAA	1,353	
43.RD		Auburn University	19PHYS209383UAZ	UAA	42,121	
43.RD		Bay Area Environmental Research	N/A	NAA	20,658	
43.RD		Bay Area Environmental Research	NNX16AO96A	UAA	26,014	
43.RD		Baylor College of Medicine	7000000460, 7000001166, SYN0005/7000000825	UAA	425,857	
43.RD		Boston University	4500003540	UAA	44,102	
43.RD		Brown University	00001529	UAA	16,620	
43.RD		Cactus Materials, Inc.	AGR 9/25/2019, TBD, TBD	ASA	55,160	
43.RD		California Institute of Technology	S442556, S442556, S427461-former 65H-098305	ASA	366,805	
43.RD		California Institute of Technology	5465828	NAA	11,658	
43.RD		California Institute of Technology	S423867, S501522	UAA	33,680	
43.RD		Central Connecticut State University	18-56-01	NAA	32,278	
43.RD		Colgate University	CU-2010501-2	NAA	12,445	
43.RD		Colgate University	2015022	UAA	93,388	
43.RD		Columbia University	1GG015592	UAA	10,629	
43.RD		CoolCAD Electronics, LLC	Z1.05-2004, AGR 5/29/2020, S4.04-2330	ASA	55,304	
43.RD		Cornell University	91579-20458	ASA	84,682	
43.RD		Deloitte Consulting LLP	104359-1	ASA	7,026	
43.RD		Duke University	343-0915	UAA	49,298	
43.RD		Georgetown University	AWD7773186-GR206547	ASA	49,655	
43.RD		H2O Insights	TBD, AGR 9/26/2019	ASA	40,432	
43.RD		Intuitive Machines, LLC	2021-ASU-001	ASA	38,418	
43.RD		Jet Propulsion Laboratory (JPL)	1511125, 1511125, 1643840, 1567696, 1228404, 1643052, 1601756, 1657155, 1228404, 1643730, 1511125, 1228404, 1643114, 1616532, 1531839, 1399938, 1545667, 1228404, 1645798, 1646875, 1661622, 1657536, 1531839, 1228404, 1531839, 1228404, 1531839, 1531839, 1228404, 1228404, 1620256, 1531839, RSA No. 1640400, 1228404, 1511125, 1276419, 1228404, 1657226, 1228404, 1511125, 1531839, 1531839, 1663459, 1570596, 1661996, 1651948, 1511125, 1228404, 1531839, 1511125, 1655924, 1228404, 1618298, 1511125, 1531839	ASA	14,209,375	7,144,711
43.RD		Jet Propulsion Laboratory (JPL)	1559087, 157922	NAA	187,232	
43.RD		Jet Propulsion Laboratory (JPL)	1228726, 1272218, 1319248, 1494629, 1561710, 1565441, 1576815, 1582925, 1607152, 1607156, 1607971, 1608017, 1615577, 1621257, 1622890, 1622902, 1625657, 1627292, 1640047, 1640332, 1644659, 1644767, 1644771, 1650774, 1652100, 1652628, 1656371, 1657838, 1657839, 1657840, 1657841	UAA	5,632,078	721,392
43.RD		Johns Hopkins Applied Physics Laboratory	130313, 137699, 159779, 164328	UAA	143,985	
43.RD		Johns Hopkins University	2004002779, 3612003808432	NAA	19,436	
43.RD		Johns Hopkins University	131989	UAA	8,668	
43.RD		Johns Hopkins University Applied	151724	NAA	22,167	
43.RD		Lowell Observatory	2017-81502-NAU, 2017-81495, 2018-81420-NAU, 2019-81105-NAU, 2019-81130-NAU	NAA	354,580	
43.RD		Malin Space Science Systems, Inc.	11-0124	ASA	157,980	



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43.RD		Massachusetts Institute of Technology	S5217, PO# 533137	UAA	31,121	
43.RD		Montana State University	G207-19-W7598, G245-17-W6575	NAA	115,984	
43.RD		National Institute of Aerospace	LTR 02/27/20	ASA	26,310	
43.RD		Northern Arizona University (NAU)	1003517-03, LOU 1003957-03	ASA	26,523	
43.RD		Northwest Research Associates (NWRA)	NWRA-20-S-212	ASA	16,069	
43.RD		PADT Inc.	FP00021526, FP00021526	ASA	138,432	52,914
43.RD		Pennsylvania State University	5560UAJPL7612	UAA	897	
43.RD		Planetary Science Institute	1738-ASU, 1468	ASA	11,220	
43.RD		Planetary Science Institute	1641-NAU, 1763-NAU	NAA	23,740	
43.RD		Planetary Science Institute	1488UofA, 1512UAZ, 1576UA, 1632, 1643UAZ, 1649-UAZ, 1691ARIZ, 80NSSC19K0029	UAA	279,314	
43.RD		Princeton University	SUB0000159, SUB0000314	UAA	110,275	
43.RD		Purdue University	12000298-006, 12000382-023	NAA	11,209	
43.RD		SETI Institute	SC 3129, SC-3418	ASA	15,632	
43.RD		Seti Institute	SC3529	UAA	3,667	
43.RD		Sonoma State University	117868	NAA	59,873	
43.RD		Southwest Research Institute	K99033MEC, K99033MEC, K99056JRG, H99066CT, H99065CT	ASA	2,688,494	156,963
43.RD		Southwest Research Institute	699053X, J99010JAR, P99040LJ	UAA	124,069	
43.RD		Space Science Institute	SUBAWD 000801	NAA	108,159	
43.RD		Space Telescope Science Institute	HST-AR-15810.001-A, HST-GO-15666.001-A, HST-GO-15463.006-A, HST-HF2-51411.001-A, HST-GO-15187.002-A, CONTRACT STScI 51970, HST-AR-14591.001-A, HST-GO-15819.001-A, HST-GO-16252.001-A, HST-GO-15651.006-A, HST-GO-15647.005-A, HST-GO-15090.002-A, HST-GO-14071.009-A, HST-GO-15626.026-A, HST-GO-15137.002-A, HST-HF2-51411.001-A, HST-GO-15955.004-A, HST-GO-15286.001-A, HST-GO-14784.001-A, HST-GO-14937.004-A, HST-GO-15278.001-A, HST-AR-15803.001-A	ASA	865,004	
43.RD		Space Telescope Science Institute	HST-GO-15213.001-A, HST-GO-15259.004-A	NAA	96,109	
43.RD		Space Telescope Science Institute	HSTAR14316, HSTAR14586001A, HSTAR14591005A, HSTAR15004001A, HSTAR15030002A, HSTAR15060002A, HSTAR15631001A, HSTAR16142002A, HSTGO13787001A, HSTGO14118, HSTGO14612001A, HSTGO14664007A, HSTGO14714001A, HSTGO14717, HSTGO14747003A, HSTGO14767003A, HSTGO14768001A, HSTGO14784004A, HSTGO14931004A, HSTGO15093001A, HSTGO15103007A, HSTGO15113006A, HSTGO15121001A, HSTGO15135003A, HSTGO15137003A, HSTGO15182011A, HSTGO15183010A, HSTGO15185001A, HSTGO15217007A, HSTGO15218004A, HSTGO15224003A,	UAA	2,084,866	

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			HSTGO15237002A, HST-GO-15246.011-A, HSTGO15266004A, HSTGO15278006A, HSTGO15278008A, HSTGO15289001A, HSTGO15301002A, HSTGO15325002A, HSTGO15453.001A, HSTGO15625003A, HST-GO-15645.001-A, HSTGO15698001A, HST-GO-15830.002-A, HSTGO15840016A, HSTGO15858003A, HSTGO15905001A, HSTGO15906001A, HSTGO15907004A, HSTGO15911006A, HSTGO15921002A, HSTGO15947001A, HSTGO15959002A, HSTGO15970001A, HSTGO16049008, HST-GO-16174.001-A, HSTGO16276002A, HSTGO16447003A, HSTHF251394002A, HSTHF251398001A, HSTHF251419001A, HSTHF251420001A, HSTHF251436001A, HSTHF251448001A, HSTHF25172001A, JWSTERS01309002A			
43.RD		Stanford University	62166413-122362, 62536333-195657	UAA	128,609	
43.RD		Stony Brook University	86437/3/1157645/3	NAA	2,354	
43.RD		Stony Brook University	8579511563362	UAA	96,979	
43.RD		Stottler Henke Associates Inc	AD-TEAM2-StottlerHenke-UofA	UAA	26,012	
43.RD		Texas State University	17011-82719-1	ASA	112,006	
43.RD		The Research Corporation of the University of Hawaii	6856	UAA	85,623	
43.RD		Universities Space Research Association	03605-06	ASA	50,172	
43.RD		Universities Space Research Association	230302, 80179, 2017001474, SOF06204	UAA	96,786	
43.RD		University Corporation for Atmospheric Research	SUBAWD002452	UAA	31,337	
43.RD		University of Alaska Fairbanks	UAF190070	UAA	2,209	
43.RD		University of Arizona	569109, 569109, 401799, 268293, 569109, 268293, 268580, 125837	ASA	592,909	
43.RD		University of Arizona	569265, 518699	NAA	75,920	
43.RD		University of California: Los Angeles (UCLA)	0995 G XB193, 0995 G XA471	ASA	60,255	
43.RD		University of California: Riverside	S-000732	ASA	2,968	
43.RD		University of California, San Diego	84068633S9001586	UAA	23,718	
43.RD		University of California: Santa Cruz	A19-0446-S001-P0707975	ASA	35,513	
43.RD		University of California, Santa Cruz	A160381S005P0600213	UAA	65,697	
43.RD		University of Central Florida	66016067-03	UAA	221,983	
43.RD		University of Chicago	AWD072842(SUB00000341)	ASA	70,550	
43.RD		University of Colorado: Boulder	1552616, 1555628, 1553136	ASA	63,723	
43.RD		University of Colorado, Boulder	1000008166, 1001495658/1559148, 1555459	UAA	360,683	
43.RD		University of Connecticut	401950	UAA	11,037	
43.RD		University of Florida	SUB00002168	UAA	33,692	
43.RD		University of Illinois	09765717660	UAA	456,047	
43.RD		University of Illinois: Chicago	097657-17659	ASA	91,434	
43.RD		University of Iowa	S02012-01	UAA	4,529	
43.RD		University of Maryland	77744Z6199201, 81804-Z6230201, 84480Z6236202	UAA	76,056	
43.RD		University of Maryland	40227, 46332-Z6927003	NAA	118,762	
43.RD		University of Maryland: College Park	86898-Z6247201	ASA	15,032	
43.RD		University of Maryland, Baltimore County	0000019878	UAA	8,646	
43.RD		University of Minnesota	H006201406	UAA	6,784	
43.RD		University of Mississippi Medical Center	SP13674-SB1	UAA	46,114	
43.RD		University of New Hampshire	19003, L0027	UAA	63,885	
43.RD		University of Pennsylvania	560958, 573659	ASA	108,200	
43.RD		University of Puerto Rico	AGR 09/01/20, AGR 09/01/20, AGR 09/01/20, AGR 09/01/20	ASA	171,184	
43.RD		University of Puerto Rico	LTR DTD 072519	UAA	22,145	
43.RD		University of Rochester	417860G/URFAO: GR511135	ASA	10,796	
43.RD		University Space Research Associate	02330-03	NAA	2,763	
43.RD		University of Texas: Austin	UTA16-001088	ASA	8,654	
43.RD		University of Texas at Austin	UTA17000731	UAA	6,406	
43.RD		University of Washington	UWSC10431	ASA	27,496	
43.RD		University of Washington	UWSC10436	NAA	12,774	
43.RD		University of Washington	32930UWSC10593	UAA	18,115	
43.RD		Wellesley College	SA26403	ASA	1,885	
43.RD		Wesleyan University	WESUS011298104-NAU	NAA	11,315	
43.RD		Woods Hole Oceanographic Institute	A101472	ASA	79,241	
43.RD		Woodwell Climate Research Center	WHRC-ZG0829-01	NAA	1,918	
	National Aeronautics and Space Administration Subtotal				112,120,849	34,199,603
45.RD	<b>National Endowment for the Arts</b> National Endowment for the Arts			ASA	59,226	13,135

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45.RD	National Endowment for the Arts			UAA	455	
	National Endowment for the Arts Subtotal				59,681	13,135
45.RD	National Endowment for the Humanities			ASA	171,749	32,386
45.RD	Institute of Museum and Library Services			UAA	100,725	
45.RD	Institute of Museum and Library Services			UAA	43,500	
45.RD	National Endowment for the Humanities			ASA	111,622	5,210
45.RD	NEH: Division of Preservation and Access	Arizona Heritage Tours	90552020	UAA	786	
45.RD		Tucson Presidio Trust	71372020	UAA	2,298	
45.RD		University of North Carolina: Greensboro	20200229.2	ASA	455	
	National Endowment for the Humanities Subtotal				490,816	50,731
<b>National Science Foundation</b>						
47.RD	COVID-19 - National Science Foundation			ASA	1,903,332	83,813
47.RD	COVID-19 - National Science Foundation			UAA	559,606	62,725
47.RD	DOD: National Security Agency (NSA)			ASA	834,859	
47.RD	National Endowment for the Humanities			UAA	12,208	
47.RD	National Science Foundation			ASA	54,625,383	5,619,566
47.RD	National Science Foundation			NAA	7,923,094	817,695
47.RD	National Science Foundation			UAA	45,230,796	4,501,265
47.RD	NSF: Directorate for Biological Sciences (BIO)			ASA	1,681,964	214,675
47.RD	NSF-CISE: Computer and Network Systems (CNS)			ASA	1,492,181	
47.RD	NSF-EHR-DUE: Division of Undergraduate Science, Engineering, & Mathem			ASA	42,107	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)			ASA	42,655	
47.RD	Smithsonian Astrophysical Observatory			UAA	42,065	
47.RD		Adler Planetarium and Astronomy Museum	3201-03	ASA	11,382	
47.RD		Adler Planetarium	3201-02	UAA	48,160	
47.RD		Advent Diamond, LLC	1951263	ASA	31,670	
47.RD		AmberWave Inc.	FSA082019-1	ASA	24,333	
47.RD		Arizona State University	ASUB00000215, ASUB00000602	NAA	272,431	
47.RD		Arizona State University	17-099, ASUB00000216, ASUB00000361, ASUB00000435, ASUB00000507, ASUB00000698, CC0342-PG07086-11-89, CC0342-PG07086-11-89/SUB, CC0342-PG07086-11-89/SUB/S2, CC0342-PG08675-11-84/SUB, CC0342PG086751185, CC0342-PG08675-11-85/SUB, CC0342-PG08675-11-85/SUB/S2, CC0342-PG08675-11-87/SUB, CC0342PG086751188, CC0342-PG08675-11-88/SUB, CC0342-PG08675-11-88/SUB/F2, CC0342-PG0875-11-87, F19UR013/F2019ur0029, F19UR018/F2019ur0035, F19UR027/F2019ur0046, F19UR036/F2019ur0036, S19UR009/S2019ur0014, S20UR001/S2020ur0003, S20UR007/S2020ur0012, S20UR018/S2020ur0025, V2020gp0003/V20CC001, v2021gp0004, V20UR007/V2020ur0016, V20UR008/V2020ur0017	UAA	228,126	
47.RD		Association of Universities for Research in Astronomy, Incorporated	N71373CL, ND8953C	UAA	20,817	
47.RD		BaoNano, LLC	ASU2021-01	ASA	44,813	
47.RD		Battelle Memorial Institute	PO US001-0000770612	ASA	14,196	
47.RD		Battelle Memorial Institute	US0001-0000701436	NAA	161,349	53,189
47.RD		Battelle: National Ecological Observatory Network (NEON)	PO US001-0000718040, PO US001-0000718040, PO US001-0000718040	ASA	1,915,049	
47.RD		Baylor College of Medicine	7000001291	ASA	177	
47.RD		Boston University	4500003627	UAA	4,232	
47.RD		Brown University	00001543	UAA	123,773	
47.RD		Bucknell University	GR2000448-1	ASA	10,200	
47.RD		California Institute of Technology	S455656	UAA	40,230	
47.RD		California State University: San Marcos	92249 / 85038 ASU	ASA	290	
47.RD		Cary Institute of Ecosystem Studies	3357/200201910	ASA	57,233	
47.RD		Cary Institute of Ecosystem Studies	3340/200201903	NAA	26,021	
47.RD		Central Arizona College	1940949	ASA	50,087	
47.RD		Clark University	2A3257531	UAA	74,153	
47.RD		Clerio Vision Inc.	1738506	UAA	2,120	
47.RD		Coconino County Education Services Agency	30851	NAA	283	
47.RD		Coconino County: Arizona	AGR 10/22/20	ASA	20,544	
47.RD		Colorado State University	G-00973-5, G-37052-1, G-25039-01	ASA	19,127	
47.RD		Colorado State University	G-00973-3/1444758, G-96702-3	UAA	155,807	10,964
47.RD		Columbia University	08GG016228, 09GG016228, 1(GG014460-04), 2(GG014070), 2(GG015800)	UAA	283,668	
47.RD		Cornell University	OSP #75548, OSP #75548, 77853-11349, 76961-21506	ASA	793,348	
47.RD		Council of Graduate Schools	AGR 08/04/17	ASA	838	

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47.RD		CUNY: Research Foundation of CUNY (RFCUNY)	CM00001881-00	ASA	195,267	
47.RD		Dine College	244-J9H0	NAA	13,746	
47.RD		Duke University	333-2727	ASA	5,268	
47.RD		Georgia Institute of Technology (Georgia Tech)	AWD-100683-G1 , AWD-100683-G1 , RG758-G1	ASA	23,745	
47.RD		Giant Magellan Telescope Organization	GMTCON04535	UAA	510,181	
47.RD		Glycosurf	LTR DTD 102219	UAA	21,739	
47.RD		Hauptman-Woodward Medical Research Institute	6215, UBSBXLpi6200	ASA	55,761	
47.RD		Hauptman-Woodward Medical Research Institute	6228	UAA	75,625	
47.RD		Hawaii Pacific University	246101-ASU	ASA	46,777	
47.RD		Harvard University	131721-5109138	NAA	25,768	
47.RD		HelioBioSys	AGR 3/3/2020	ASA	42,106	
47.RD		Illinois State University	A190050S002	UAA	31,825	
47.RD		Indiana University	BL-4848800-ASU, 8108-ASU, 8742-ASU, BL-4848800-ASU	ASA	36,729	
47.RD		Indiana University	BL-4812517-UA	UAA	285,628	
47.RD		Iowa State University	022329A	ASA	40,877	
47.RD		Kansas State University	A00-0361-S006, A00-0361-S006	ASA	110,341	
47.RD		Lowell Observatory	2020-83005	ASA	65,406	
47.RD		Lowell Observatory	2017-83090 NAU, 2020-83020-NAU	NAA	140,191	
47.RD		Maricopa County Community College District (MCCCD)	10000730-ASU, 10000487-ASU	ASA	209,237	
47.RD		Massachusetts Institute of Technology (MIT)	80162, S4775 - PO 276392	ASA	154,722	
47.RD		Massachusetts Institute of Technology	S5355	UAA	331,806	
47.RD		Michigan State University	RC104177ASU, RC110888A	ASA	161,744	
47.RD		Michigan State University	RC109891NAU	NAA	114,189	
47.RD		Michigan Technological University	1603040Z1	ASA	28,961	
47.RD		Mississippi State University	060300.362171.01	ASA	6,368	
47.RD		Museum of Science	4569-ASU-01	ASA	32,970	
47.RD		National Science Foundation (NSF)	1832196, 1914841	ASA	200,097	
47.RD		Navajo Technical University (NTU)	42711-21	ASA	3,729	
47.RD		New York Institute of Technology (NYIT)	1856032-1ASU	ASA	1,324	
47.RD		New York University	F871502	UAA	86,812	
47.RD		North Carolina State University	2019-1558-01	UAA	4,943	
47.RD		Northern Arizona University (NAU)	1003799-01, 1004633-01, 1004115-04, 1003107-01	ASA	113,205	
47.RD		Northern Arizona University	1004115-03	UAA	21,073	
47.RD		Ohio State University	RF01566832/60071451	NAA	6,042	
47.RD		Ohio State University	60078898	UAA	170,804	
47.RD		Old Dominion University	18-130-100688-010	ASA	18,277	
47.RD		Pennsylvania State University	5896UANSF4092	UAA	8,750	
47.RD		Pima Community College	1928400	UAA	24,803	
47.RD		Point Blue Conservation Science	AGR 04/21/21	ASA	1,447	
47.RD		Polaris Semiconductor, LLC	1936401-1	ASA	24,361	
47.RD		Portland State University	100139	ASA	53,368	
47.RD		Princeton University	SUB0000009, SUB0000408	UAA	246,566	12,269
47.RD		Purdue University	1901932	NAA	24,984	
47.RD		Purdue University	10001383002, 10001772-037	UAA	101,599	
47.RD		Rensselaer Polytechnic Institute	A20-0030-S001	UAA	7,431	
47.RD		Resources for the Future	49446-Z48008001	ASA	80,613	
47.RD		ReSuture, LLC	AGR 8/26/2020	ASA	56,326	
47.RD		Rice University	R3F80A, R3F80A, Agreement 07-2020-R3F88I, R3F80E, 06/2021-R3F80H, R3F80A, R3F80A, R3F80F, R3F80A, R3F80G, R3F80A / 1449500, R3F80A / 1449500, R3F80A, R3F80A, R3F80A / 1449500, R3F80A, R3F80A / 1449500, 11-2020-R3F88D, R3F80A / 1449500, R3F80A / 1449500, R3F80A, R3F80A / 1449500, R3F80A	ASA	941,170	
47.RD		Rutgers University	0582	ASA	297	
47.RD		Rutgers University	1303763-1290	NAA	45,899	
47.RD		Rutgers, The State University of New Jersey	2037845	UAA	194	
47.RD		SciTech Institute	2031527-002	ASA	9,726	
47.RD		SRCCO Inc.	2018-NC-2762-A	ASA	96,721	
47.RD		State University of New York: Buffalo	R876181 R950225 R1092326, R876181 R950225 R1092326, R876181 R950225 R1092326, R876181 R950225 R1092326, R876181 R950225 R1092326	ASA	1,133,833	
47.RD		State University of New York Research Foundation	76749/11366522	UAA	105,880	
47.RD		Sunesta Solar, Inc. (SSI)	No. 1	ASA	66,106	
47.RD		Swift Coat	1951204	ASA	74,935	
47.RD		Syracuse University	3091405434S01	UAA	19,699	
47.RD		Texas A&M Engineering Experiment Station (TEES)	M2100219	ASA	10,691	
47.RD		Texas A and M University	M1903184	UAA	37,395	
47.RD		Texas Engineering Experiment Station	M2003273	UAA	35,142	
47.RD		Texas Technology University	21P622-02	ASA	8,514	
47.RD		TG Companies, LLC	AGR 12/19/18, AGR 07/20/17	ASA	27,689	
47.RD		The Catholic University of America	408316 Sub 1	UAA	8,240	
47.RD		The Council on Undergraduate Research	11637	UAA	3,932	

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47.RD		The Trustees of Colombia University	105, 105B, 105D, 105E, 105F (GG009393)	NAA	80,664	
47.RD		University of Alabama: Tuscaloosa	A18-0467-S001	ASA	908	
47.RD		University Of Alabama In Huntsville	2017-033	UAA	30,867	
47.RD		University of Alaska Fairbanks	UAF-15-0020, UAF-18-0084	NAA	9,789	
47.RD		University of Arizona	124046, 467307	ASA	183,025	
47.RD		University of Arizona	PO 448899, PO 582255	NAA	119,671	
47.RD		University of California, Berkeley	10346, 10381	UAA	105,473	
47.RD		University of California, Merced	E216GXA12300/1856112	UAA	128,265	
47.RD		University of California: Regents	00009998, 00009382	ASA	331,791	
47.RD		University of California: Riverside	S-001215	ASA	40,597	
47.RD		University of California, Riverside	S-000819, S-001353	UAA	56,842	
47.RD		University of California: San Diego	125901647	ASA	154,180	
47.RD		University of California, San Diego	KR704354	UAA	7,884	
47.RD		University of California: Santa Barbara (UCSB)	KK2028, KK 1927	ASA	126,975	
47.RD		University of California, Santa Barbara	KK1928	NAA	62,883	
47.RD		University of California, Santa Barbara	KK1825	UAA	41,933	
47.RD		University of Central Florida	16206076	ASA	31,839	
47.RD		University of Chicago	AWD100221/SUB00000065, AWD100518SUB00000427	UAA	104,797	
47.RD		University of Colorado: Boulder	1557938, 1560024, 1559632	ASA	259,194	
47.RD		University of Colorado, Boulder	1555731/1000895474	NAA	9,179	
47.RD		University of Colorado, Boulder	1555695/PO:1000887309, 1558972	UAA	24,318	
47.RD		University of Connecticut	373763	ASA	22,688	
47.RD		University of Delaware	57316	ASA	68,713	
47.RD		University of Florida	SUB00002726, SUB00001934, SUB00002689	ASA	30,582	
47.RD		University of Georgia	SUB00002537	ASA	9,915	
47.RD		University of Georgia	RR167-627/SUB00000816	UAA	46,529	
47.RD		University of Illinois: Board of Trustees	084161-17301	ASA	15,995	
47.RD		University of Illinois: Urbana-Champaign (UIUC)	098635-17821	ASA	73,929	
47.RD		University of Kansas (KU)	BSA21072, BSA18014	ASA	103,070	
47.RD		University of Louisville Foundation, Inc.	ULRF 17-0190	ASA	19,423	
47.RD		University of Maryland	52673z3107201, 93767-Z3687202	UAA	117,732	
47.RD		University of Maryland: College Park	66536-Z3302201, 83120-Z3468201, 97174-Z3229201, 66536-Z3302201	ASA	320,205	
47.RD		University of Massachusetts: Amherst	17-009589 A	ASA	49,765	
47.RD		University of Michigan	3004575811	ASA	6,691	
47.RD		University of Mississippi	19-03-036	UAA	4,644	
47.RD		University of Nevada Las Vegas	19-GR06224-01	NAA	276,924	
47.RD		University of New Mexico	650348-8705, 133660-8705	ASA	52,752	
47.RD		University of New Mexico	0480P4-8747	NAA	103,662	
47.RD		University of North Carolina: Chapel Hill	5111181	ASA	1,962	
47.RD		University of Northern Colorado	000021-00001A.010.00	NAA	6,483	
47.RD		University of Notre Dame	203940ASU	ASA	30,668	
47.RD		University of Oregon	2011F0A	ASA	23,779	
47.RD		University of Pennsylvania	566839/10046907/15224, 577419	UAA	166,737	
47.RD		University of Pittsburgh	0062295 (012283-1), 0062295 (012283-1), AWD00000702 (012322-01)	ASA	57,777	
47.RD		University of Rochester	416753G	UAA	76,486	70,964
47.RD		University of Southern California	131486667	NAA	20,067	
47.RD		University of Texas at Austin	20195830	UAA	78,379	
47.RD		University of Texas: Dallas	1907389	ASA	18,420	
47.RD		University of Texas at Dallas	1907618	UAA	31,503	
47.RD		University of Texas: San Antonio	1000000913	ASA	229	
47.RD		University of Vermont	AWD00000206SUB00000112	UAA	8,126	
47.RD		University of the Virgin Islands	CFEWS-18-22-001	ASA	4,913	
47.RD		University of Virginia	GA11551	ASA	27,628	
47.RD		University of Washington	UWSC11366 ; PO BPO43015 ; PO BPO55743	ASA	36,024	
47.RD		University of Wisconsin: Madison	0000000170, 0000000028	ASA	184,283	
47.RD		University of Wisconsin-Madison	801K161	UAA	17,169	
47.RD		University of Wisconsin: Oshkosh	FSA.20.037.A	ASA	47,342	
47.RD		University of Wyoming	1004823UA	UAA	59,236	
47.RD		Utah State University	202537-682	ASA	9,831	
47.RD		Vanderbilt University	UNIV60484	ASA	22,964	
47.RD		Vanderbilt University	UNIV59061	UAA	22,032	
47.RD		Virginia Polytechnic Institute and State University	479498-19007, 480406-19007, 479968-19007, 480476-19007	ASA	125,083	
47.RD		Virginia Polytechnic Institute and State University	480165-19D64	NAA	226,429	
47.RD		Virginia Polytechnic Institute and State University	480063-19101	UAA	3,118	
47.RD		Yale University	GR100666 (CON-80000873)	UAA	18,633	
		National Science Foundation Subtotal			<u>130,033,895</u>	<u>11,447,125</u>
		<b>Smithsonian Institution</b>				
60.RD		Smithsonian Astrophysical Observatory		UAA	1,104,335	
		Smithsonian Institution Subtotal			<u>1,104,335</u>	
		<b>Department of Veterans Affairs</b>				
64.RD		Phoenix VA Health Care System		UAA	98,019	
64.RD		United States Department of Veterans Affairs		UAA	560,914	

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64.RD	VA: Department of Veterans Affairs			ASA	58,487	
	Department of Veterans Affairs Subtotal				<u>717,420</u>	
	<b>Environmental Protection Agency</b>					
66.RD	Environmental Protection Agency			ASA	101,699	
66.RD	United States Environmental Protection Agency			UAA	134,100	24,529
66.RD		Dine College	1918-5-513	NAA	60,165	
66.RD		Inter Tribal Council of Arizona, Incorporated	ITCA-20-2	UAA	26,521	
66.RD		North American Development Bank (NADB)	TAA20-004 ; NADBC20-040, TAA20-004 ; NADBC20-040, NADBC20-027, TAA20-004 ; NADBC20-040	ASA	58,568	3,500
66.RD		University of Arizona	83615101, 409278	NAA	83,880	
66.RD		Arizona State University	ASUB00000522	UAA	12,595	
	Environmental Protection Agency Subtotal				<u>477,528</u>	<u>28,029</u>
	<b>Department of Energy</b>					
81.RD	Advanced Research Projects Agency Energy			ASA	1,929,192	520,436
81.RD	Ames Laboratory			UAA	13,552	
81.RD	Department of Energy			NAA	1,066,479	108,624
81.RD	DOE: Department of Energy			ASA	1,053,012	126,719
81.RD	DOE: Office of Energy Efficiency and Renewable Energy (EERE)			ASA	8,484,832	1,795,761
81.RD	Fermilab			ASA	22,214	
81.RD	Idaho Field Office			ASA	151,688	139,582
81.RD	Lawrence Berkeley National Laboratory			ASA	193,186	
81.RD	National Energy Technology Laboratory			ASA	489,309	129,725
81.RD	National Nuclear Security Administration			UAA	827,387	112,025
81.RD	National Renewable Energy Laboratory			ASA	711,586	
81.RD	NNSA			ASA	9,803	
81.RD	Office of Science			ASA	2,896,928	354,662
81.RD	Sandia National Laboratories (SNL)			ASA	85,244	
81.RD	United States Department of Energy			UAA	3,245,748	365,674
81.RD		Advent Diamond, LLC	DE-SC0019659	ASA	19,971	
81.RD		Aerodyne Research, Inc.	ARI 11409-2	UAA	215,761	
81.RD		Alliance for Sustainable Energy, LLC.	SUB201910006	UAA	28,148	
81.RD		Ames Laboratory	SC-20-521	ASA	195,188	
81.RD		Antora Energy	DE-AR0000993-ASU, DE-AR0000993-ASU	ASA	202,274	
81.RD		Arizona State University	ASUB00000408	NAA	85,234	
81.RD		Battelle Memorial Institute	436991	UAA	2,240	
81.RD		Brookhaven National Laboratory (BNL)	388199	ASA	36,310	
81.RD		Brookhaven National Laboratory	101340, 107946, 313343, 361793, 364830, 374153, 384226, 385226, 385234, 391806, 74201	UAA	1,314,478	18,476
81.RD		Burge Environmental	AGR 7/22/2020, RHZ-SC0018495	ASA	94,563	
81.RD		Colorado School of Mines	401011-5802, 401453-5801	ASA	187,474	
81.RD		Colorado State University	G-01819-01	ASA	30,208	
81.RD		Colorado State University	G-40115-02	UAA	109,655	
81.RD		Columbia University	2GG017021	UAA	104,410	
81.RD		Euclid BeamLabs, LLC	DE-SC0020575, 20575	ASA	20,232	
81.RD		Helicon Thin Film Systems	DE-SC0020729	UAA	64,090	
81.RD		Honeywell Federal Manufacturing & Technologies, LLC (KCNSC)	N000379056, N000380829	ASA	123,534	
81.RD		Itasca Consulting Group, Inc.	LTR DTD 030420	UAA	21,826	
81.RD		Lawrence Berkeley National Laboratory (LBNL)	7511291, 7515787	ASA	217,604	
81.RD		Lawrence Berkeley National Laboratory	7329734, 7434865/DE-AC02-05CH11231, 7509952, 7548981, 7573499	UAA	460,368	
81.RD		Lawrence Livermore National Laboratory (LLNL)	B644146	ASA	44,609	
81.RD		Lawrence Livermore National Laboratory	B627402	NAA	211,742	
81.RD		Lawrence Livermore National Laboratory	B639244	UAA	108,278	
81.RD		Lawrence Livermore National Security, LLC.	B619796, B630670, B631458, B639695, B639881	UAA	215,968	
81.RD		Local First Arizona Foundation	23216/18953/OGFR-20-006	UAA	4,027	
81.RD		Los Alamos National Laboratory (LANL)	452602 ; Basic Agreement No. 451357	ASA	50,708	
81.RD		Los Alamos National Laboratory	547522	NAA	137,620	
81.RD		Los Alamos National Laboratory	531988, 572983, 605257	UAA	600,766	
81.RD		Michigan State University	RC109447-ASU	ASA	145,131	
81.RD		Mission Support and Test Services LLC	PO 240368	ASA	56,704	
81.RD		Mission Support and Test Services, LLC	180963, 18096306	UAA	72,227	
81.RD		Missouri University of Science and Technology	00071158-01	ASA	39,451	
81.RD		National Renewable Energy Laboratory (NREL)	XAT-9-92058-01, ZGJ-7-70115-01, ZGJ-7-70115-01, KXEU-0-92407-01, ZDC-8-82043-01, ZGJ-7-70115-01, XAT-9-92058-01, XEJ-9-92120-01	ASA	441,554	
81.RD		National Renewable Energy Laboratory	DE-AC36- 08GO28308, DE-AC36-08GO28308	UAA	38,031	
81.RD		New Mexico Institute of Mining and Technology	PO019567/DE-FE0031837	UAA	125,063	
81.RD		New Mexico State University (NMSU)	Q02001	ASA	63,360	
81.RD		Oak Ridge Associated Universities	SAWD-WD-00851, SAWD-WD-00968	UAA	41,956	
81.RD		Oak Ridge National Laboratory	4000158404	NAA	123,970	
81.RD		Ohio State University	60071260, 60073514	UAA	42,977	
81.RD		Opticslah, LLC	LTR DTD 100418	UAA	5,295	

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81.RD		Pacific Northwest National Laboratory (PNNL)	522927	ASA	68,853	
81.RD		Pacific Northwest National Laboratory	451121, 494132, 516847, 516978, 516992	UAA	399,494	
81.RD		Physics Sciences Inc	86026-1983-46, SC 1008293-101983-46	NAA	49,920	
81.RD		Princeton University	SUB0000290	ASA	182,671	
81.RD		Proton OnSite	EC-0008092-03 / PO 20544, EC-0008092-03 / PO 20544	ASA	241,990	
81.RD		Purdue University	14000382-042	UAA	110,607	
81.RD		Rapid Advancement in Process Intensification Deployment Manufacturing Institute	DE-EE000788-3-2-4, DE-EE0007888-08.10	UAA	153,150	29,284
81.RD		Rutgers, The State University of New Jersey	1003/1140891	UAA	33,000	
81.RD		Sandia National Laboratories (SNL)	2228419, 2169489, PO 2072087, 2146683, 2173283, 2000965, 1993669, 2228566	ASA	339,165	
81.RD		Sandia National Laboratories	2094239, 2146191, 2151838, 2213221, 2228144	UAA	222,725	
81.RD		SLAC National Accelerator Laboratory	202833	ASA	53,174	
81.RD		Stanford University	61615333-128599	ASA	53,418	
81.RD		Stanford University	207109	UAA	88,826	
81.RD		Stevens Institute of Technology	2103086-01	UAA	20,973	
81.RD		TechSource, Inc.	GS10F00384	ASA	185,915	
81.RD		Tech-X Corporation	7331-004	ASA	61,132	
81.RD		Tectonicus Constructs Llc.	LTR DTD 102820	UAA	10,027	
81.RD		Texas A&M University (TAMU)	M200197, M200197	ASA	132,149	
81.RD		TG Companies, LLC	DE-SC0020722	ASA	62,434	
81.RD		The Donald Danforth Plant Science Center	22827-A, 23706-A	UAA	1,037,162	
81.RD		Uchicago Argonne LLC	0F-60015	NAA	63,563	
81.RD		University of California, Berkeley	9291, 10312	UAA	173,404	
81.RD		University of California: Davis	A19-0591-S001, A18-1847-S001, A20-2234-S001	ASA	606,096	
81.RD		University of California: San Diego	97378543	ASA	3,303	
81.RD		University of California, San Diego	111117474/S9002139	UAA	71,078	
81.RD		University of California Santa Barbara	KK1965	NAA	73,054	
81.RD		University of Central Florida	16276008-01, 16276008-01	ASA	93,221	
81.RD		University of Georgia	PO E1201880	NAA	31,979	
81.RD		University of Illinois: Board of Trustees	078620-15703 (formerly 2015-06605-09), 094928-17354	ASA	37,589	
81.RD		University of Minnesota	H007829702	ASA	1,821	
81.RD		University of Nevada: Reno	UNR-20-24	ASA	68,875	
81.RD		University of North Carolina: Chapel Hill	5114362	ASA	78,851	
81.RD		University of Tennessee	A18-0364-S002	ASA	94,476	
81.RD		University of Virginia	GQ10071.PO 2250003	ASA	21,417	
81.RD		UT Battelle LLC	4000161830, 4000158404	NAA	103,207	
81.RD		UT-Battelle	4000178321	UAA	224,290	
	Department of Energy Subtotal				<u>32,536,174</u>	<u>3,700,968</u>
	<b>Department of Education</b>					
84.RD	Department of Education			ASA	9,471,779	1,243,458
84.RD	Institute of Education Sciences			UAA	182,805	
84.RD	United States Department of Education			UAA	935,483	
84.RD		American Council on Education	LTR DTD 010821	UAA	47,550	29,887
84.RD		Arizona Department of Education (ADE)	16-02-ED, 16-02-ED	ASA	152,019	
84.RD		Association of Public and Land-Grant Universities (APLU)	ICA 02/20/17, ICA 02/20/17	ASA	58,505	
84.RD		AZ Department of Education	17-23-ED	NAA	4,350	
84.RD		Blackwater Community School	AGR 11/1/19; AGR 12/10/20; FP00017162, AGR 11/1/19; AGR 12/10/20; FP00017162	ASA	94,884	
84.RD		Center for Applied Special Technology	AZ080115-20	ASA	6,886	
84.RD		Florida International University	800011810-01UG/000326, 800011810-01UG/000326	ASA	181,898	
84.RD		Georgia State University	SP00012139-01	ASA	14,298	
84.RD		Gila River Indian Community	C6102; C6347; C6561, C6102; C6347; C6561	ASA	25,264	
84.RD		Oregon Research Institute	AGR 04/09/20	ASA	77,688	
84.RD		Phoenix Indian Center	AGR 12/10/19, AGR 12/10/19	ASA	50,229	
84.RD		Rutgers University	1729 ; PO 1422029	ASA	7,856	
84.RD		Salus University	UA 88405 20-21	UAA	19,551	
84.RD		Texas A&M University (TAMU)	M1803132	ASA	30,402	
84.RD		Texas State University	20029-83489-1, 18018-83055-1, 18018-83055-1	ASA	118,318	
84.RD		University of California: Irvine (UCI)	2017-3496, PO223329, 2019-3726, 2017-3472	ASA	269,292	
84.RD		University of California: Los Angeles (UCLA)	0875 G YA571	ASA	16,538	
84.RD		University of Florida	SUB00001886	ASA	56,762	
84.RD		University of Florida: Board of Trustees	SUB00001905, SUB00001905	ASA	127,442	
84.RD		University of Hawaii	MA1479	NAA	3,999	
84.RD		University of Kansas (KU)	FY2019-103, FY2019-107	ASA	135,751	
84.RD		University of South Florida	5830-1540-00-A	NAA	148,883	
84.RD		University of Tennessee	A18-0099-S001	ASA	62,958	
	Department of Education Subtotal				<u>12,301,390</u>	<u>1,273,345</u>
	<b>Smithsonian Institution</b>					
85.RD	Smithsonian: National Museum of Natural History			ASA	48,731	



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85.RD	Stewart L. Udall and Morris K. Udall Foundation			UAA	15,129	
	Smithsonian Institution Subtotal				63,860	
<b>National Archives and Records Administration</b>						
89.RD	U.S Senate			ASA	718,026	
	National Archives and Records Administration				718,026	
<b>United States Institute of Peace</b>						
91.RD	United States Institute of Peace			UAA	13,239	
	United States Institute of Peace Subtotal				13,239	
<b>Department of Health and Human Services</b>						
93.RD	Administration for Children and Families			ASA	48,671	
93.RD	Administration for Children and Families			UAA	29,576	15,371
93.RD	Administration for Community Living			ASA	198,238	
93.RD	Administration for Community Living			NAA	50,355	
93.RD	Administration for Community Living			UAA	608,132	10,000
93.RD	Agency for Healthcare Research and Quality			UAA	250	
93.RD	Centers for Disease Control and Prevention			ASA	13,493	13,493
93.RD	Centers for Disease Control and Prevention			UAA	9,050,133	422,674
93.RD	Centers for Disease Control and Prevention - ERA			ASA	14,677	
93.RD	COVID-19 - National Institutes of Health			ASA	1,016,455	
93.RD	COVID-19 - Health Resources and Services Administration			UAA	65,509	
93.RD	COVID-19 - National Cancer Institute			UAA	82,486	29,685
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	3,175,991	843,777
93.RD	Food and Drug Administration			ASA	135,412	130,266
93.RD	Health Resources and Services Administration			ASA	669,045	
93.RD	Health Resources and Services Administration			UAA	1,195,403	247,081
93.RD	HHS-NIH: National Cancer Institute (NCI)			ASA	3,661,242	1,316,138
93.RD	HHS-NIH: National Center on Minority Health and Health Disparities (NIMHD)			ASA	2,803,354	137,229
93.RD	HHS-NIH: National Institute of General Medical Sciences (NIGMS)			ASA	4,352,908	389,526
93.RD	John E. Fogarty International Center			UAA	72,328	30,441
93.RD	Los Alamos National Laboratory			ASA	10,732	
93.RD	National Cancer Institute			NAA	1,348,091	
93.RD	National Cancer Institute			UAA	18,762,566	2,044,522
93.RD	National Center for Advancing Translational Sciences			UAA	69,441	
93.RD	National Center for Complementary and Integrative Health			UAA	1,222,448	308,417
93.RD	National Eye Institute			UAA	1,996,917	47,433
93.RD	National Heart, Lung, and Blood Institute			UAA	25,207,426	5,545,236
93.RD	National Institute for Occupational Safety and Health			UAA	258,165	
93.RD	National Institute of Allergy and Infectious Disease			UAA	11,510,254	1,404,750
93.RD	COVID-19 - National Institute of Allergy and Infectious Disease			UAA	571,977	
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	1,859,911	178,005
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	1,186,690	45,715
93.RD	National Institute of Dental and Craniofacial Research			UAA	1,201,954	
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	5,047,668	55,267
93.RD	National Institute of Environmental Health Sciences			UAA	9,880,426	625,210
93.RD	National Institute of General Medical Sciences			UAA	11,135,345	288,616
93.RD	National Institutes of Health			ASA	35,409,178	8,300,399
93.RD	National Institutes of Health			NAA	7,322,138	756,035
93.RD	National Institute of Mental Health			UAA	1,970,400	136,991
93.RD	National Institute of Neurological Disorders and Stroke			UAA	8,553,909	942,532
93.RD	National Institute of Nursing Research			UAA	1,004,135	184,615
93.RD	National Institute on Aging			UAA	20,609,099	6,505,151
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	306,059	171,804
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	1,465,936	
93.RD	National Institute on Drug Abuse			UAA	3,417,151	521,821
93.RD	National Institute on Minority Health and Health Disparities			UAA	1,765,922	209,781
93.RD	National Institutes of Health			UAA	10,379,313	1,142,098
93.RD	National Library of Medicine			UAA	46,914	23,788
93.RD	Office of the Assistant Secretary for Health			ASA	45,114	
93.RD	Substance Abuse and Mental Health Services Adminis			ASA	79,863	
93.RD	United States Department of Health and Human Services			NAA	1,123	
93.RD	United States Department of Health and Human Services			UAA	439,459	
93.RD		3C Institute	20ASU3174-1	ASA	42,465	
93.RD		A.T. Still University	301-290	ASA	12,445	
93.RD		Abt Associates, Inc.	52191	ASA	100,266	
93.RD		Abt Associates	51365	UAA	1,055,115	257,442
93.RD		Accelerate Diagnostics Incorporated	07CARB-X1068	UAA	8,693	
93.RD		Advanced Medical Electronics Corp.	AME19-AnimalHeadstage-06	UAA	56,872	
93.RD		Albany Medical College	207-465316-HB1	UAA	14,619	
93.RD		Albert Einstein College of Medicine	332117, 332776	UAA	182,780	
93.RD		COVID-19 - Albert Einstein College of Medicine	332687, 332697, 332736	UAA	36,731	
93.RD		Alaska Community Action on Toxics	2R01-06-NAU	NAA	141,460	
93.RD		Amity Foundation	LTR DTD 022219	UAA	94,791	
93.RD		Aneuvus Technologies LLC	19.0664	NAA	183,583	
93.RD		Aqualung Therapeutics, Corp.	1R41HD101202-01A1, 1R41HL147769-01, LTR DTD 080320, R42HL145930	UAA	237,556	
93.RD		Arizona Complete Health	LTR DTD 061419	UAA	77,242	
93.RD		Arizona Department of Health Services	ADHS18-187412, CTR044785, ADHS17-163360, ADHS18- 187412, CTR053417 / PO0000364518, ADHS18-187412	ASA	181,666	

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93.RD		Arizona Department of Health Services	ADHS16-122850, ADHS16-130922, ADHS17-164629, ADHS18-185671, CTR038429/ADHS18-201484	UAA	467,083	
93.RD		Arizona Developmental Disabilities Planning Council (ADDPC)	ISA-ADDPC-0701-02-2020, ISA-ADDPC-0701-02-2020	ASA	97,738	
93.RD		Arizona Health Care Cost Containment System (AHCCCS)	YH21-0038, YH19-0064, YH19-0064, YH21-0038, YH21-0016, YH20-0020	ASA	821,379	
93.RD		Arizona Health Care Cost Containment System	YH19-0068, YH21-0042	UAA	647,219	
93.RD		Arizona Office of the Governor: Office of Youth, Faith and Family (GOYFF)	ISA-PAF-19-070118-01, ISA-PAF-19-070118-01, ISA-PAF-19-070118-01	ASA	19,912	5,280
93.RD		AZ-Maricopa County: Department of Public Health	C-86-21-097-X-00, C-86-16-013-3	ASA	115,167	
93.RD		Arizona State University	ASUB11	NAA	72,057	
93.RD		Arizona State University	17-061, ASUB00000118, ASUB00000243 / SUB00000679, ASUB00000314, ASUB00000613, ASUB00000720, LMS043506115101	UAA	422,305	
93.RD		Association for Prevention Teaching and Research	20-04-TH01	UAA	3,715	
93.RD		Banner Health System	LMS 0435-06-115101, LMS04350271557, SUB-37/2P30AG019610-17	UAA	363,181	
93.RD		Barron Associates Inc.	560-SC01	ASA	23,501	
93.RD		Baylor College of Medicine	PO 7000001015	ASA	277,346	
93.RD		Beckman Research Institute of The City of Hope	60723.2006384.669303, 61998.2006995.669308	UAA	108,040	
93.RD		Biomedical Research Institute of New Mexico	358-Uhl-2019	UAA	292,300	
93.RD		BioMOTUM	20-0484	NAA	87,211	
93.RD		Biosensing Instrument, Inc.	BIG126720, FP00001155	ASA	515,032	
93.RD		Black Hills Center for American Indian	N/A	NAA	73,349	
93.RD		Boston Children's Hospital	GENFD0001524164, GENFD0001665387 (Core), GENFD0001688943	UAA	187,222	28,754
93.RD		Brigham and Women's Hospital	114117, 122869, 123915	UAA	151,967	
93.RD		Brown University	1678, 1681, 1712	UAA	147,972	
93.RD		Butler Hospital	5001491-ABRANTES (9256-8303), 5001491-ABRANTES (9256-8303), 5001461-ABRANTES (9275-8303)	ASA	10,645	
93.RD		Calm	SPA 3886 FP 26261	ASA	36,366	
93.RD		Campeños Sin Fronteras	TP1AH000236	UAA	48,384	
93.RD		Case Western Reserve University	RES514938	ASA	36,981	
93.RD		Case Western Reserve University	RESS15877	NAA	37,682	
93.RD		Case Western Reserve University	RES515519	UAA	71,022	
93.RD		Chapman University	2018-ASU-AG054442, 2018-ASU-AG054442	ASA	250,693	
93.RD		ChildHelp	CHSC-H-001	ASA	139,487	
93.RD		Children's Hospital Los Angeles	RGF010339-A, RGF010339-A, 000012699-A, 000013013-A	ASA	181,293	
93.RD		Children's Hospital Los Angeles	P2015-0084, RGF011590-A	UAA	196,362	
93.RD		City University of New York (CUNY)	CM00004260-00	ASA	9,670	
93.RD		Cleveland Clinic	1446-SUB	UAA	20,934	
93.RD		Cleveland Clinic Foundation	1078-SUB, CCF21142450/4U01HL125177-06	UAA	214,164	
93.RD		Collaborations Pharmaceuticals Inc	nn	UAA	40,199	
93.RD		Collaborative Ventures Network	LTR DTD 042817	UAA	66,017	
93.RD		Colorado State University	G4506301, G-45248-01/236498	UAA	209,593	
93.RD		Columbia University	3(GG014239-01) ; PO G13015, GG007541	ASA	106,319	
93.RD		Columbia University	1(GG012754-25), 1(GG013391-01), 6GG01339101, GG011896-63	UAA	190,150	
93.RD		COPD Foundation	001/Amend4	UAA	5,107	
93.RD		Cornell: Weill Medical College	212095-05 / 220225-5	ASA	13,734	
93.RD		Creare LLC	S682 ; PO 104374, S682 ; PO 104374	ASA	147,633	58,402
93.RD		Dartmouth College	R1067, R1078	ASA	92,129	
93.RD		Dartmouth-Hitchcock Clinic	GC10075-00-11	UAA	17,289	
93.RD		Dignity Health-St. Joseph's Hospital: Barrow Neurological Institute (BNI)	1032238-ASU, 33457ASU	ASA	70,156	
93.RD		Dine College	1819-7-512	NAA	337,390	
93.RD		Drexel University	900039	UAA	20,563	
93.RD		Duke University	333-2628, A032380, A030744, A033649	ASA	283,499	
93.RD		Duke University	2037894, 243950, A030458, A030571, A030929, A032429	UAA	833,697	
93.RD		Education Development Center (EDC)	12555	ASA	46,318	
93.RD		EI Rio Community Health Center	1H79M0807320901UASIR0W	UAA	92,091	
93.RD		Electrosonix LC	UA-NIH-01202019, UA-NIH-09212020	UAA	29,817	
93.RD		Emory University	A307952, A314236	ASA	133,083	
93.RD		Emory University	A229587, A438973, A464669	UAA	470,686	
93.RD		FAKnostics, LLC	R41CA240124	UAA	42,157	
93.RD		Florida International University	800009596-01UG ; 800009596/000131, 800009094-01UG/000174, 800010310-01UG	ASA	120,962	

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93.RD		Fred Hutchinson Cancer Research	0000918101 // 0000966759 // 0000991517, 0000918101 // 0000966759 // 0000991517, 0000918101 // 0000966759 // 0000991517, 0000984060, 0001027346	ASA	205,681	
93.RD		COVID-19 - Fred Hutchinson Cancer Research Center	1060389, 1062465	UAA	83,554	
93.RD		Georgia Institute of Technology	AWD-000033-G1	UAA	12,544	
93.RD		George Washington University	17-M101	ASA	74,856	
93.RD		George Washington University	16-M42	NAA	32,553	
93.RD		Georgetown University	413827_GR413644-ASU, 413827_GR413644-ASU, 413827_GR413644-ASU	ASA	138,641	
93.RD		Georgia Institute of Technology (Georgia Tech)	RH335-G3/AWD-101109-G3, AWD-101271	ASA	15,704	
93.RD		Georgia State University	SP00013895-02, SP00013895-02	ASA	10,578	
93.RD		Gila River Health Care Corporation	FP00024707	ASA	42,811	
93.RD		Gila River Indian Community	FP00017143 / FP00017143_Rev1	ASA	72,945	
93.RD		Glycosurf	LTR DTD 081120	UAA	106,735	
93.RD		Harvard University	113146-5111854, 113146-5111854	ASA	84,158	
93.RD		Health Research, Incorporated	6569-01, 6579-01	UAA	428,183	
93.RD		Hospital for Sick Children (Canada)	6610100200	UAA	90,997	
93.RD		Icahn School of Medicine at Mount Sinai	0255-4523-4609	ASA	86,746	
93.RD		INanoBio, Inc.	2020-NIH-ASU-001	ASA	18,942	
93.RD		Indiana University	8081_AZ, 8549-UA, 8550-UA, IN4684790UA, IN4686318UA	UAA	366,516	
93.RD		Inter Tribal Council of Arizona, Incorporated	LTR DTD 011819	UAA	373,793	
93.RD		Jaeb Center for Health Research	LTR DTD 073120, U10EY11751	UAA	164,558	
93.RD		Johns Hopkins University	2002901275, 2003252048, 2004428901, 2004843694	UAA	109,960	
93.RD		Joslin Diabetes Center	100114	UAA	7,751	
93.RD		Kent State University	403029-ASU	ASA	85,518	
93.RD		Kent State University	403040-UAZ	UAA	84,601	
93.RD		Leidos	16X118, P010235059, 21X089, 16X118TO2, 21X089, 21X089	ASA	2,750,109	174,092
93.RD		Leidos Biomedical Research Incorporated	18X136	UAA	129,516	
93.RD		Massachusetts General Hospital	229585	ASA	111,201	
93.RD		Massachusetts General Hospital	233737	UAA	84,272	
93.RD		Materials Development, Inc. (MDI)	MDI-ASU-820-01	ASA	5,252	
93.RD		Mayo Clinic Arizona	ARI-259345, ARI-234122, PO 66175625, ARI-259345, ARI-277352, ASU-231792, ASU-231792, ARI-216105/PO 64785804	ASA	221,486	
93.RD		Mayo Clinic Rochester	ARI-206945, ARI-206945	ASA	46,793	
93.RD		Mayo Foundation for Medical Education and Research (Mayo Clinic)	66724119/BAN-232483, BAN-224063-01, UNA-224063, UNI-189099/PO #67717661, UNI257790, UNI-259090/PO #67515042	UAA	226,537	
93.RD		Medical College of Wisconsin	R01AI083281	UAA	51,245	
93.RD		Michigan State University	RC110679UAZ	UAA	46,364	
93.RD		Microbiotix Inc.	R43AI149822	UAA	12,935	
93.RD		Midwestern University	31-1153-7116-5692B	UAA	26,277	
93.RD		Monell Chemical Senses Center	NIH072	ASA	14,420	
93.RD		Montana State University	G190-19-W7658	NAA	6,951	
93.RD		MS Technologies Corporation	301.0003.04	ASA	36,297	
93.RD		National Jewish Health	20112504	UAA	580,502	
93.RD		National Surgical Adjuvant Breast and Bowel Project	NCORP-Bauman-GY6	UAA	48,151	
93.RD		Native American Connections Administration	FP00015617, FP00015617	ASA	74,209	
93.RD		New England Research Institutes	A032731, BEST-CLI	UAA	2,939	
93.RD		New York University (NYU)	19-A0-00-1002081, 19-A0-00-1002081, 18-A1-00-007561, 19-A0-00-1002081, 19-A0-00-1002081	ASA	199,334	
93.RD		New York University	PO M200357922	NAA	18,107	
93.RD		North Country Healthcare	N/A	NAA	43,742	
93.RD		Northern Arizona University	1003703-01	UAA	35,152	
93.RD		Northwestern University	60053528 UA, 60054712 UA, 60054957 AZ	UAA	288,343	
93.RD		NRG Oncology	CA21661, NCORP-GOG0225-GY6	UAA	44,319	
93.RD		Nushores Biosciences, LLC	AGR 10/15/20	ASA	97,345	
93.RD		Ohio State University	60067960 ; GR111718 ; PO SPC-1000003764	ASA	63,316	
93.RD		Ohio State University	60059059, 60073534, 60076682, 60077265, 60078543/GR120723	UAA	49,086	
93.RD		Omniscient LLC	2R42CA203212-UA01	UAA	193,501	
93.RD		Oregon Health and Science University	1008329_UAZ, 1008719_UAZ, 1013080_SWOG_Arizona, 1013209_UAZ, CA-32102	UAA	543,569	
93.RD		Oregon Research Behavioral Intervention Strategies	LTR DTD 080318	UAA	40,753	
93.RD		Pennsylvania State University	5473-ASU-DHHS-0659, 5473-ASU-DHHS-0659, 5473-ASU-DHHS-0659	ASA	25,600	8,219
93.RD		Peptide Logic, LLC	R44DA045410	UAA	66,330	
93.RD		Pima Council on Aging	LTR DTD 012121	UAA	22,652	
93.RD		Pima County Attorney Office	CT-PCA-19-515	UAA	76,312	
93.RD		Pima County Health Department	CT-HD-21-213/2020-100313	UAA	38,895	
93.RD		Pima County, Arizona	CTCA19331	UAA	101,790	

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93.RD		PlakDx, LLC	R41HL147807	UAA	22,842	
93.RD		Presbyterian College	PC2021-21/01	UAA	28,087	
93.RD		ProNeurogen Incorporated	1R43AG063674-01A1	UAA	56,574	
93.RD		Purdue University	11000520-005	UAA	252	
93.RD		Radiation Monitoring Devices, Incorporated	RMD C20-12	UAA	64,192	
93.RD		RaeSedo, LLC	R41HL152942	UAA	86,550	
93.RD		RAND Corporation	9920150101, SCON-00000384	ASA	17,976	
93.RD		Regulonix	R41DA050364, R41NS116784	UAA	205,489	
93.RD		Research Technologies, Incorporated	12-312-0217571-66103L	UAA	468,925	242,357
93.RD		Rhode Island Hospital	7137472WP	UAA	56,701	
93.RD		Rice University	R23471	ASA	79,155	
93.RD		Rush University Medical Center	16020501-Sub09	UAA	12,137	
93.RD		Rutgers, The State University of New Jersey	1052	UAA	157,215	
93.RD		Rutgers University	1188 PO 1219566; 1648 PO 1386337, 0748 ; 0235, 1188 PO 1219566; 1648 PO 1386337	ASA	244,998	
93.RD		Rutgers University: New Brunswick	1695	ASA	150,033	
93.RD		Sage Bionetworks	Agora2019AZ, AMPT2018UAZ	UAA	122,995	
93.RD		Saint Joseph's Hospital and Medical Center	UofA33188	UAA	14,603	
93.RD		Seattle Children's Research Institute	At-Risk	ASA	59,336	
93.RD		Sonoran Biosciences	00002485, FP00006538	ASA	1,668	
93.RD		Southern Research Institute	S15-110, S16-111, S19-112	UAA	64,358	
93.RD		Southwest Behavioral and Health Services	1306, 1306	ASA	283,675	
93.RD		St. Louis University	20823-43590, eRS #22373-44896	UAA	42,859	
93.RD		Stanford University	61123652-118332, 61892366-125439, 62346241-131009	UAA	103,621	
93.RD		State University of New York	88088/2/1161250	UAA	172,344	
93.RD		State University of New York: Downstate Medical Center	100-1160744-87896	ASA	8,015	
93.RD		State University of New York Research Foundation	3-88226, 87180/3/1159217	UAA	134,831	
93.RD		STG International, Inc. (STGI)	2515-001-840716	ASA	34,209	
93.RD		Sylvatica Biotech, Inc.	LTR DTD 030618	UAA	3,644	
93.RD		Synergyan	2020-08-03	ASA	22,147	
93.RD		Tango Biosciences Inc.	NIH 1R41GM134782-01	ASA	4,690	
93.RD		Tempe Police Department	AGR 12/12/2019	ASA	117,167	37,520
93.RD		Temple University	257537ASU	ASA	924	
93.RD		Temple University	261331-Arizona	UAA	17,256	
93.RD		Terros, Inc.	LTR DTD 072920, LTR DTD 112420	UAA	54,203	
93.RD		Texas Technology University	21F016-01	ASA	156	
93.RD		TF Health Corporation	FP00013132	ASA	69,490	
93.RD		TGEN	DOE-05-02, NIH-05-01	NAA	234,644	
93.RD		The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2014HRSA-AZHSC	UAA	56,226	
93.RD		The EMMES Company	AMC-A1	UAA	630,307	
93.RD		The Mind Research Network	6010509 SubN4	UAA	16,009	
93.RD		TPT - Twin Cities PBS	21390-3200	UAA	2,207	
93.RD		Translational Genomics Research Institute	DOE-05-01	UAA	4,577	
93.RD		Tulane University	TUL-HSC-557270-19/20, TUL-HSC-557643-19/20, TUL-HSC-558817-20/21	UAA	105,615	
93.RD		COVID-19 - Tulane University	TUL-HSC-558360-20/21	UAA	7,089	
93.RD		University of Alabama at Birmingham	000527988-002	UAA	5,098	
93.RD		University of Arizona	R01AG067926, PO 294145, PO 522243, 518121, 574150, 518121, PO 522243, 518121, PO 582113, 580309	ASA	700,552	
93.RD		University of Arizona	583325	NAA	52,681	
93.RD		University of Arizona	409278, 581690, PO 582116	NAA	155,365	16,214
93.RD		University of Arizona	289030	NAA	67,622	
93.RD		University of California, Berkeley	10168, 10273	UAA	98,579	41,920
93.RD		University of California: Davis	A18-0145-S001, A16-0127-S002, A18-1798-S003, A18-1798-S003, A16-0127-S002, A19-0461-S001	ASA	121,210	
93.RD		University of California Davis	A18-0612-S009, A18-0612-S012	NAA	36,077	
93.RD		University of California, Davis	A21-1267-S002	UAA	37,948	
93.RD		University of California: Irvine (UCI)	2018-3562, 2015-3292, 2015-3292	ASA	49,964	
93.RD		University of California, Irvine	2017-3460, 2017-3493, 2018-3639, 2019-3815/AG064228	UAA	326,217	
93.RD		University of California: Los Angeles (UCLA)	2105 G YA 194, 2105 G YA 194, 2015 G TA231, 2015 G TA231, 5415 G YA048, 2105 G YA 194, 2015 G TA231, 2000 G VC638, 2000 G VC638, 2105 G YA322, 2015 G TA231	ASA	622,837	
93.RD		University of California, Los Angeles	1440 G YA354, 1560 G YC175, 1568 G TA550, 1644GVA174, 1900 G XA389, 5415 G UA003, 5415 G YA097	UAA	345,874	2,045
93.RD		University of California Riveside	S-001165	NAA	8,698	
93.RD		University of California: San Diego	131286579, 118304560, 120991641, 704107, 131227748	ASA	152,897	
93.RD		University of California, San Diego	126903415/S9002535	UAA	60,067	
93.RD		University of California: San Francisco	9193sc	ASA	3,883	
93.RD		University of California, San Francisco	10278sc, 10474sc, 11515sc, 11692sc, 12506sc	UAA	92,195	
93.RD		University of California: Santa Cruz	A20-0145-S003	ASA	10,408	

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93.RD		University of Cincinnati	009620-029	UAA	43,672	
93.RD		University of Colorado	2-5-A5331/FY17.869.001, FY17.583.001	UAA	60,485	
93.RD		University of Colorado: Boulder	1558182	ASA	20,542	
93.RD		University of Colorado, Boulder	1554230/1000702738, 1557575	UAA	56,932	
93.RD		University of Colorado: Denver	FY20.369.013, FY20.291.001	ASA	284,083	
93.RD		University of Colorado Denver Anschutz Medical	FY21.347.003	UAA	13,483	
93.RD		University of Connecticut	349387	NAA	22,399	
93.RD		University of Florida	SUB00001847	ASA	27,092	
93.RD		University of Florida	SUB00002533	NAA	42,713	
93.RD		University of Florida	SUB00001818, SUB00001979, SUB00002053, UFDSP00011482, UFDSP00011920/P0053665	UAA	354,376	
93.RD		University of Haifa (Israel)	0601146321	UAA	22,648	
93.RD		University of Illinois	17770-00	UAA	94,542	
93.RD		University of Illinois at Chicago	18100, 18219, 18239	UAA	171,102	
93.RD		University of Kansas: Medical Center Research Institute (KUMCRI)	ZAB00070	ASA	252,735	
93.RD		University of Massachusetts	B000820719, B000820719	ASA	15,015	
93.RD		University of Massachusetts	OSP2017011	UAA	107,748	
93.RD		University of Massachusetts Amherst	18010058A00	UAA	29,433	
93.RD		University of Massachusetts Medical School	OSP2017022/WA00461501, OSP29546-05	UAA	788,531	
93.RD		University of Miami	G02924, SPC-001247, SPC-001413, SPC-001677/OS00000403	UAA	77,945	
93.RD		University of Michigan	3004052125	ASA	179,080	
93.RD		University of Michigan	5000002949/3002111999-SHN, SUBK00008157, SUBK00010518, SUBK00011233, SUBK00013896, SUBK00015084	UAA	41,664	
93.RD		University of Minnesota	N006264806	ASA	35,226	
93.RD		University of Minnesota	N008293801	UAA	57,236	
93.RD		University of Nebraska	34-5507-2039-003	UAA	10,695	
93.RD		University of Nebraska Medical Center	34-5224-2009-001	UAA	53,900	
93.RD		University of New Mexico	3RGJ7	ASA	194,985	
93.RD		University of New Mexico	3RJH8, P30 CA118100	UAA	42,740	
93.RD		University of North Carolina: Chapel Hill	5113752	ASA	31,463	
93.RD		University of North Carolina at Chapel Hill	5114474-H3AZTUCSON/5U24HL13	UAA	36,282	
93.RD		University of North Texas	GF000041	UAA	33,335	
93.RD		University of Pennsylvania	578006 ; PO 4585999 ; PO 4681608	ASA	22,032	
93.RD		University of Pennsylvania	573999, 575501, 576656, 580697	UAA	206,252	
93.RD		COVID-19 - University of Pennsylvania	581331	UAA	34,721	
93.RD		University of Pennsylvania: School of Medicine	577042	ASA	14,686	
93.RD		University of Pittsburgh	0039039 (124354-1), AWD00001304 (133688-3), 0039039 (124354-1), AWD00002530 134748-1, AWD00001304 (133688-3)	ASA	48,720	6,079
93.RD		University of Pittsburgh	AWD00001719 (134088-1), CNVA00046691 (133106-31), CNVA00061907 (131917-1)	UAA	100,368	
93.RD		University of Puerto Rico	2017-000356, 2017-000356	ASA	31,757	
93.RD		University of Puerto Rico: School of Medicine	2021-000826	ASA	65,958	
93.RD		University of Rochester	417829G / UR FAO GR511102	ASA	3,104	
93.RD		University of South Florida	5830-1514-00-A	NAA	46,661	
93.RD		University of Southern California	124498256, 121116987, 109745588, 109745588, 109745588, 87455540	ASA	255,349	
93.RD		University of Southern California	135257191	UAA	27,963	
93.RD		University of Tennessee	21-4797-AZ	UAA	8,756	
93.RD		University of Texas	20-84917-01	UAA	77,090	
93.RD		University of Texas at Austin	UTA19-001245/1R21MD012706-0	UAA	10,168	
93.RD		University of Texas at Dallas	1705264, 2008169	UAA	467,869	
93.RD		University of Texas: El Paso	226141289K ; 226141328K ; 226141349K, 226141289K ; 226141328K ; 226141349K, 226141271B, 226141271B	ASA	6,340	
93.RD		University of Texas at El Paso	226141349L	UAA	6,681	
93.RD		University of Texas: MD Anderson Cancer Center	3001141227, HHSN26120120000341	UAA	47,604	
93.RD		University of Texas: Southwestern Medical Center	GMO 191207	ASA	1,190	
93.RD		University of Texas Medical Branch	19-84726-10	NAA	16,440	
93.RD		University of Utah	1005130601, 10055388-03/U000258756, 10055399-02, 10058621-01, 10060517-01	UAA	288,977	
93.RD		University of Vermont	30893SUB53290-01, 31331SUB0002	UAA	477,784	
93.RD		University of Virginia	GB10275, GB10462, 2180539	ASA	140,600	
93.RD		University of Virginia	GB10310.PO#2127210, GB10404.PO#2127242, GB10542.PO#2127243, GB10946.PO#2341010	UAA	24,080	

State of Arizona  
Schedule of expenditures of federal awards  
Year ended June 30, 2021

Assistance Listing/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		University of Washington	UWSC11962, UWSC9288, UWSC11924, UWSC11621, UWSC12304, UWSC10944 ; PO BPO36543, UWSC11490 ; PO BPO52333 ; PO BPO43842, UWSC12392, UWSC11962, UWSC11490 ; PO BPO52333 ; PO BPO43842, UWSC12278 ; BPO51765 ; BPO51763	ASA	754,492	
93.RD		University of Washington	UWSC12440, UWSC12558/54423, UWSC15213850716, UWSC8146/5R01HD080670-02/ B 809K126	UAA	261,346	
93.RD		University of Wisconsin: Madison	911, 1027	ASA	8,498	
93.RD		University of Wisconsin-Madison	1R21DC016084-01, 1R21DC016084-01	UAA	245,379	
93.RD		Utah State University	VUMC82583	ASA	14,523	
93.RD		Vanderbilt University Medical Center	FP00009907_SA001	UAA	23,032	
93.RD		Virginia Commonwealth University	432143-19007	ASA	116,471	
93.RD		Virginia Polytechnic Institute and State University	WU-20-113	ASA	47,195	
93.RD		Washington University in St. Louis	127105-G003752, 134082-G004023	UAA	45,332	
93.RD		Washington State University	WU-19-380, WU-21-331/2940912K	ASA	989,498	
93.RD		Washington University in St. Louis	WSU19124-A2, WSU21089	UAA	14,983	
93.RD		Wayne State University	671112-1	UAA	43,976	
93.RD		Wright State University	GR110793 (CON-80002560), R01HL125918	ASA	44,953	
93.RD		Yale University	2020100036	UAA	4,813	
93.RD		Zero To Three		ASA	70,151	
	Department of Health and Human Services Subtotal				<u>247,699,598</u>	<u>33,902,191</u>
	<b>Corporation for National and Community Service</b>					
94.RD		AmeriCorps		ASA	1,689,373	918,692
	Corporation for National and Community Service Subtotal				<u>1,689,373</u>	<u>918,692</u>
	<b>Social Security Administration</b>					
	<b>Department of Homeland Security</b>					
97.RD		Covid-19 - Department of Homeland Security		ASA	86,922	72,672
97.RD		Department of Homeland Security		ASA	3,738,448	1,574,133
97.RD		Department of Homeland Security		NAA	202,563	
97.RD		Department of Homeland Security - FEMA		ASA	62,943	
97.RD		Federal Emergency Management Agency		UAA	404,741	117,862
97.RD		Arizona Department of Homeland Security	17-AXDOHS-HSFGP-17060	NAA	40,000	
97.RD		Arizona Division of Emergency Management	518311, PDMCPL09AZ2018010	UAA	78,475	18,618
97.RD		Credence Management Solutions, LLC	101213-OASISUNRDHSSIL-ASU-01	ASA	183,981	
97.RD		Duke University	343-0849	UAA	344,176	
97.RD		Oregon Health and Science University	1015536_UAZ	UAA	29,924	
97.RD		University of Maryland: College Park	80818-Z9390201, 80818-Z9390201	ASA	28,970	6,240
97.RD		University of Miami	OS00000330	UAA	34,111	3,897
	Department of Homeland Security Subtotal				<u>5,235,254</u>	<u>1,793,422</u>
	<b>Agency for International Development</b>					
98.RD		Agency for International Development		ASA	2,072,252	638,811
98.RD		United States Agency for International Development		UAA	773,748	
98.RD		Chemonics International Inc.	ASU-PSM-SSD-001, VukaNow-ASU-01	ASA	19,396	
98.RD		National Academy of Sciences (NAS)	2000010567, 2000010567	ASA	37,144	16,446
98.RD		University of California, Davis	A201825S016	UAA	28,124	
	Agency for International Development Subtotal				<u>2,930,664</u>	<u>655,257</u>
	<b>Miscellaneous Federal Agencies</b>					
99.RD		Covid-19 - Miscellaneous Federal Government Agencies		ASA	14,685	
99.RD		Miscellaneous Federal Government Agencies		ASA	607,012	
	Miscellaneous Federal Agencies Subtotal				<u>621,697</u>	
	Total Research and Development Cluster				<u>664,272,708</u>	<u>106,164,165</u>
	<b>Total Expenditures of Federal Awards</b>				<u>\$32,909,433,823</u>	<u>\$ 2,749,721,341</u>

# State of Arizona

## Notes to the Schedule of Expenditures and Federal Awards

### Year Ended June 30, 2021

#### Note 1 - Significant accounting policies

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

Reporting Entity—The schedule includes all federal awards activity administered by the State of Arizona and its component units, except for the ASU Preparatory Academy, Inc.

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and business-type activities; governmental and proprietary funds; and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2021; 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.

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

Indirect Costs—State agencies negotiate and manage their own indirect cost rates. State of Arizona agencies that use the 10 percent de minimis cost rate are; the Arizona Cotton Research and Protection Council, Arizona Criminal Justice Commission, Commission for Postsecondary Education, and the Arizona Department of Veteran's Services.

#### Note 2 - Assistance Listings Number (formerly CFDA)/Identifying Number

The program titles and Assistance Listings numbers were obtained from the federal or pass-through grantor or the website *SAM.GOV*. If the published compliance supplement indicates an updated



**State of Arizona**  
**Notes to the Schedule of Expenditures and Federal Awards**  
**Year Ended June 30, 2021**

assistance listing title it may be used. When an Assistance Listings number was unknown, the first two digits applicable to the federal agency, if known, were used; followed by the federal contract number. If the federal contract number was also unknown, the identifying number was composed of the first two digits applicable to the federal agency followed by the word “unknown”. For programs within the Research and Development Cluster, the first two digits applicable to the federal agency followed by the letters “RD” were used.

**Note 3 - Research and Development Cluster**

As provided by Uniform Guidance and any published Compliance Supplements, the research and development cluster of programs is summarized by federal agency subdivision or pass-through entity.

**Note 4 - Loan Programs**

Student Loan Programs

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

Loan Program	Assistance Listing Number	Loan Balances Outstanding at June 30, 2021
Education and Human Resources	47.076	\$ 633,343
ARRA—Trans-NSF Recovery Act Research Support	47.082	99,936
Federal Perkins Loan Program—Federal Capital Contributions	84.038	10,041,194
Nursing Faculty Loan Program (NFLP)	93.264	6,907,031
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	11,118,456
Nursing Student Loans	93.364	412,674

Coronavirus Relief Fund Loans

The Governor’s Office administered loans from the Coronavirus Relief Fund as allowed by the program's requirements for FEMA COVID-19 programs to state and local entities with the purpose of expediting relief to the community. The balances of loans outstanding at year-end are shown below:

COVID-19 - Coronavirus Relief Fund	21.019	\$78,303,807
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**Note 5 - Unemployment Insurance (Assistance Listings Number 17.225)**

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

**State of Arizona**  
**Notes to the Schedule of Expenditures and Federal Awards**  
**Year Ended June 30, 2021**

considered federal awards for determining Type A programs, and were included in the Schedule of Expenditures of Federal Awards.

The amount presented in the schedule consists of the following:

Regular unemployment compensation benefits	\$ 928,795,273
COVID-19 –Unemployment compensation benefits	6,534,473,071
Federal Additional Compensation (FAC) Recoupment	33,958,154
Unemployment compensation for federal employees	3,914,369
Unemployment compensation for ex-service members	2,358,133
Administrative costs	54,172,025
COVID-19 – Administrative Costs	<u>90,007,499</u>
Total expenditures	<u>\$7,647,678,524</u>

**Note 6 - Contingent Liabilities**

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

**Note 7 - Donation Personal Protective Equipment (PPE)**

In response to the COVID-19 pandemic, the federal government donated PPE with an estimated fair market value of \$70,376,603 to the State of Arizona. Per the 2021 Compliance Supplement, this amount is not included in the Schedule of Expenditures of Federal Awards and is not subject to audit. Therefore, this amount is unaudited.

## Appendix

**State of Arizona**  
**State of Arizona agency codes**  
**Year Ended June 30, 2021**

**Agency Code**

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

**Agency**

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

# STATE RESPONSE



Douglas A. Ducey  
Governor

Andy Tobin  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

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

November 28, 2022

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

Dear Ms. Perry:

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

Sincerely,

A handwritten signature in cursive script that reads "Ashley Ruiz".

Ashley Ruiz  
Assistant Director

cc: Nicole Bartlett  
Amanda Compton

State of Arizona  
Corrective action plan  
Year ended June 30, 2021

**Financial statement findings**  
**2021-01**

Department of Economic Security did not put all critical identity verification or other anti-fraud measures in place before paying federal CARES Act unemployment insurance benefits and reported it paid over \$4.3 billion, or 37 percent, in fraudulent identity theft claims, as of June 30, 2021

**Agency:** Department of Economic Security (DES)

**Name of contact person and title:** Bryce A. Barraza, DES DERS Deputy Assistant Director

**Completion date:** June 30, 2022

**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Continue to evaluate the CARES Act UI benefits it has paid to identify any additional fraudulent claims payments, using all necessary critical identity verification and other anti-fraud measures.

The Department will continue efforts to identify any additional Pandemic Unemployment Assistance (PUA) fraudulent claim payments. On May 16, 2022, the Department migrated the PUA to the Benefit Audit Reporting and Tracking System (BARTS) interface to production. The Department has also started establishing the pending overpayments from the new hire (State Directory and National Directory) wage crossmatch produced on October 20, 2021.

The Department continues to participate in a number of integrity crossmatches, which include, but are not limited to, the Arizona Department of Corrections and Maricopa County Jail, to detect individuals filing for Unemployment Insurance (UI) benefits while incarcerated. In addition, the DES Office of Inspector General (OIG) provides additional information regarding local, state, and federal incarceration records to the DES Division of Employment & Rehabilitation Services for processing.

The Department conducts identity verification through ID.me, a Social Security Crossmatch, Motor Vehicle Division (MVD) Verification, Social Security Number (SSN) check via the UI Interstate Connection Network (ICON), and a U.S. Department of Health and Human Services (DHHS) and Social Security Administration (SSA) Mortality record check. The Department utilizes the Integrity Data Hub (IDH) through the OnPoint Fraud Detection Solution which consists of IDH Suspicious Actor Repository (SAR) crossmatch, ID Theft, and Fictitious Employer.

The Department put in place a number of upfront measures that check for repetitive information, trends, and cross-claimant repetition used to identify potentially fraudulent activity. The Department will continue to utilize these successful anti-fraud measures to identify any additional fraudulent claim payments.

2. Continue its efforts working with law enforcement agencies to recover improper payments for fraudulent claims it paid due to identity theft, to the extent practicable.

The Department continues to partner with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud. Throughout the pandemic, the Department has partnered with more than 220 financial institutions and over 100 law enforcement agencies that include the Federal Bureau of Investigation, the U.S. Department of Labor (DOL), the U.S. Secret Service, and the U.S. Department of Homeland Security. The Department has



# State of Arizona

## Corrective action plan

### Year ended June 30, 2021

also developed internal fraud indicators, investigated over 140,000 identity theft fraud complaints received from the DES OIG fraud hotline/website, developed a fraud scoring model in partnership with Google Analytics and Spring ML data analytics, and implemented the OPTimum Aware fraud detection software solution.

3. Repay any recovered improper payments to the federal government.

The Department initiated the formal establishment and issuance of PUA overpayments, inclusive of Federal Pandemic Unemployment Compensation (FPUC), in January, 2022. The interface between the PUA program system and existing accounts receivable system was in place effective February, 2022. Recovery and reimbursement efforts are occurring per normal procedures.

4. Develop and implement a plan to ensure that for any future new UI benefits programs or regular UI benefits program changes, it puts critical identity verification and other anti-fraud measures in place prior to paying any UI benefits claims.

In addition to other integrity measures already in use, the Department continues to utilize a third-party identity verification application and will leverage the identity verification tool across any future new UI Benefit programs. In addition, any new UI benefit programs will be implemented in alignment with federal law and guidance, and where applicable, anti-fraud measures identified as successful during the Coronavirus Aid, Relief, and Economic Security (CARES) Act program will be adopted in the Department's standard work and put in place prior to paying any UI benefit claims.

## 2021-02

Department of Economic Security initially excluded and reported inaccurate financial information, which could have misinformed financial statement users

**Agency:** Department of Economic Security (DES)

**Name of contact person and title:** Angelica Garcia, DES DERS Business Administrator

**Anticipated completion date:** November 30, 2022

**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Implement a process that ensures it captures and reports to ADOA all Unemployment Compensation Fund financial information, such as balances and activity funded by all sources, not just U.S. DOL.

To address the reporting inconsistencies identified in finding 2021-02, the Department has enhanced existing standard work to include procedures incorporating Unemployment Compensation Fund financial information from the new federal Unemployment Insurance (UI) Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC) programs, in addition to other federal relief programs not administered by the U.S. Department of Labor (DOL) but managed by the state's UI program to ensure that the Department submits the related applicable financial information to the Arizona Department of Administration (ADOA) for inclusion in the state financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Procedures for developing internal UI financial statements have been updated to ensure applicable financial activity is accounted for. Procedures for internal review of final financial statements have been updated to ensure review of all applicable financial activity.

State of Arizona  
Corrective action plan  
Year ended June 30, 2021

2. Implement the recommendations reported in financial statement findings 2021-01 and 2021-03 to identify and recover overpayments and ensure they are accurately reported and disclosed, as appropriate.

The Department will implement the necessary changes as outlined in the response to the financial statement findings 2021-01 and 2021-03 as it relates to this finding.

### 2021-03

Department of Economic Security paid 108,377 claimants \$218.4 million of federal Pandemic Unemployment Assistance benefits that exceeded the minimum weekly benefit but has not yet determined whether the claimants were qualified as required; therefore, it does not know how much in potential overpayments it may have paid and would potentially need to recover

**Agency:** Department of Economic Security (DES)

**Name of contact persons and titles:** Sandra Canez, Unemployment Insurance Program Administrator and Jacqueline Butera, Quality Assurance and Integrity Administrator

**Anticipated completion date:** June 30, 2023

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Continue using system-generated alerts and information and allocate sufficient resources, such as staffing, to perform wage verifications to process the backlog of claimants who received increased PUA weekly benefit payments to determine the weekly benefit amount they qualified for and identify overpayments, and when establishing overpayments determine if DES will apply a waiver.

The Department is currently conducting the review of claims with a Weekly Benefit Amount (WBA) higher than \$117, and where appropriate, issuing determinations for adjusted benefit amounts. Any identified overpayments will be established per standard process.

The Department has an established process to consider debt resulting from the establishment of an overpayment for waiver, as permitted under state law and federal rule. Note, overpayments categorized as fraud are not permitted to be waived per state and federal rule.

2. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

The Department initiated the formal establishment and issuance of Pandemic Unemployment Assistance (PUA) overpayments, inclusive of Federal Pandemic Unemployment Compensation (FPUC), in January, 2022. The interface between the PUA program system and existing accounts receivable system is in place effective February, 2022. Recovery and reimbursement efforts are occurring per normal procedures.

State of Arizona  
Corrective action plan  
Year ended June 30, 2021

**2021-04**

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

**Agency:** Arizona Department of Administration (ADOA)  
Arizona Health Care Cost Containment System (AHCCCS)  
Department of Economic Security (DES)

**Name of contact persons and titles:** Ashley Ruiz, ADOA Assistant Director  
Karen MacLean, AHCCCS DBF Finance Administrator  
Roberta Harrison, DES Chief Financial Officer

**Anticipated completion date:** See below

**Agency's Response:** Concur

ADOA anticipated completion date: January 31, 2026

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

AHCCCS anticipated completion date: June 30, 2025

AHCCCS agrees with this finding and will implement the following:

- Staffing
  - AHCCCS hired an Accountant IV to assist with the financial statements toward the end completing the FY 21 audit. This person is assisting with the FY 22 audit while still being trained and learning her duties and responsibilities. It is anticipated she will add more value and have an impact on the preparation of the FY 23 financial statements.
  - Management of the unit is providing comprehensive cross training to other team members who are already helping with the current FY 22 audit.
- Pre-Audit Preparation
  - On a quarterly basis, prepare a draft of the financial statements with no accruals based only on AFIS data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
  - On a quarterly basis, prepare a draft SEFA to identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
  - Negotiate with AHCCCS outside auditors, if possible, to begin audit work earlier, April/May. AHCCCS would provide preliminary reports for testing of program payments as well as payroll made in the first 3 quarters of the fiscal year. AHCCCS would also provide any MCO oversight documentation that is available.
- Overall Efficiencies
  - Over the next few years, redesign and automate other internal processes to increase efficiency and provide the audit team members additional time to address the financial statements.

DES anticipated completion date: November 30, 2023

DES concurs that the timely submission of the Annual Comprehensive Financial Report (ACFR) is vital for oversight and strategic decision-making purposes. While we will always strive to comply with the applicable

State of Arizona  
Corrective action plan  
Year ended June 30, 2021

timelines, articulating the complexities of new federal regulations and how that translated to financial reporting proved exceedingly challenging this reporting period. The DES will work internally to update written procedures for preparing components of the ACFR in real time as new programs and funding sources are being deployed. Additionally, the DES will actively coordinate with our partners in order to meet our reporting obligations in a timely manner.

## 2021-05

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

**Agency:** Department of Revenue (DOR)

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

**Anticipated completion date:** June 30, 2028

**Agency's Response:** Concur

In December 2020 the Department completed a project that allows it to ingest W2 and Form 1099 data submitted electronically by employers for use in performing income tax reconciliations. The Department will continue to engage in outreach and education efforts to assist employers in understanding and complying with requirements for electronic submission of withholding information in order to help ensure that all relevant accounts are included in the Department's reconciliation process. Additionally, the Department is engaged in the procurement of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts. As described in the Fiscal Year 2023 Appropriations Report, the Department's fiscal year 2023 budget includes \$15,819,800 for the development of a new integrated tax system. The Department estimates the system will cost \$104,827,700 in total, and anticipates that the system will be implemented in stages across fiscal years 2023 through 2028.

## 2021-06

The Department of Revenue did not publish \$24.8 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

**Agency:** Department of Revenue (DOR)

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

**Anticipated completion date:** June 30, 2028

**Agency's Response:** Concur

As noted in the finding, issues with ADOR's tax administration system currently prevent the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department. As described in the Fiscal Year 2023 Appropriations Report, the Department's fiscal year 2023 budget includes \$15,819,800 for the development of a new integrated tax system. The Department estimates the system will cost \$104,827,700 in total, and anticipates that the system will be implemented in stages across fiscal years 2023 through 2028.

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**2021-07**

State discovered and corrected \$126.7 million of misstatements to assets and expenses reported in prior years' financial statements related to insurance losses for its insurance guaranty funds

**Agency:** Department of Insurance and Financial Institutions (DIFI) and Department of Administration (ADOA)

**Name of contact persons and titles:** Lori Nester, DIFI Executive Director and Ashley Ruiz, ADOA Assistant Director

**Completed date:** April 1, 2022

**Agency's Response:** Concur

As a component unit of DIFI, the Arizona Insurance Guaranty Funds (the Funds) issue separate and distinct financial statements from DIFI. In the subject fiscal years (2018 through 2020), the Funds operated on a cash basis of accounting. Financial statements created on such a basis of accounting recognize revenue when received and expenses when paid. Their creation requires no estimate of receivables or anticipated liabilities, and no such information was omitted by the Funds/DIFI management. The Funds' ability to assess its member companies for claims and expenses incurred as a result of an insurance insolvency is statutory, and as a result, public knowledge. All information requested for the creation of the State's financial statements by the General Accounting Office (GAO) was provided by the Funds/DIFI Management.

1. The Funds/DIFI will continue to provide all information requested to support the State's application of appropriate accounting treatment for accurate reporting of the Funds' activity in their financial statements.
2. The Funds/DIFI will continue to prepare the Funds' separately issued financial statements using the same basis of accounting as the State's financial statements.

The General Accounting Office made a correcting entry and noted the correction in the Annual Comprehensive Financial Report.

**2021-08**

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

**Agency:** Department of Administration (ADOA)

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

**Anticipated completion date:** June 30, 2024

**Agency's Response:** Concur

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

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**2021-09**

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

**Agency:** Department of Administration (ADOA)

**Name of contact person and title:** Ashley Ruiz, (ADOA) Assistant Director

**Anticipated completion date:** June 30, 2024

**Agency's Response:** Concur

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

**2021-10**

The other auditors who audited the Arizona Correctional Industries (ACI) reported the following internal control deficiency for its financial statement closing process for activity within the Other Enterprise Funds in the State's financial statements. ACI's ad the State's 2021 financial statements were adjusted for all material misstatements noted.

**Agency:** Arizona Correctional Industries (ACI)

**Name of contact person and title:** Dale Beatty, Chief Financial Advisor

**Completed date:** December 31, 2021

**Agency's Response:** Concur

**RECOMMENDATION:** We recommend the organization develop and document a year-end checklist of each asset and liability on the Statement of Net Position to ensure all account balances have been reviewed, that subledger reconciliations are completed, and that any necessary accruals are recorded. Furthermore, we recommend a secondary review be implemented over all accounts on the Statement of Net Position to ensure all changes have been identified and recorded. Additionally, we recommend that the organization begin to formally document the processes required to perform key reconciliations and other year-end closing procedures and to cross train staff on all accounting procedures including year-end closing procedures.

ACI Management concurs with the finding and will implement the recommendation above.

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## 2021-11

The other auditors who audited the ACI reported the following internal control deficiency for its cash reconciliations activity within the Other Enterprise Funds in the State's financial statements.

**Agency:** Arizona Correctional Industries (ACI)

**Name of contact person and title:** Dale Beatty, Chief Financial Advisor

**Anticipated completion date:** December 31, 2022

**Agency's Response:** Concur

RECOMMENDATION: We recommend the organization reconcile all cash accounts monthly and implement review procedures to ensure reconciliations are completed timely. We recommend that organization formally document the cash reconciliation processes and to cross-train multiple staff on those processes in the case of a loss in key accounting personnel.

ACI Management concurs with the finding and will implement the recommendation above.

## 2021-12

The other auditors who audited the ACI reported the following internal control deficiency for its fixed asset disposals within the Other Enterprise Funds in the State's financial statements.

**Agency:** Arizona Correctional Industries (ACI)

**Name of contact person and title:** Dale Beatty, Chief Financial Advisor

**Anticipated completion date:** December 31, 2022

**Agency's Response:** Concur

RECOMMENDATION: We recommend that the organization reconcile their fixed asset sub-ledger to the master listing of items that have been disposed of through Surplus monthly and at year-end. We recommend that at least annually, non-financial management from different departments review the fixed asset inventory schedule for potential disposals. We recommend that the organization add the reconciliation of fixed assets to monthly and year-end checklists, to document this process, and to cross-train other finance staff to be able to do these reconciliations as well.

ACI Management concurs with the finding and will implement the recommendation above.

## 2021-13

The other auditors who audited the Arizona Commerce Authority (ACA) reported the following internal control deficiency over its revenues within the Aggregate Discretely Presented Component Units in the State's financial statements. ACA's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Agency:** Arizona Commerce Authority (ACA)

**Name of contact person and title:** Ken Burns, Chief Financial Officer

**Completed date:** June 30, 2022

**Agency's Response:** Concur

RECOMMENDATION: We recommend the Authority evaluate its internal control processes over year-end closing procedures to ensure revenue related receivables are properly recorded at year-end.



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The Authority concurs with the recommendation and will review its year end closeout process and procedures to ensure activity is properly reported.

## 2021-14

The other auditors who audited the Public Safety Personnel Retirement System (PSPRS) reported the following internal control deficiency over its financial reporting system activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements.

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Name of contact person and title:** John Moorman, Chief Financial Officer

**Completed date:** June 30, 2022

**Agency's Response:** Concur

Management has identified key design deficiencies associated with the current EPIC 2 system and have implemented compensating controls to mitigate the risk of a financial reporting misstatement. Management will additionally continue to assess and develop the MS Dynamics Great Plains General Ledger during the ongoing design phase of the new Pension Administration System (PAS). Management will also continue strengthen and enhance current controls and operation of the existing EPIC 2 system to ensure successful build out and transition to the new PAS.

## 2021-15

The other auditors who audited the PSPRS reported the following internal control deficiency over its investment accounting for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements.

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Name of contact person and title:** John Moorman, Chief Financial Officer

**Completed date:** June 30, 2022

**Agency's Response:** Concur

Investment Operations (IO) have developed a number of new processes and activities during FY21 and ongoing for FY22 ensuring regular reconciliation between the custodial bank and external manager records, both on investment valuations and the investment transactions reporting side. Management is confident that these activities/improvements have substantially reduced the risk of errors and potential financial statement misstatements. These internal control improvements include the daily and monthly reconciliation of all drawdown fund transaction records and real-time reconciliation of all other investment transactions with the exception of three equity SMAs, which continue to have their activity and balances reconciled directly between the manager (State Street) and BNYM, on a monthly basis. Additionally, reconciliation of all NON-drawdown fund valuation (NAV) records are now occurring on a monthly basis and drawdown fund (non-lagged) valuation records are performed on a quarterly basis to ensure the accuracy of the BOR. IO will continue working with CLA auditors to ensure our custodial reconciliation processes fully meet their expectations and to address all of their remaining concerns in time for the next annual audit. Finally, beginning in Q2 2021, IO is now preparing quarterly GL summary files for entry into the financial reporting system. The IO team has started work with BNYM to create custom report(s) that would allow an automated process to improve efficiency and expedite the entire GL entry process going forward.

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## 2021-16

The other auditors who audited the Arizona Department of Transportation (ADOT) reported the following internal control deficiency over expenditure cutoff for activity within the Transportation and Aviation Planning, Highway Maintenance and Safety Fund and Other Governmental Funds in the State's financial statements. ADOT's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Agency:** Arizona Department of Transportation (ADOT)

**Name of contact person and title:** Michelle Huckabay, Controller

**Completed date:** June 30, 2022

**Agency's Response:** Concur

We concur, in the past few fiscal years the agency has made a good faith effort to get the information being entered into the procurement system to be as accurate as possible by the end users. To mitigate this issue, the Accounts Payable manager will:

- Provide education/expectations to users via a required computer-based training(s) by June 30th. This will bring additional awareness to the expectations of end users and their role during the fiscal year end.
- Explore new opportunities to gather the information needed, or validate the information provided.

In addition, because of the ongoing nature of the service date issue, we have submitted a proposal to the CFO to engage our internal audit team to perform an audit of the procurement system users, and their utilization of the service date(s) fields in the system.

## 2021-17

The other auditors who audited the ADOT reported the following internal control deficiency over financial reporting for its motor vehicle department revenues within the Transportation and Aviation Planning, Highway Maintenance and Safety Fund in the State's financial statements. ADOT's and the State's 2021 financial statements were adjusted for all material misstatements noted.

**Agency:** Arizona Department of Transportation (ADOT)

**Name of contact person and title:** Michelle Huckabay, Controller

**Completed date:** June 30, 2022

**Agency's Response:** Concur

We concur, in the past several months the agency has made significant changes to improve the systems controls within MVD's MAX system to deter the opportunity for customer account chargebacks. The following is a list of implementations:

1. PPV's are no longer allowed to be used by individuals. Only organizations can.
2. Additional checks went in on the Kyndryl side to validate credit cards and bank accounts.
3. Funding of customer accounts for individuals is no longer allowed unless there are special circumstances.
4. If a customer funds an account and then does a chargeback the funds are removed from the customer account if they are still there.
5. We ran a query to match up customer funding to customers that owe ADOT funds. We manually liquidated accounts to cover funds owed to us. This only included compliance payments not items ordered by the court.
6. RFTA, MVD and OIG are working on items that pop up as a fraud case. We now have a spreadsheet that we all work off of.

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## 2021-18

The other auditors who audited the Arizona Property and Casualty Insurance Guaranty Fund reported the following internal control deficiency over disbursement approval. This fund is combined into the Department of Insurance and Financial Institutions Guaranty Funds column within the Aggregate Discretely Presented Component Units in the State's financial statements.

**Agency:** Arizona Property and Casualty Insurance Guaranty Fund (APCIGF)

**Name of contact person and title:** Lori Nestor, Executive Director

**Completed date:** June 30, 2022

**Agency's Response:** Concur

Although a process is in place to ensure that APCIGF Checks to Business Reports are reviewed monthly, only 11 months of digitally signed reports were able to be produced for this audit. Future versions of the reviewed documents will be saved in our new document retention system to ensure that all are maintained and available for review in the future. Benefit change documentation will be maintained in a manner that makes the document easy to find, and greater care will be taken to ensure that benefits match awards. LEC awards will be reviewed at all diaries to ensure that proper amounts are being paid.

## 2021-19

The other auditors who audited the Arizona Life and Disability Insurance Guaranty Fund reported the following internal control deficiency in its service organization oversight. This fund is combined into the Department of Insurance and Financial Institutions Guaranty Funds column within the Aggregate Discretely Presented Component Units in the State's financial statements.

**Agency:** Arizona Life and Disability Insurance Guaranty Fund (ALDIGF)

**Name of contact person and title:** Lori Nestor, Executive Director

**Completed date:** June 30, 2022

**Agency's Response:** Concur

Although reports regarding both LTC and Non-LTC activity are downloaded and reviewed by the Executive Director monthly, no initials or other proof of review has been added in the past. The reports will be digitally signed to acknowledge review when downloaded going forward. PACA has not produced any reports since April 2020, and it's unclear whether they'll resume. If they do, those reports will be retrieved and reviewed when produced. Any copies retrieved will be digitally signed as well.

## Federal award findings and questioned costs

### 2021-101

**Assistance listing number and program name:** 21.019 COVID-19 Coronavirus Relief Fund

**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)

**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager

**Anticipated completion date:** July 31, 2023

**Agency's response:** Concur

The Office agrees with this finding and has already taken significant corrective action including:

- Requiring prospective grantees who are non-state agencies to submit a financial systems survey and grants management data information form as part of the pre-award process and incorporating such documents into the grant file;
- Requiring prospective grantees who are non-state agencies to submit copies of prior single audits (if applicable) or certified financial statements as part of the pre-award process and incorporating such documents into the grant file;
- Subcontracting with an external entity to routinely check on the status of grantee reporting and aid in the preparation of communications with grant recipients who are not in compliance with post-award requirements;
  - All grant agreements and ISA's include adequate information outlining the source of funding, agreed upon scope of work and program/project activities, deliverables, period of performance, and post-award financial and programmatic reporting deadlines. Any such modifications to these are made in writing between the parties which may include formal amendments and/or electronic communications which record date and time of written communications.
  - The office has been working with the Treasury as part of Cycle 10 expenditure reporting to make corrections and adjustments to ensure all expenditures reflected are allowable and accurately reported. The office has Cycle 11 to finish a complete 100% reconciliation of all CARES activity.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

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**2021-102**

**Assistance listing number and program name:** 21.019 COVID-19 Coronavirus Relief Fund  
**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)  
**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager  
**Anticipated completion date:** July 31, 2023  
**Agency's response:** Concur

The Office agrees with this finding and although it relies on the State agencies it manages to properly execute State accounting policies, has already taken significant corrective action to review and monitor State agencies' use of CRF monies. The office has been working with the Treasury as part of Cycle 10 expenditure reporting to make corrections and adjustments to ensure all expenditures reflected are allowable and accurately reported. The office has Cycle 11 to finish a complete 100% reconciliation of all CARES activity.

In addition, the Office will develop and implement process changes to specifically address the findings noted.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

**2021-103**

**Assistance listing number and program name:** 21.019 COVID-19 Coronavirus Relief Fund (CRF)  
**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)  
**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager  
**Anticipated completion date:** July 31, 2023  
**Agency's Response:** Concur

The Office agrees with this finding and has already taken significant corrective action. Increased personnel resources at both grants analyst and manager levels have allowed for appropriate separation of duties, independent review of preparation of federal reporting prior to submission, and documentation of such review and approval. Specifically, as part of completing the quarterly report to the U.S. Treasury for the period of 7/1/2022 through 9/30/2022, the Office conducted a reconciliation of the information in the Treasury portal and corrected several entries.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

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**2021-104**

**Assistance listing number and program name:** 84.425C COVID-19 Education Stabilization Fund-Governor's  
Emergency Education Relief (GEER) Fund

**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)

**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager

**Completed date:** July 1, 2022

**Agency's Response:** Concur

The Office agrees with this finding and has in place existing policy and procedure to follow federal cash management requirements. The non-compliance identified was a situational response to the health emergency caused by the Covid-19 pandemic and a decision was made to rapidly disburse funding to recipients who could quickly meet the needs of the community. Prior to monies being disbursed the recipients (including State agency recipients) had made assurances that costs were incurred and funds would be promptly spent. The Office does follow its established policy and procedure for cash management to minimize the time lapsing between the disbursement of federal monies and their being spent for program purposes. It is the Office's standard procedure to disburse program monies to recipients on a reimbursement basis for actual costs incurred.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

**2021-105**

**Assistance listing number and program name:** 84.425C COVID-19 Education Stabilization Fund-Governor's  
Emergency Education Relief (GEER) Fund

**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)

**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager

**Anticipated completion date:** July 31, 2023

**Agency's Response:** Concur

The Office agrees with this finding and has already taken significant correction action including:

- Requiring prospective grantees to submit a financial systems survey and grants management data information form as part of the pre-award process and incorporating such documents into the grant file;
- Requiring prospective grantees to submit copies of prior single audits (if applicable) or certified financial statements as part of the pre-award process and incorporating such documents into the grant file;
- Subcontracting with an external entity to routinely check on the status of grantee reporting and aid in the preparation of communications with grant recipients who are not in compliance with post-award requirements;
- All grant agreements and ISA's include adequate information outlining the source of funding, agreed upon scope of work and program/project activities, deliverables, period of performance, and post-award financial and programmatic reporting deadlines. Any such modifications to these are made in writing between the

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parties which may include formal amendments and/or electronic communications which record date and time of written communications.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

## 2021-106

**Assistance listing number and program name:** 84.425C COVID-19 Education Stabilization Fund-Governor's Emergency Education Relief (GEER) Fund

**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)

**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager

**Anticipated completion date:** July 31, 2023

**Agency's Response:** Concur

The Office agrees with this finding and will begin to take corrective action to bring the program in full compliance with FFATA reporting requirements under federal and state guidelines.

Although the Office did not report under the FFATA reporting system in a timely manner, it did comply with all US Department of Education GEER reporting requirements within required timeframes. That information was, and remains, available to the public on the US Department of Education federal relief funding website.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.



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**2021-107**

**Assistance listing number and program name:** 84.425C COVID-19 Education Stabilization Fund-Governor's Emergency Education Relief (GEER) Fund

**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)

**Name of contact person and title:** Andrea Hightower, Grants and Federal Resources Team Manager

**Anticipated completion date:** July 31, 2023

**Agency's Response:** Concur

The Office agrees with this finding and has already taken significant correction action. Increased personnel resources at both grants analyst and manager levels have allowed for appropriate separation of duties, independent review of preparation of federal reporting prior to submission, and documentation of such review and approval.

During the time frame corresponding to this audit, the Office's limited personnel resources were focused on ensuring that funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed, exceeded staffing capacity which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

**2021-108**

**Assistance listing number and program name:** 17.225 COVID-19 Unemployment Insurance

**Agency:** Department of Economic Security (DES)

**Name of contact person and title:** Bryce A. Barraza, DERS Deputy Assistant Director

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Continue to evaluate the CARES Act UI benefits it has paid to identify any additional fraudulent claims payments, using all necessary critical identity verification and other anti-fraud measures.

The Department will continue efforts to identify any additional Pandemic Unemployment Assistance (PUA) fraudulent claim payments. On May 16, 2022, the Department migrated the PUA to the Benefit Audit Reporting and Tracking System (BARTS) interface to production. The Department has also started establishing the pending overpayments from the new hire (State Directory and National Directory) wage crossmatch produced on October 20, 2021.

The Department continues to participate in a number of integrity crossmatches, which include, but are not limited to, the Arizona Department of Corrections and Maricopa County Jail, to detect individuals filing for Unemployment Insurance (UI) benefits while incarcerated. In addition, the DES Office of Inspector General (OIG) provides additional information regarding local, state, and federal incarceration records to the DES Division of Employment & Rehabilitation Services for processing.

The Department conducts identity verification through ID.me, a Social Security Crossmatch, Motor Vehicle Division (MVD) Verification, Social Security Number (SSN) check via the UI Interstate Connection Network (ICON), and a U.S. Department of Health and Human Services (DHHS) and Social Security Administration

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(SSA) Mortality record check. The Department utilizes the Integrity Data Hub (IDH) through the OnPoint Fraud Detection Solution which consists of IDH Suspicious Actor Repository (SAR) crossmatch, ID Theft, and Fictitious Employer.

The Department put in place a number of upfront measures that check for repetitive information, trends, and cross-claimant repetition used to identify potentially fraudulent activity. The Department will continue to utilize these successful anti-fraud measures to identify any additional fraudulent claim payments.

2. Continue its efforts working with law enforcement agencies to recover improper payments to the extent practicable for fraudulent claims it paid due to identity theft.

The Department continues to partner with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud. Throughout the pandemic, the Department has partnered with more than 220 financial institutions and over 100 law enforcement agencies that include the FBI, the U.S. Department of Labor (DOL), the U.S. Secret Service, and the U.S. Department of Homeland Security. The Department has also developed internal fraud indicators, investigated over 140,000 identity theft fraud complaints received from the DES OIG fraud hotline/website, developed a fraud scoring model in partnership with Google Analytics and Spring ML data analytics, and implemented the OPTimum Aware fraud detection software solution.

3. Repay any recovered improper payments to the federal government.

The Department initiated the formal establishment and issuance of PUA overpayments, inclusive of Federal Pandemic Unemployment Compensation (FPUC), in January, 2022. The interface between the PUA program system and existing accounts receivable system was in place effective February, 2022. Recovery efforts are occurring per normal procedures.

4. Develop and implement a plan to ensure that for any future new UI benefits programs or regular UI benefits program changes, it puts critical identity verification and other anti-fraud measures in place prior to paying any UI benefits claims.

In addition to other integrity measures already in use, the Department continues to utilize a third-party identity verification application and will leverage the identity verification tool across any future new UI Benefit programs. In addition, any new UI benefit programs will be implemented in alignment with federal law and guidance, and where applicable, anti-fraud measures identified as successful during the CARES Act program will be adopted in our standard work and put in place prior to paying any UI benefit claims.

5. Continue to perform wage verifications for all claimants who received an increased PUA weekly benefit payment to determine the weekly benefit amount they qualify for and identify overpayments, and when establishing overpayments determine if DES will apply a waiver. This would include the 6 claimants from our test work who we identified received a total of \$61,140 in overpayments.

The Department is currently conducting the review of claims with a Weekly Benefit Amount (WBA) higher than \$117, and where appropriate, issuing determinations for adjusted benefit amounts. Any identified overpayments will be established per standard process.

The Department has an established process to consider debt resulting from the establishment of an overpayment for waiver, as permitted under state law and federal rule. Note, overpayments categorized as fraud are not permitted to be waived per state and federal rule.

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6. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

In accordance with federal and state rules and regulations, the Department has a well-established business practice of performing the detection, recovery, and repayment functions as required for the regular UI program.

The Department initiated the formal establishment and issuance of PUA overpayments, inclusive of FPUC, in January, 2022. The interface between the PUA program system and existing accounts receivable system was in place effective February, 2022. Recovery and reimbursement efforts are occurring per normal procedures.

## 2021-109

**Assistance listing number and program name:** 17.225 COVID-19 Unemployment Insurance

**Agency:** Department of Economic Security (DES)

**Name of contact persons and titles:** Jacqueline Butera, Quality Assurance and Integrity Administrator and Sandra Canez, Unemployment Insurance Program Administrator

**Anticipated completion date:** March 31, 2023

**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Establish a program integrity process for its CARES Act UI benefit programs, similar to its regular UI benefit programs, and continue reviewing all CARES Act UI program claimants' wage documents to identify overpayments, and when establishing overpayments determine if DES will apply a waiver, as described in our recommendations to federal finding 2021-108.

The Department initiated the formal establishment and issuance of Pandemic Unemployment Assistance (PUA) overpayments, inclusive of Federal Pandemic Unemployment Compensation (FPUC), in January, 2022. The interface between the PUA program system and existing accounts receivable system was in place effective February, 2022. Recovery efforts are occurring per normal procedures.

The Department has an established process to consider debt resulting from the establishment of an overpayment for waiver, as permitted under state law and federal rule. Note, overpayments categorized as fraud are not permitted to be waived per state and federal rule.

The Department is currently conducting the review of claims with a Weekly Benefit Amount (WBA) higher than \$117, and where appropriate, issuing determinations for adjusted benefit amounts. Any identified overpayments will be established per standard process.

2. Bill claimants for overpayments and arrange payment plans with claimants, where required, and repay any recovered overpayments to the federal government, as required.

The Department initiated the formal establishment and issuance of PUA overpayments, inclusive of FPUC, in January, 2022. The interface between the PUA program system and existing accounts receivable system was in place effective February, 2022. Recovery efforts are occurring per normal procedures.

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**2021-110**

**Assistance listing number and program name:** 17.225 COVID-19 Unemployment Insurance  
**Agency:** Department of Economic Security (DES)  
**Name of contact person and title:** Jacqueline Butera, Quality Assurance and Integrity Administrator  
**Anticipated completion date:** June 30, 2023  
**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

The Department redirected existing team resources, as a result of the unprecedented increase in demand, to support other areas of pandemic-related unemployment benefit processing. The Department will recruit for remaining staff vacancies by December 31, 2022. The Department will make efforts to improve staff retention by focusing on recruiting individuals with a strong knowledge and understanding of Unemployment Insurance (UI) laws, policy and procedures, proper case management, and by enhancing the delivery of existing BAM training.

**2021-111**

**Assistance listing number and program name:** 97.050 COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households—Other Needs  
**Agency:** Department of Economic Security (DES)  
**Name of contact person and title:** Angelica Garcia, DERS Business Administrator  
**Anticipated completion date:** December 1, 2022  
**Agency's Response:** Concur

The Department of Economic Security (DES) will address the audit recommendations, as follows:

1. Follow all FEMA reporting instructions to accurately prepare quarterly financial reports.

The Department will develop a Standard of Work (SOW) that clearly identifies the roles and responsibilities of team members who prepare quarterly financial reports following Federal Emergency Management Agency (FEMA) (and other applicable federal) reporting instructions.

2. Develop and implement written policies and procedures to retain all documentation supporting program information it submits to the federal agency.

The Department will include a process for retaining all documentation supporting program information submitted to the federal agency, following applicable retention and disposition schedules, in the standard work.

State of Arizona  
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**2021-112**

**Cluster name:** Aging Cluster

**Assistance listing number and program name:** 93.044 Special Programs for the Aging—Title III, Part B—  
Grants for Supportive Services and Senior Centers  
93.044 COVID-19 Special Programs for the Aging—Title III,  
Part B—Grants for Supportive Services and Senior Centers  
93.045 Special Programs for the Aging—Title III, Part C—  
Nutrition Services  
93.045 COVID-19 Special Programs for the Aging—Title III,  
Part C—Nutrition Services  
93.053 Nutrition Services Incentive Program

**Agency:** Department of Economic Security (DES)

**Name of contact person and title:** Scott Schlageter, DAAS Business Administrator

**Completed date:** November 1, 2022

**Agency's Response:** Concur

As of August 1, 2022, the Department of Economic Security (DES), Division of Aging and Adult Services (DAAS) has largely completed the implementation of the recommendations. DAAS fully implemented recommendations by November 1, 2022. Specifically:

1. *Evaluate and improve the Division's existing policies and procedures for reviewing and approving expenditures related to the programs' administrative monies to ensure the review is sufficiently detailed to authorize only those costs and activities that are allowable to be charged to the programs.*

DAAS has made multiple changes to policies and processes to ensure thorough review of all costs and activities; the Division now requires a specific funding stream identification (10-digit Function Code) to be clearly written on the original approval email and is carried through communication until the procurement requisition is established. This process change will allow DAAS to ensure the appropriate funding source is identified from project inception all the way through payment of invoices once services are rendered.

Additionally, during the COVID-19 Pandemic, DAAS created the position of the DAAS Finance Manager to address the expansion of both programs and funding. This position serves as an additional resource and layer of review for all fiscal reporting items. The Finance Manager directly oversees the DAAS Operations and Fiscal Units and ensures consistent continuity of operations between the two teams.

Finally, DAAS added additional budget detail to the planned expenditures view that is reviewed monthly with the DES Division of Financial Operations/Financial Services Administration. This specified detail will ensure DAAS has consistent review and alignment of project funding as well as ensure historical costs have been allocated correctly.

2. *Consult with the U.S. Department of Health and Human Services about repaying the misspent monies to the programs and then proceed, accordingly.*

On July 28, 2022, DAAS processed an expenditure correction for \$26,623 so that the program initially impacted was reimbursed the monies.

State of Arizona  
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## 2021-113

**Assistance listing number and program name:** 93.658 Foster Care Foster Care—Title IV-E

**Agency:** Department of Child Safety (DCS)

**Name of contact person and title:** Kimberly Pender, Program Administrator

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

Department's Corrective Action Plan:

- The Department will review and amend DCS 15-32 Background Checks – Child Welfare Agency Staff to clarify that Child Welfare Agencies shall request and receive results for DCS Central Registry background checks prior to employment/date of hire.
- The Department will review and amend the Personnel File Monitoring Tool for licensing to include language that background checks needs to be completed prior to hire and ensure all Child Welfare Licensing staff are utilizing the updated checklist.
- The Department will implement, as part of the Quarterly Site Visit Process for childcare institutions, a process to review backgrounds checks to identify opportunities for improvement, trends and establish actions (countermeasures) to resolve any areas of concern. Hiring processes for each agency will also be reviewed during the quarterly site visits.
- The Department will provide updates related to policies and procedures during Quarterly Provider Meetings for childcare institutions, implementing monthly provider calls/meetings and conducting monthly unit/team meetings for Department.
- The Department will present the safety requirement expectations related to background checks for employees to childcare institutions and how the safety requirements are necessary for foster care maintenance payments at a quarterly meeting.
- The Department will conduct monthly monitoring of childcare institutions' compliance with safety requirement expectations (background checks) for new and existing employees for FY23.

## 2021-114

**Assistance listing number and program name:** 93.658 Foster Care Foster Care—Title IV-E

**Agency:** Department of Child Safety (DCS)

**Name of contact person and title:** Reynaldo Saenz, Assistant Director of Finance and Accounting

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

To ensure correct payment amounts to foster care providers, the Department will:

1. Solely utilize post "Go-Live" date in Guardian and will no longer utilize migrated data from CHILDS.
2. Implement positive and negative software testing strategies. The positive testing determines if the application is working as expected. Negative testing ensures the application can maintain acceptable levels of performance when invalid input or unexpected user behavior is encountered.
3. Develop a program report that compares generated payments to Guardian configuration tables. The configuration tables will provide the baseline for payment amount appropriateness and provide the necessary adjustments to the generated payments.
4. Explore a permanent solution for payment adjustments to help prevent, detect, and correct programming errors. Written policies and procedures for any future system development and implementation will be developed.

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## 2021-115

**Assistance listing number and program name:** 93.658 Foster Care Foster Care—Title IV-E  
93.659 Adoption Assistance Administered Programs

**Agency:** Department of Child Safety (DCS)

**Name of contact person and title:** Reynaldo Saenz, Assistant Director of Finance and Accounting

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

To ensure accurate maintenance payments to foster care providers and assistance payments to adoptive parents, the Department will:

- Reinforce existing policies and procedures for invoice completion and approval by the provider.
- Implement a process to validate payment rate by comparing the associated service approvals to approved standard rates for placement type, severity and child's age.
- Develop protocol for contacting the required federal agency regarding re-payment forgiveness.
- Consult with legal counsel and the federal agency regarding the recovery and repayment of the maintenance and assistance overpayments.

## 2021-116

**Assistance listing number and program name:** 93.658 Foster Care Foster Care—Title IV-E

**Agency:** Department of Child Safety (DCS)

**Name of contact person and title:** Emilio Gonzales, Audit Administrator

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

The Department will assess the risk of each subrecipient's noncompliance and carry out monitoring activities based on those risk assessments by:

- Modifying the current interagency agreement to include requirements for subrecipient risk assessments and monitoring activities.
- Conducting annual subrecipient risk assessments.
- Completing and monitoring plans for low, high and moderate subrecipients in accordance with the Department's established monitoring procedures.
- Providing quarterly training to subrecipients specific to areas of concern identified in the risk assessment.

The Department will verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken, and issue management decisions for audit findings pertaining to the federal award by:

- Reviewing the findings of the subrecipients' single audits.
- Notifying subrecipients of the single audit review results.
- Requesting subrecipients complete a corrective action plan for any identified areas of concern as a result of identified findings.
- Providing training to subrecipients specific to the identified areas of concern.
- Monitoring subrecipients corrective action plans to determine if the areas of concern were resolved and if continued funding is appropriate.

The Department will maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any Department actions taken, if appropriate by:

- Following the Department's grant policies and procedures for risk evaluation, monitoring requirements, actions and subrecipient follow up requirements.



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- Ensuring grant policies and procedures are available to all subrecipients.
- Maintaining risk assessments and monitoring procedures.

## 2021-117

**Assistance listing number and program name:** 93.658 Foster Care Foster Care—Title IV-E

**Agency:** Department of Child Safety (DCS)

**Name of contact person and title:** Emilio Gonzales, Audit Administrator

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

The Department will report on the FFATA Subaward Reporting System by:

- Identifying all subrecipient expenditure reports required for Federal Funding Accountability and Transparency Act (FFATA) reporting into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).
- Developing expenditure template for FSRS accessibility.
- Reporting on the subrecipient expenditures for this program within FSRS.
- Confirming FSRS submission.

The Department will follow the State's accounting manual for reporting subaward actions exceeding \$30,000 no later than month-end of the month following the subaward action and ensure Department employees are aware of all program requirements by:

- Providing initial and annual training(s) to identified staff about FFATA Subaward expenditure submission.
- Reporting on the subrecipient expenditures for this program within the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) no later than month-end of the month following the subaward action.
- Confirming FSRS submission.

## 2021-118

**Assistance listing number and program name:** 84.425D COVID-19 Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund

**Agency:** Department of Education (ADE)

**Name of contact person and title:** Deirdre Mai, Deputy Associate Superintendent of Grants Management

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

1. ADE Grants Management will continue to generate FFATA data from the GME system and report monthly per required process.
2. Prior to uploading FFATA reports into FSRS.gov, a two-step review process will be taken by the ADE Grants Management Technology team.
3. On upload to FSRS.gov, any unforeseen FSRS.gov errors received during the process will be noted on an internal Service Request documenting the need for review and subsequent action to correct by the Grants Management Technology Team.
  - a. Errors which cannot be corrected will be escalated via support request to the General Services Administration team

State of Arizona  
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- b. FFATA upload/reporting errors for which we have the inability to correct on our end will continue to be reported to the General Services Administration via support request ticket. All documentation including tickets submitted and responses received will be retained.
4. We will also meet with the FSRS.gov/General Services Administration teams to confirm all required report parameters and elements. This will enable us to ensure that the raw data report pulled from the GME system is properly aligned to reporting requirements and thus reduce potential for errors in the FSRS.gov system.
5. ADE Grants Management will review all report parameters, elements, and process with GME system vendor to ensure that report, reporting process and upload time stamp meet monthly requirements.
6. ADE Grants Management will retain all raw data FFATA reports from GME, formatted reports used for upload to FSRS.gov, FSRS.gov error reports and other documentation, as well as all communications relating to FFATA reporting to/from FSRS.gov, General Services Administration or other Federal agencies as relates to FFATA reporting.
7. A log will be utilized for all tickets submitted to the General Services Administration due to the issues ADE Grants Management has had with obtaining accurate and/or timely responses to our requests for assistance.

## 2021-119

**Assistance listing number and program name:** 10.558 Child and Adult Care Food Program  
10.558 COVID-19 Child and Adult Care Food Program

**Agency:** Department of Education (ADE)

**Name of contact persons and titles:** Cara Alexander, Deputy Associate Superintendent of Health and Nutrition  
and Melissa Conner, Associate Superintendent of Health and Nutrition

**Anticipated completion date:** August 31, 2023

**Agency's Response:** Concur

The Health and Nutrition Services division's leadership team will review and update the existing procedures document to more clearly outline actions to be taken by staff, including conditions to deem an application complete and to ensure applicants are notified of their eligibility within 30 days. The conditions that deem an application 'complete' will be clearly identified to ensure the timeframe for processing applications within 30 days is based upon a complete application.

A new tracking system for CACFP Renewal Application processing has been implemented for the Federal Fiscal Year 2023 and it will be evaluated by Senior leadership management in early 2023 for its effectiveness as an internal control for the timeliness of processing applications. The tracker automatically indicates the latest status of an application and calculates days for various statuses including number of days in submitted status and number of days for an application to be approved. If any modifications are deemed necessary, they will be implemented prior to the start of the Federal Fiscal Year 2024.

Senior leadership management will ensure current and new staff receive annual training on both the procedures to be followed and the tracking system associated with the processing of CACFP Applications. Senior leadership management will also be responsible for implementing new internal controls where necessary.

State of Arizona  
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Year ended June 30, 2021

## 2021-120

**Assistance listing number and program name:** 17.002 Labor Force Statistics  
Employment Service Cluster  
17.207 Employment Service/Wagner-Peyser Funded Activities  
WIOA Cluster  
17.258 WIOA Adult Program  
17.259 WIOA Youth Activities  
17.278 WIOA Dislocated Worker Formula Grants

**Agency:** Arizona Office of Economic Opportunity (OEO)

**Name of contact person and title:** Angelica Romero, Finance Manager

**Anticipated completion date:** June 30, 2023

**Agency's Response:** Concur

The Office of Economic Opportunity agrees with this finding and will implement the following:

- Develop and implement a process to ensure it complies with each federal program's requirements and award terms that include processes to:
  - Determine costs that are allowable for the federal programs it administers.
  - Allocate allowable costs to federal programs in a manner provided by federal regulations.
  - Ensure proper documentation is maintained to demonstrate costs allocated to federal programs are allowable and commensurate with the services and benefits those federal programs received.
- Require payees to provide supporting documentation for services and deliverables, including but not limited to a breakdown of costs for expenditures to be paid with federal program funds.
- Consult with federal partners, state pass-through agencies, legal counsel, and accounting professionals as necessary regarding the allowability of the costs allocated to federal programs.

## 2021-121

**Assistance listing number and program name:** Various

**Agency:** Arizona Department of Administration (ADOA)

**Name of contact person and title:** Ashley Ruiz, Assistant Director

**Anticipated completion date:** Unknown

**Agency's response:** Concur

We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were not consistent with established Federal cost principles and would result in an obligation to the Federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (U.S. HHS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

State of Arizona  
Corrective action plan  
Year ended June 30, 2021

**2021-122**

**Assistance listing number and program name:** Not applicable

**Agency:** Arizona Department of Administration (ADOA)

Arizona Governor's Office of Strategic Planning and Budgeting (Office)

Department of Health Services (DHS)

Arizona Health Care Cost Containment System (AHCCCS)

Department of Economic Security (DES)

**Name of contact persons and titles:** Ashley Ruiz, ADOA Assistant Director  
Andrea Hightower, Office Grants and Federal Resources Team Manager  
Lora Andrikopoulos, DHS Grants Administrator  
Karen MacLean, AHCCCS DBF Finance Administrator  
Robertta Harrison, DES Chief Financial Officer

**Anticipated completion date:** See below

**Agency's response:** Concur

ADOA anticipated completion date: March 31, 2026

The Department of Administration agrees timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines and will continue to actively work with the state agencies to submit a timely Single Audit.

Office anticipated completion date: July 31, 2023

The Governor's Office of Strategic Planning and Budgeting agrees with this finding and has already taken significant correction action. Increased personnel resources at both grants analyst and manager levels have allowed for more timely review of federally-funded grant awards' expenditure data and other programmatic information, supervisory reviews, appropriate separation of duties, and more frequent coordination and communication with State agencies.

During the time frame corresponding to this audit, the Governor's Office of Strategic Planning and Budgeting limited personnel resources were focused on ensuring that federal relief funding was disbursed in the timeliest manner possible to alleviate the negative impacts on Arizona's most vulnerable communities and impacted areas. The pace and volume of resulting grant agreements and interagency agreements needing to be executed exceeded staffing capacity, which contributed to the findings noted. As of this date, the Grants and Federal Resources Team has achieved stability in both Manager and staff positions and the influx of new federal relief funding has slowed.

DHS anticipated completion date: July 1, 2023

The Department of Health Services will review its standard work on the SEFA and make the necessary improvements. The process moving forward will include a communication plan, pulling of additional financial reports and calendar reminders.

AHCCCS anticipated completion date: June 30, 2025

# State of Arizona

## Corrective action plan

### Year ended June 30, 2021

AHCCCS agrees with this finding and will implement the following:

- Staffing
  - AHCCCS hired an Accountant IV to assist with the financial statements and Schedule of Expenditures of Federal Awards toward the end completing the FY 21 audit. This person is assisting with the FY 22 audit while still being trained and learning her duties and responsibilities. It is anticipated she will add more value and have an impact on the preparation of the FY 23 financial statements.
  - Management of the unit is providing comprehensive cross training to other team members who are already helping with the current FY 22 audit.
- Pre-Audit Preparation
  - On a quarterly basis, prepare a draft of the financial statements with no accruals based only on AFIS data. The purpose is to ensure all transactions have the appropriate chart of accounts elements and are mapped correctly to the respective accounting lines.
  - On a quarterly basis, prepare a draft Schedule of Expenditures of Federal Awards to reduce the time and effort of creating the final version at the end of the fiscal year. In addition, this will help identify at an earlier stage of the audit any additional major programs that will be audited besides Medicaid and CHIP.
  - Negotiate with AHCCCS outside auditors, if possible, to begin audit work earlier, April/May. AHCCCS would provide preliminary reports for testing of program payments as well as payroll made in the first 3 quarters of the fiscal year. AHCCCS would also provide any MCO oversight documentation that is available.
- Overall Efficiencies
  - Over the next few years, redesign and automate other internal processes to increase efficiency and provide the audit team members additional time to address the financial statements.

DES anticipated completion date: November 30, 2023

- The DES concurs that the timely submission of the Single Audit is vital for oversight and strategic decision making purposes. While we will always strive to comply with the federal timelines, articulating the complexities of the various federal regulations and how they interacted with one another, and in some cases, changed within the reporting period, proved to be time consuming and exceedingly challenging. The DES will actively work with our partners to help ensure timely reporting of future Single Audits.

**Douglas A. Ducey**  
Governor



**Andy Tobin**  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

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

November 28, 2022

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

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in cursive script that reads "Ashley Ruiz".

Ashley Ruiz  
Assistant Director

cc: Nicole Bartlett  
Amanda Compton

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

## Status of financial statement findings

### 2020-01

Department of Economic Security did not put all critical identity verification or other anti-fraud measures in place before paying federal CARES Act unemployment insurance benefits and reported it paid over \$1.6 billion in fraudulent identity theft claims, as of June 30, 2020, and other states nation-wide also paid fraudulent identity-theft claims

**Agency:** Department of Economic Security (DES)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** Throughout the pandemic, the Department deployed various system fraud controls and integrity measures that were required or identified as industry best-practices to mitigate and prevent the unprecedented criminal and fraudulent activity experienced across the nation. For example, the Department took steps to implement mandatory and strongly recommended Benefit Payment Control integrity activities outlined in Unemployment Insurance Program Letter No. 23-20 released by the U.S. Department of Labor. In addition, the Department cross-matched wage information to identify fraudulent claim payments. Further, the Department partnered with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud.

**Actions remaining:** The Department will continue efforts to implement the audit recommendation. These efforts include identifying any additional fraudulent claims payments, working with law enforcement agencies to recover improper payments for fraudulent claims due to identify theft, repaying any recovered improper payments to the federal government, and implementing a plan to ensure critical identity verification and other anti-fraud measures are in place.

### 2020-02

Department of Economic Security paid claimants an estimated \$57 million of federal Pandemic Unemployment Assistance benefits that exceeded the minimum weekly benefit but has not yet determined whether claimants qualified for them as required; therefore, it does not know how much in potential overpayments it may have paid and would need to recover

**Agency:** Department of Economic Security (DES)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** The Department began in-depth business requirement discussions with its vendor to address the system functionality requirements in August 2020. In December 2020 through February 2021, the Department also developed standard work and training material regarding monetary eligibility for PUA. Team members were trained and claim processing was enhanced in fiscal year 2021.



# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

**Actions remaining:** The Department will continue efforts to implement the audit recommendation. These efforts include continuing to follow the standard quality review process for the claims being processed. In accordance with federal and state rules and regulations, the Department has a well-established business practice of performing the detection, recovery, and repayment functions as required for the regular Unemployment Insurance program. The Department is working toward implementing these functions for the PUA program as well.

#### 2020-03

Department of Economic Security excluded and initially reported inaccurate financial information, which could have misinformed financial statement users

**Agency:** Department of Economic Security (DES)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** The Department has enhanced existing standard work to include procedures incorporating Unemployment Compensation Fund financial information from the new federal Unemployment Insurance “Pandemic Unemployment Assistance” and “Federal Pandemic Unemployment Compensation” programs to ensure that DES submits the related applicable financial information to ADOA for inclusion in the State financial statements in accordance with U.S. GAAP. Internal Provided By Client (PBC) Memos have been updated to include requests for applicable PUA and FPUC financial activity. Procedures for developing internal Unemployment Insurance financial statements have been updated to ensure applicable PUA and FPUC financial activity is accounted for. Procedures for internal review of final financial statements have been updated to ensure review of applicable PUA and FPUC financial activity.

**Actions remaining:** The Department will continue efforts to implement the audit recommendation. These efforts include implementing the necessary changes as outlined in the response to financial statement finding 2020- 02 as it relates to this finding. In addition, the Department will establish policies and procedures to ensure its contractor’s system produces complete and accurate reports as recommended. The Department has already worked with its contractor to make several enhancements to ensure all transactions associated with a payment are recorded in a manner that allows for reconciliation and that there are no payments or cancels that remain unaccounted for. Additionally, the Department is creating a request to enhance the financial reporting process to perform regular reconciliations to ensure that the system and the PUA accounts are balanced. This will allow the Department the ability to perform regular validations on the system accounting process.

#### 2020-04

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

**Agency:** Department of Revenue (DOR)

**Year finding initially occurred:** Fiscal Year 2006

**Status:** Partially corrected

**Reason for recurrence:** As noted in the finding, the Department’s tax administration system lacked the functionality to perform certain automatic reconciliations, and the Department’s newly implemented alternative reconciliation process did not include all income tax accounts.

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

**Actions taken/remaining:** In December 2020, the Department completed a pilot project for collecting and capturing W-2 and Form 1099 data and developing a tool to perform a reconciliation process for withholding and individual income taxes. The Department began using this tool for the 2021 tax year, and plans to continue to engage in outreach and education efforts to assist employers in understanding and complying with requirements for electronic submission of withholding information in order to help ensure that all income tax accounts are included in the Department's reconciliation process. Additionally, the Department has continued planning for the replacement of the current tax administration system and gathering best practices from other states and Arizona state agencies, and anticipates that the new system will include withholding reconciliation for all relevant accounts. The Department submitted a budget request that includes funding for a new system on September 1, 2021. The Department is engaged in the procurement of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts. As described in the Fiscal Year 2023 Appropriations Report, the Department's fiscal year 2023 budget includes \$15,819,800 for the development of a new integrated tax system. The Department estimates the system will cost \$104,827,700 in total, and anticipates that the system will be implemented in stages across fiscal years 2023 through 2028.

#### 2020-05

The Department of Revenue did not publish \$18.5 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

**Agency:** Department of Revenue (DOR)

**Year finding initially occurred:** Fiscal Year 2019

**Status:** Not corrected

**Reason for recurrence:** As noted in the finding, issues with ADOR's tax administration system currently prevent the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department.

**Actions taken/remaining:** The Department has continued planning for the replacement of the current tax administration system and gathering best practices from other states and Arizona state agencies. Additionally, the Department submitted a budget request that includes funding for a new system on September 1, 2021.

#### 2020-06

The Department of Revenue did not initially report \$788 million of income tax revenue, which could have misinformed financial statement users

**Agency:** Department of Revenue (DOR)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Fully corrected

#### 2020-07

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

**Year finding initially occurred:** Fiscal Year 2015

**Status:** Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State is working to develop, implement and publish policies and procedures to resolve gaps. Each agency has prepared detailed statuses for this finding.

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

#### 2020-08

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

**Year finding initially occurred:** Fiscal Year 2015

**Status:** Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State is working to develop, implement and publish policies and procedures to resolve gaps. Each agency has prepared detailed statuses for this finding.

#### 2020-09

The other auditors who audited the Public Safety Personnel Retirement System (PSPRS) reported the following internal control deficiency over PSPRS' financial statement compilation process for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements. PSPRS' and the State's 2020 financial statements were adjusted for all material misstatements noted

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Year finding initially occurred:** Fiscal Year 2019

**Status:** Partially corrected

**Reason for recurrence:** Due to resource constraints, Agency resources were directed to resolve unreconciled accounts as a priority.

**Actions taken:** Management has identified key design deficiencies associated with the current financial system and have implemented compensating controls to mitigate the risk of a financial reporting misstatement. Management will additionally continue to assess and develop the MS Dynamics Great Plains General Ledger during the ongoing design phase of the new Pension Administration System (PAS).

**Actions remaining:** Management will also continue to strengthen and enhance current controls and operation of the existing financial system to ensure successful build out and future transition to the new PAS.

#### 2020-10

The other auditors who audited the PSPRS reported the following internal control deficiency over unreconciled balance sheet accounts for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements. PSPRS' and the State's 2020 financial statements were adjusted for all material misstatements noted

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Fully corrected

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

#### 2020-11

The other auditors who audited the PSPRS reported the following internal control deficiency over investment accounting for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Partially corrected

**Reason for recurrence:** Timing of the new FTE and process development extended beyond fiscal year 2021 year-end.

**Actions taken:** New processes and activities were developed during the end of fiscal year 2021 and ongoing for fiscal year 2022 to ensure regular reconciliations occur between the custodial bank and external manager records, both on investment evaluations and the investment transactions reporting side. Beginning in fiscal year 2022, quarterly GL summary files and journal files are prepared for entry into the financial reporting system.

**Actions remaining:** N/A

#### 2020-12

The other auditors who audited the PSPRS reported the following internal control deficiency over segregation of duties for activity that is reported within the Pension and Other Employee Benefit Trust Funds in the State's financial statements

**Agency:** Public Safety Personnel Retirement System (PSPRS)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Fully corrected

#### 2020-13

The other auditors who audited the Arizona Department of Transportation (ADOT) reported the following internal control deficiency over expenditure cutoff within the Other Governmental Funds, Enterprise Funds, and Internal Service Funds in the State's financial statements. ADOT's and the State's 2020 financial statements were adjusted for all material misstatements noted

**Agency:** Arizona Department of Transportation (ADOT)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Not corrected

During the audit of fiscal year 2021 ADOT recorded adjustments to correct accounts payable. The issue related to the accounts payable accrual and being able to obtain accurate service or delivery dates on payments made in APP, to calculate the accrual.

ADOT users throughout the agency were not entering correct service or delivery dates and this forced the annual report team to have to review service and delivery dates off hundreds of invoices manually, to confirm whether they needed to be accrued. Transactions were missed in this process.

ADOT launched a campaign to train users about how to fill in the service or delivery dates, ADOT will also run reports that identify how they are doing at this. If users aren't following instructions, they are enrolled in refresher training. ADOT also separately tracked service and delivery dates in a field in our Onbase systems, so that we could report this information out and confirm it against the data entered by our ADOT users entering in APP.

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

With this effort, we are confident in our ability to accurately make our accounts payable accrual for the FY22 annual report.

#### 2020-14

The other auditors who audited ADOT reported the following internal control deficiency over accounts receivables and revenues for the State Aviation Fund that is reported within the Other Governmental Funds in the State's financial statements. ADOT's and the State's 2020 financial statements were adjusted for all material misstatements noted

**Agency:** Arizona Department of Transportation (ADOT)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Fully corrected

#### 2019-03

The State's process for reporting cash and investments was not adequate to prevent misstatements in the State's financial statements, which increases the risk that those relying on the reported financial information could be misled.

**Year finding initially occurred:** Fiscal Year 2019

**Status:** Fully corrected

#### 2019-06

The Arizona Department of Administration and PSPRS did not adequately communicate and work together to ensure the accuracy of CORP's ADC employee data provided to actuaries, which increases the risk that those relying on the pension liability reported in the State's financial statements could be misled and future employer contributions will be inadequate to cover future benefit payments

**Agency:** Public Safety Personnel Retirement System (PSPRS) and Arizona Department of Administration (ADOA)

**Year finding initially occurred:** Fiscal Year 2019

**Status:** Partially corrected

Reason for recurrence: PSPRS IT staff encountered unforeseen delays in producing an automated quarterly census file as originally planned, and had to continue providing a manual annual file for the period being reconciled.

Actions taken: The Arizona Department of Administration (ADOA) received census data, ran queries, identified and classified the discrepancies. ADOA then sent the discrepancies to each agency for correction in the Human Resources Information Solution (HRIS). Some of the corrections required coordination between the agency and Public Safety Personnel Retirement System (PSPRS) to ensure that the records matched up.

Actions remaining: PSPRS will ensure the necessary set of census files for review by ADOA is provided on a quarterly basis or on request beginning in fiscal year 2023. Additionally, any new discrepancies will need to be identified and resolved.

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

## Status of federal award findings and questioned costs

### 2020-101

**Assistance listing number and name:** 20.019 COVID-19 Coronavirus Relief Fund  
**Agency:** Arizona Governor's Office of Strategic Planning and Budgeting (Office)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Partially corrected

**Reasons for recurrence:** The Office was not able to implement corrective action by June 30, 2021 as the prior year single audit was not issued until October 2021 and they also experienced 100% turnover of program staff.

**Actions taken:** The Office has communicated expectations for spending Coronavirus Relief Fund (CRF) monies to State agencies, including specifying unallowable personnel and payroll expenses in interagency services agreements. The Office also reviews expenditures and requests for reimbursements prior to approving payments to help ensure expenses claimed were for allowable purposes.

**Actions remaining:** As part of the CRF award close-out process, the Office will perform a risk-based, after-the-fact review of a sample of State agencies' and local governments' CRF reimbursement requests to identify any unallowable expenditures that were reimbursed and work with the associated State agencies and local governments to correct any issues identified.

### 2020-102

**Assistance listing number and name:** 17.225 COVID-19 Unemployment Insurance  
**Agency:** Department of Economic Security (DES)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** Throughout the pandemic, the Department deployed various system fraud controls and integrity measures that were required or identified as industry best-practices to mitigate and prevent the unprecedented criminal and fraudulent activity experienced across the nation. For example, the Department took steps to implement mandatory and strongly recommended Benefit Payment Control integrity activities outlined in Unemployment Insurance Program Letter No. 23-20 released by the U.S. Department of Labor. In addition, the Department cross-matched wage information to identify fraudulent claim payments. Further, the Department partnered with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud.

**Actions remaining:** The Department will continue efforts to implement the audit recommendation. These efforts include identifying any additional fraudulent claims payments, working with law enforcement agencies to recover improper payments for fraudulent claims due to identify theft, repaying any recovered improper payments to the federal government, and implementing a plan to ensure critical identity verification and other anti-fraud measures are in place.



# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

#### 2020-103

**Assistance listing number and name:** 17.225 COVID-19 Unemployment Insurance  
**Agency:** Department of Economic Security (DES)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** The Department worked with its contractor to make several enhancements to ensure all transactions associated with a payment are recorded in a manner that allows for reconciliation and that there are no payments or cancels that remain unaccounted.

**Actions remaining:** The Department will continue efforts to implement the audit recommendation in fiscal year 2022. The Department will adhere to its agreed upon Treasury-State Agreement funding technique to draw only those federal monies it needs for the same day it pays benefits utilizing the system generated reports generated that details the amount of benefits to be issued. Additionally, the Department is working with federal partners in the resolution of the issue of the amounts that were noted as overdrawn. The Department will establish policies and procedures to ensure its contractor's system produces complete and accurate reports as recommended. Additionally, the Department is creating a request to enhance the financial reporting process to perform regular reconciliations to ensure that the system and the Pandemic Unemployment Assistance (PUA) accounts are balanced. This will allow the Department the ability to perform regular validations on the system accounting process. When discrepancies are identified during the process to reconcile the cash balances to the servicing bank records, the Department will document the issue and elevate it to the applicable internal system reporting team to further investigate and resolve.

#### 2020-104

**Assistance listing number and name:** 17.225 COVID-19 Unemployment Insurance  
**Agency:** Department of Economic Security (DES)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** The Department worked with its contractor to make several enhancements to ensure all transactions associated with a payment are recorded in a manner that allows for reconciliation and that there are no payments or cancels that remain unaccounted. The Department submitted required revisions of the ETA 2112 reports to the U.S. Department of Labor in June 2021 for state fiscal year 2020.

**Actions remaining:** The Department will continue efforts to implement the audit recommendation in fiscal year 2022. The Department will establish policies and procedures to ensure its contractor's system produces complete and accurate reports as recommended. Additionally, the Department is creating a request to enhance the financial reporting process to perform regular reconciliations to ensure that the system and the Pandemic Unemployment Assistance (PUA) accounts are balanced. This will allow the Department the ability to perform regular validations on the system accounting process.



# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

#### 2020-105

**Assistance listing number and name:** 17.225 COVID-19 Unemployment Insurance

**Agency:** Department of Economic Security (DES)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Partially corrected

**Reason for recurrence:** Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address all Unemployment Insurance audit findings.

**Actions taken:** In accordance with federal and state rules and regulations, the Department has a well-established business practice of performing the detection, recovery, and repayment functions as required for the regular Unemployment Insurance (UI) program. The Department has taken steps to implement these functions for the Pandemic Unemployment Assistance (PUA) program as well. Regarding specific system issues, the Department has taken steps to implement overpayment functionality between the new PUA program system and the existing accounts receivable system.

**Actions remaining:** The Department will strengthen its PUA program to determine overpayments made to PUA program claimants, resolve associated computer programming issues, and repay recovered overpayments to the federal government.

#### 2020-106

**Assistance listing number and name:** 17.225 COVID-19 Unemployment Insurance

**Agency:** Department of Economic Security (DES)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Fully corrected

#### 2020-107

**Assistance listing number and name:** 66.605 Performance Partnership Grants

**Agency:** Department of Environmental Quality (DEQ)

**Year finding initially occurred:** Fiscal Year 2020

**Status:** Not corrected

**Reason for recurrence:** The department is coordinating with other units to begin implementation in fiscal year 2022.

**Actions remaining:** The department will continue its efforts to implement the audit recommendation by June 2022. In addition to expanding its usage of the time tracking system, DEQ will continue to develop written policies and procedures to track and document actual time employees spend working on federal program activities. Furthermore, the department will [continue to work with internal departments] to implement regular after-the-fact payroll cost reviews in order to identify and facilitate payroll adjustments. In collaboration with ADOA GAO, DEQ will continue to work towards implementing unique grant numbers.

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

#### 2020-108

**Assistance listing number and name:** 66.605 Performance Partnership Grants  
**Agency:** Department of Environmental Quality (DEQ)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Not corrected

**Reason for recurrence:** The Department is coordinating with other units to begin implementation in fiscal year 2022.

**Actions remaining:** Collaborate with internal training department to develop a computer based training (CBT) course designed to coach employees regarding federal and state regulations surrounding Subrecipient Monitoring to ensure compliance of all contract agreements.

#### 2020-109, 2018-108

**Assistance listing number and name:** 93.658 Foster Care  
93.659 Adoption Assistance  
**Agency:** Department of Child Safety (DCS)  
**Year finding initially occurred:** Fiscal Year 2016  
**Status:** Fully corrected

#### 2020-110

**Assistance listing number and name:** Various  
**Agency:** Arizona Department of Administration (ADOA)  
**Year finding initially occurred:** Fiscal Year 2011  
**Status:** Not corrected

**Reason for recurrence:** We have an established process in place for monitoring legislation and have on multiple occasions, advised that these transfers were not consistent with established Federal cost principles and would result in an obligation to the Federal government. However, if the State does transfer monies, there may continue to be disallowed costs that will require repayment with applicable interest.

**Actions remaining:** This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs. We are committed to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue. It should be noted that the number of fund transfers required by legislation have diminished significantly.

#### 2020-111

**Assistance listing number and name:** Not applicable  
**Agency:** Arizona Department of Administration (ADOA)  
**Year finding initially occurred:** Fiscal Year 2020  
**Status:** Not corrected

**Reason for recurrence:** The COVID-19 pandemic resulted in the need for State to focus resources and manpower in responding to the crisis. In addition, Federal Acts passed in response to the pandemic resulted in a

# State of Arizona

## Summary schedule of prior audit findings

### Year ended June 30, 2021

large influx of federal monies and put additional pressure on the State, and its components, to meet related requirements for the receipt and use of such monies. This stretched the capacity of the State and resulted in delays in the issuance of the State's financial statements, completion of schedule of expenditures of federal awards compilation and separately audited agency major programs to be included in the State's Single Audit, and delays in providing supporting documentation to auditors for test work conducted over the State's major federal programs.

**Actions remaining:** We concur timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines and will actively work with the state agencies and directors of those agencies communicating regularly to work towards a timely Single Audit.

#### 2019-102

**Cluster Name:** CCDF Cluster  
**Assistance listing numbers and names:** 93.575 Child Care and Development Block Grant  
93.596 Child Care Mandatory  
**Agency:** Department of Economic Security (DES)  
**Year finding initially occurred:** Fiscal Year 2019  
**Status:** Fully corrected

#### 2019-103

**Assistance listing number and name:** 84.010 Title I Grants to Local Educational Agencies  
**Agency:** Department of Education (ADE)  
**Year finding initially occurred:** Fiscal Year 2019  
**Status:** Fully corrected

#### 2014-112

**Assistance listing number and name:** 84.010 Title I Grants to Local Educational Agencies  
**Agency:** Department of Education (ADE)  
**Year finding initially occurred:** Fiscal Year 2014  
**Status:** Fully corrected

