



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

State of Arizona

Year Ended June 30, 2005



Debra K. Davenport
Auditor General

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State of Arizona
Single Audit Reporting Package
Year Ended June 30, 2005

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**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
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 Janet Napolitano, Governor
State of Arizona

The Honorable Ken Bennett, President
Arizona State Senate

The Honorable James P. Weiers, Speaker
Arizona House of Representatives

The Honorable Ruth V. McGregor, Chief Justice
Arizona Supreme Court

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2005, which collectively comprise the State's basic financial statements, and have issued our report thereon dated March 31, 2006. Our report was modified as to consistency because of a change in the application of an accounting principle for a change in the method of calculating depreciation on research buildings at Arizona State University and a change in accounting principle for the implementation of Governmental Accounting Standards Board Statement No. 40. Finally, our report was modified due to our reliance on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component units (except for the Water Infrastructure Finance Authority) and the fiduciary fund financial statements of the Arizona State Retirement System, Public Safety Personnel Retirement System, Elected Officials' Retirement Plan, and Corrections Officer Retirement Plan were not audited by the other auditors in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the State's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide an opinion on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively

low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We and the reports of the other auditors noted no matters involving internal control over financial reporting and its operation that we and the other auditors consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we will report to various state agencies' management in separate letters at a future date.

Compliance and Other Matters

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

This report is intended solely for your information and use and that of the Chairperson and Vice Chairperson of the Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport
Auditor General

March 31, 2006



**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133**

The Honorable Janet Napolitano, Governor
State of Arizona

The Honorable Ken Bennett, President
Arizona State Senate

The Honorable James P. Weiers, Speaker
Arizona House of Representatives

The Honorable Ruth V. McGregor, Chief Justice
Arizona Supreme Court

Compliance

We have audited the compliance of the State of Arizona with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005, except for that portion of the federal programs administered by the Arizona Health Care Cost Containment System, the Arizona Department of Transportation, and the Water Infrastructure Finance Authority. Those agencies were audited by other auditors, and our opinion, insofar as it relates to the compliance of those agencies with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, is based solely on the work of the other auditors. The State's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit and the work of the other auditors.

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

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

<u>Program Title (CFDA Number)</u>	<u>Compliance Requirement</u>	<u>Finding Number</u>
Food Stamp Cluster: Food Stamps (10.551) State Administrative Matching Grants for Food Stamp Program (10.561)	Special Tests and Provisions	05-109, 05-111
Child Nutrition Cluster: School Breakfast Program (10.553) National School Lunch Program (10.555) Special Milk Program for Children (10.556) Summer Food Service Program for Children (10.559)	Subrecipient Monitoring	05-101
Child and Adult Care Food Program (10.558)	Subrecipient Monitoring	05-101
Homeland Security Grant Program Cluster: State Domestic Preparedness Equipment Support Program (16.007) State Domestic Preparedness Equipment Support Program (97.004) Emergency Management Performance Grants (97.042) Citizens Corps (97.053) Homeland Security Grant Program (97.067)	Cash Management, Subrecipient Monitoring, Special Tests and Provisions	05-125, 05-126, 05-127
Title I Grants to Local Educational Agencies (84.010)	Subrecipient Monitoring	05-101
Special Education Cluster: Special Education—Grants to States (84.027) Special Education—Preschool Grants (84.173)	Level of Effort, Subrecipient Monitoring, Reporting	05-101, 05-105, 05-123, 05-124
Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126)	Eligibility	05-114
Even Start—State Educational Agencies (84.213)	Matching, Subrecipient Monitoring	05-101, 05-102, 05-103
Temporary Assistance for Needy Families (93.558)	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility	05-109, 05-110
Social Services Block Grant (93.667)	Subrecipient Monitoring	05-120

In our opinion, based on our audit and the work of the other auditors, except for the noncompliance described in the preceding table, the State of Arizona complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended June 30, 2005. The results of our auditing procedures and the work of the other auditors also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 05-104, 05-106, 05-107, 05-110, 05-112, 05-113, 05-115, 05-116, 05-117, 05-118, 05-119, 05-121, and 05-122.

Internal Control over Compliance

The State's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We and the work of the other auditors noted certain matters involving internal control over compliance and its operation that we and the other auditors consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over compliance that, in our judgment, could adversely affect the State's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-101, 05-102, 05-103, 05-104, 05-105, 05-106, 05-107, 05-108, 05-109, 05-110, 05-111, 05-112, 05-113, 05-114, 05-115, 05-116, 05-117, 05-118, 05-119, 05-120, 05-121, 05-122, 05-123, 05-124, 05-125, 05-126, 05-127.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 05-101, 05-102, 05-103, 05-105, 05-108, 05-109, 05-110, 05-111, 05-114, 05-120, 05-123, 05-124, 05-125, 05-126, and 05-127 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2005, and have issued our report thereon dated March 31, 2006. Our report was modified as to consistency because of a change in the application of an accounting principle for a change in the method of calculating depreciation on research buildings at Arizona State University and a change in accounting principle for the implementation of Governmental Accounting Standards Board Statement No. 40. Finally, our report was modified due to our reliance on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional

analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the work of the other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for your information and use and that of the Chairperson and Vice Chairperson of the Joint Legislative Audit Committee, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport
Auditor General

April 27, 2006, except for the
Schedule of Expenditures of Federal
Awards, for which the date is March 31, 2006

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
<u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u>			
07.I3PSAP549, I4PSA549, 01-11-A-130615-1001	High Intensity Drug Trafficking Areas, <i>Arizona Alliance Planning Committee</i>	AGA	\$ 751,007
07.I3PSAP549, I4PSA549, I2PSAP549	High Intensity Drug Trafficking Areas, <i>Arizona Alliance Planning Committee</i>	PSA	1,544,931
	Total Office of National Drug Control Policy		<u>\$ 2,295,938</u>
<u>PEACE CORPS</u>			
08.031812015, 03181202, PC-04-8-109	Peace Corps	ASA	\$ 32,727
08.031812017000, 44001720	Peace Corps Coordinator	NAA	15,372
	Total Peace Corps		<u>\$ 48,099</u>
<u>DEPARTMENT OF AGRICULTURE</u>			
<u>Food Stamp Cluster</u>			
10.551	Food Stamps	DEA	\$ 617,991,357
10.561	State Administrative Matching Grants for Food Stamp Program	ASA	11,246
10.561	State Administrative Matching Grants for Food Stamp Program	DEA	28,405,319
10.561	State Administrative Matching Grants for Food Stamp Program	HSA	4,491,343
	10.561 Subtotal		<u>32,907,908</u>
	Food Stamp Cluster Subtotal		<u>650,899,265</u>
<u>Child Nutrition Cluster</u>			
10.553	School Breakfast Program	DCA	30,160
10.553	School Breakfast Program	DJA	143,523
10.553	School Breakfast Program	EDA	42,339,774
	10.553 Subtotal		<u>42,513,457</u>
10.555	National School Lunch Program	DCA	47,460
10.555	National School Lunch Program	DJA	485,740
10.555	National School Lunch Program	EDA	165,047,788
10.555	National School Lunch Program	SDA	145,998
	10.555 Subtotal		<u>165,726,986</u>
10.556	Special Milk Program for Children	EDA	144,978
10.559	Summer Food Service Program for Children	EDA	1,162,496
	Child Nutrition Cluster Subtotal		<u>209,547,917</u>
<u>Emergency Food Assistance Cluster</u>			
10.568	Emergency Food Assistance Program (Administrative Costs)	DEA	1,226,664
10.569	Emergency Food Assistance Program (Food Commodities)	DEA	6,484,940
	Emergency Food Assistance Cluster Subtotal		<u>7,711,604</u>
<u>Other Department of Agriculture Programs</u>			
10.001	Agricultural Research—Basic and Applied Research	ASA	9,422
10.001	Agricultural Research—Basic and Applied Research	UAA	6,514
	10.001 Subtotal		<u>15,936</u>
10.025	Plant and Animal Disease, Pest Control, and Animal Care	AHA	1,147,094
10.025	Plant and Animal Disease, Pest Control, and Animal Care	GFA	92,294
	10.025 Subtotal		<u>1,239,388</u>
10.156	Federal—State Marketing Improvement Program	AHA	4,400
10.164	Wholesale Farmers and Alternative Market Development	ASA	10,488

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
10.200	Grants for Agricultural Research, Special Research Grants	UAA	5,856
10.200	Grants for Agricultural Research, Special Research Grants, <i>Utah State University</i> , Contract #s 035148004, 041535015	UAA	27,406
	10.200 Subtotal		33,262
10.206	Grants for Agricultural Research—Competitive Research Grants	ASA	2,212
10.206	Grants for Agricultural Research—Competitive Research Grants	UAA	42,500
10.206	Grants for Agricultural Research—Competitive Research Grants, <i>University of Utah</i> , Contract # 041464001	UAA	7,896
	10.206 Subtotal		52,608
10.217	Higher Education Challenge Grants, <i>University of Vermont</i> , Contract # EG3401	UAA	40,227
10.220	Higher Education Multicultural Scholars Program	NAA	38,793
10.224	Fund for Rural America—Research, Education, and Extension Activities	ASA	78,336
10.224	Fund for Rural America—Research, Education, and Extension Activities	UAA	106,411
	10.224 Subtotal		184,747
10.225	Community Food Projects	NAA	97,675
10.303	Integrated Programs	UAA	598,525
10.303	Integrated Programs, <i>University of California —Davis</i> , Contract # K009607AZ	UAA	21,040
	10.303 Subtotal		619,565
10.304	Homeland Security—Agricultural	AHA	8,945
10.350	Technical Assistance to Cooperatives	EPA	50,497
10.435	State Mediation Grants	ASA	133,194
10.450	Crop Insurance	UAA	44,776
10.450	Crop Insurance, <i>Drake University</i>	NAA	7,022
	10.450 Subtotal		51,798
10.455	Community Outreach and Assistance Partnership Program	UAA	56,663
10.457	Commodity Partnerships for Risk Management Education	UAA	109,658
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	AHA	164,092
10.500	Cooperative Extension Service	UAA	3,759,309
10.500	Cooperative Extension Service, <i>Kansas State University</i> , Contract # S04067	UAA	30,110
10.500	Cooperative Extension Service, <i>Michigan State University</i> , Contract # 614055A	UAA	300
10.500	Cooperative Extension Service, <i>National 4H Council</i> , Contract #s 200305099, 20024520101528	UAA	132,877
10.500	Cooperative Extension Service, <i>University of Utah</i> , Contract # 014198002	UAA	3,706
10.500	Cooperative Extension Service, <i>University of Vermont</i> , Contract #s SARENI04, NI14	UAA	5,075
10.500	Cooperative Extension Service, <i>University of Wyoming</i> , Contract #s UTSTUNV6225, UTSTUNV61306128STATE, UTSTUNV6243	UAA	11,739
10.500	Cooperative Extension Service, <i>Utah State University</i> , Contract #s C031336, 014198001, C029398, C029762, UTSTUNV46453	UAA	33,760
10.500	Cooperative Extension Service, <i>Washington State University</i> , Contract #s G001175, 101669G001511WSUWETAASAL/HP	UAA	84,112
	10.500 Subtotal		4,060,988
10.550	Food Donation	EDA	131,159
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	HSA	125,504,174
10.558	Child and Adult Care Food Program	EDA	46,184,712
10.560	State Administrative Expenses for Child Nutrition	EDA	2,880,270
10.565	Commodity Supplemental Food Program	HSA	4,009,971
10.572	WIC Farmers' Market Nutrition Program (FMNP)	HSA	128,957
10.574	Team Nutrition Grants	EDA	98,759
10.582	Fresh Fruit and Vegetable Program	EDA	7,840
10.652	Forestry Research	ASA	5,522
10.652	Forestry Research	GFA	47,757

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
10.652	Forestry Research	UAA	15,927
	10.652 Subtotal		<u>69,206</u>
10.664	Cooperative Forestry Assistance	ASA	2,734
10.664	Cooperative Forestry Assistance	LDA	4,229,119
10.664	Cooperative Forestry Assistance	NAA	403,622
10.664	Cooperative Forestry Assistance	UAA	471,561
10.664	Cooperative Forestry Assistance, <i>Navajo County Board of Supervisors</i> , Contract # SFA1005	UAA	108,937
	10.664 Subtotal		<u>5,215,973</u>
10.762	Solid Waste Management Grants	NAA	40,339
10.769	Rural Business Enterprise Grants	EPA	16,227
10.769	Rural Business Enterprise Grants	NAA	2,665
	10.769 Subtotal		<u>18,892</u>
10.902	Soil and Water Conservation	AHA	110,785
10.904	Watershed Protections and Flood Protection	NAA	128
10.912	Environmental Quality Incentives Program	AHA	20,088
10.912	Environmental Quality Incentives Program	GFA	75,963
10.912	Environmental Quality Incentives Program	WCA	201,838
	10.912 Subtotal		<u>297,889</u>
10.914	Wildlife Habitat Incentive Program	GFA	58,006
10.7294574A016	Wildlife Enhancement-Raymond Ranch	GFA	47,747
10.0411031600-054, 03DG11030300042	Forest Service	NAA	644,432
10.CK08340699, 6594574035	Delivery of AG Programs	UAA	77,667
10.CK09747718	Intergovernmental Personnel Act Assignment	UAA	5,087
10.Unknown	USDA Promote Agriculture	AHA	237
10.Unknown	Farm Filled AG Venture Program	UAA	3,320
10.Unknown	Food Stamp Nutritional Education Program	UAA	192,752
	Total Department of Agriculture		<u>\$ 1,060,860,012</u>
<u>DEPARTMENT OF COMMERCE</u>			
<u>Public Works and Economic Development Cluster</u>			
11.300	Grants for Public Works and Economic Development Facilities	NAA	\$ 2,262,828
	Public Works and Economic Development Cluster Subtotal		<u>2,262,828</u>
11.302	Economic Development—Support for Planning Organizations	EPA	46,866
11.431	Climate and Atmospheric Research	UAA	95,696
11.EEE-A-00-02-00041-00	International New Delhi	EPA	30,210
11.077905438	Department of Commerce	NAA	88,360
11.DG133R03SE1133	A National Climate/Fuel Assessment and Outlook for the 2003 Fire Season	UAA	655
11.Unknown	Rural Power and Telecom	EPA	8,489
11.Unknown	NAU/EDA Economic Development Program	UAA	2,000
	Total Department of Commerce		<u>\$ 2,535,104</u>
<u>DEPARTMENT OF DEFENSE</u>			
12.110	Planning Assistance to States	GFA	\$ 82,385
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	EVA	610,211
12.114	Collaborative Research and Development	GFA	3,485
12.300	Basic and Applied Scientific Research	ASA	24,518
12.300	Basic and Applied Scientific Research	GFA	50,723
	12.300 Subtotal		<u>75,241</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
12.400	Military Construction, National Guard	MAA	5,538,729
12.401	National Guard Military Operations and Maintenance (O&M) Projects	GFA	58,690
12.401	National Guard Military Operations and Maintenance (O&M) Projects	MAA	30,960,797
	12.401 Subtotal		<u>31,019,487</u>
12.404	National Guard Civilian Youth Opportunities	MAA	2,037,916
12.420	Military Medical Research and Development	ASA	38,258
12.420	Military Medical Research and Development	UAA	394,257
	12.420 Subtotal		<u>432,515</u>
12.431	Basic Scientific Research	ASA	15,655
12.431	Basic Scientific Research, <i>Academy of Applied Science</i>	ASA	13,033
	12.431 Subtotal		<u>28,688</u>
12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies	EPA	134,551
12.800	Air Force Defense Research Sciences Program	GFA	225,348
12.800	Air Force Defense Research Sciences Program	UAA	7,711
	12.800 Subtotal		<u>233,059</u>
12.900	Language Grant Program	ASA	96,180
12.901	Mathematical Sciences Grants Program	ASA	71,680
12.901	Mathematical Sciences Grants Program	UAA	4,000
	12.901 Subtotal		<u>75,680</u>
12.910	Research and Technology Development	ASA	114,430
12.W912L2-04-P-0087	Department of Defense—Army	ASA	1,991
12.DABT63-98-D-0002	Business Enterprise Program/FT Huachuca	DEA	3,152,474
12.NON-98-0715	Cibola Wildlife Water Developments	GFA	26,315
12.DAHA2 00 2 3003, DAHA2 98 3003	Camp Navajo	MAA	7,428,624
12.P1018064	Intergovernmental Personnel Act for Carl Hendricks	UAA	123,156
12.W81XWH0410927	Four Corners Telemedicine and Telehealth Consortium Planning Conference	UAA	28,288
12.Unknown	Anti Terrorism Task Force	PSA	3,660
12.Unknown	Uniform Commutation Fund	UAA	49,860
	Total Department of Defense		<u>\$ 51,296,925</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Section 8 Project-Based Cluster</u>			
14.195	Section 8 Housing Assistance Payments Program—Special Allocations	HDA	\$ 32,931,135
	Section 8 Project-Based Cluster Subtotal		<u>32,931,135</u>
<u>Other Department of Housing and Urban Development Programs</u>			
14.218	Community Development Block Grants/Entitlement Grants, <i>City of Phoenix</i> , Contract # 105830	ASA	26,627
14.228	Community Development Block Grants/State's Program	HDA	14,489,198
14.231	Emergency Shelter Grants Program	DEA	824,687
14.235	Supportive Housing Program	HDA	2,454,356
14.238	Shelter Plus Care	HDA	5,687,115
14.239	HOME Investment Partnerships Program	HDA	5,685,315
14.239	HOME Investment Partnerships Program, <i>Cochise County</i> , Contract # 53203	UAA	1,717
	14.239 Subtotal		<u>5,687,032</u>
14.241	Housing Opportunities for Persons with AIDS	HDA	195,342
14.250	Rural Housing and Economic Development	HDA	58,858
14.401	Fair Housing Assistance Program—State and Local	AGA	450,372

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
14.511	Community Outreach Partnership Center Program	UAA	130,518
14.512	Community Development Work-Study Program	UAA	3,173
14.514	Hispanic-Serving Institutions Assisting Communities	UAA	67,162
14.871	Section 8 Housing Choice Vouchers	HDA	262,582
14.CH-ARIZ-49	Department of Housing and Urban Development	NAA	47,582
	Total Department of Housing and Urban Development		<u>\$ 63,315,739</u>
<u>DEPARTMENT OF THE INTERIOR</u>			
<u>Fish and Wildlife Cluster</u>			
15.605	Sport Fish Restoration	GFA	\$ 4,981,739
15.611	Wildlife Restoration	GFA	4,558,493
	Fish and Wildlife Cluster Subtotal		<u>9,540,232</u>
<u>Other Department of the Interior Programs</u>			
15.130	Indian Education—Assistance to Schools	EDA	390,998
15.219	Wildlife Habitat Management Technical Assistance	GFA	129,475
15.222	Cooperative Inspection Agreements with States and Tribes	MIA	525
15.224	Cultural Resource Management	ASA	22,240
15.224	Cultural Resource Management	GFA	36,177
15.224	Cultural Resource Management, <i>Montana State University</i> , Contract # GC24404Z1138	UAA	5,000
	15.224 Subtotal		<u>63,417</u>
15.227	Distribution of Receipts to State and Local Governments	DTA	152,458
15.228	National Fire Plan—Wildland Urban Interface Community Fire Assistance	LDA	488,593
15.504	Water Reclamation and Reuse Program	GFA	2,903
15.600	Anadromous Fish Conservation	ASA	2,207
15.608	Fish and Wildlife Management Assistance	GFA	21,580
15.612	Endangered Species Conservation	GFA	45,575
15.615	Cooperative Endangered Species Conservation Fund	AHA	76,144
15.615	Cooperative Endangered Species Conservation Fund	GFA	1,595,971
	15.615 Subtotal		<u>1,672,115</u>
15.616	Clean Vessel Act	GFA	15,672
15.617	Wildlife Conservation and Appreciation	GFA	1,119
15.623	North American Wetlands Conservation Fund	GFA	3,914
15.625	Wildlife Conservation and Restoration	GFA	156,456
15.626	Hunter Education and Safety Program	GFA	208,279
15.633	Landowner Incentive	GFA	400,335
15.634	State Wildlife Grants	GFA	2,117,572
15.642	Challenge Cost Share	GFA	13,671
15.808	U.S. Geological Survey—Research and Data Collection	GFA	355,085
15.808	U.S. Geological Survey—Research and Data Collection	GSA	60,043
15.808	U.S. Geological Survey—Research and Data Collection	LDA	4,122
	15.808 Subtotal		<u>419,250</u>
15.810	National Cooperative Geologic Mapping Program	ASA	9,041
15.810	National Cooperative Geologic Mapping Program	GSA	132,786
	15.810 Subtotal		<u>141,827</u>
15.904	Historic Preservation Fund Grants-In-Aid	ASA	28,870
15.904	Historic Preservation Fund Grants-In-Aid	PRA	49,751
15.904	Historic Preservation Fund Grants-In-Aid, <i>Fort McDowell Yavapai Nation</i>	ASA	10,781
	15.904 Subtotal		<u>89,402</u>
15.910	National Natural Landmarks Program	GFA	4,692
15.916	Outdoor Recreation—Acquisition, Development and Planning	PRA	1,234,354
15.01FG320110	Bureau of Reclamation	ASA	32,153

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
15.02FG810807	Bureau of Reclamation	ASA	15,462
15.507-30-W0330	Bureau of Reclamation Restricted Endowment	ASA	5,999,802
15.03-FG-30-0037	Augmentation of Razorback Sucker Population	GFA	49,690
15.X68040026	Bald Eagle Monitoring ASNF	GFA	11,808
15.00-FG-32-0070	Bald Eagle Surveys	GFA	57,010
15.00-FG-32-0100	Development of Propagation Techniques for Loach Minnow	GFA	5,541
15.99-FC-32-0070	Fish Monitoring Salt & Gila Rivers	GFA	5,331
15.201814J875	Fossil Creek	GFA	77,494
15.02-FC-40-8390, 02-FC-CU-AZ010	Kanab Ambersnail Refugia Population	GFA	7,439
15.00-FG-32-0160	Limnological Fisheries/Lake Pleasant	GFA	50,913
15.03-FG-34-0009	Monitoring of Flat-tailed Horned Lizard Distribution	GFA	1,178
15.1-07-34-C0165	Mumme Farm Maintenance	GFA	1,096
15.04-FC-32-0310	Native Fishes Hatchery Development	GFA	42,632
15.04-FG-34-0014	O&M Quigley Wildlife Area	GFA	8,684
15.02-FC-32-0100	Propagation Techniques Loach Minnow	GFA	27,129
15.H8660040001	Pygmy Owl Surveys	GFA	43,355
15.00-GF-34-0009	Razorback Sucker Flathead	GFA	49,719
15.98-FC-30-01630	Razorback Sucker—Parker Dam	GFA	37,623
15.1448201814J605	Sonoran Pronghorn Flights	GFA	952
15.98-FC-32-0050	Southwestern Willow Flycatcher Study	GFA	639,127
15.98-FC-32-0050	Willow Flycatcher—Apache Sitgraves Study	GFA	2,178
15.H1200040002	National Park Service	NAA	7,439
15.1200-99-009	National Park Service	NAA	10,774
15.267097	National Park Service	NAA	97,610
15.PAA-01-7002	Bureau of Land Management	NAA	173,505
15.02-FG-32-0180	Bureau of Reclamation	NAA	500
15.04PG321038	Bureau of Reclamation	NAA	5,000
15.AGKR940020LNRPAP	SHPO Site Steward IGA Multipartner	PRA	37,101
15.AAD030136	BLM IGA Service Order	PSA	100,000
15.03FC402002	Glen Canyon Dam Security FFY03 to FFY05	PSA	9,827
15.SMK00040537	Gila River Indian Community Archaeological Materials	UAA	29,563
15.AAA000011AAF030043	Monitoring Data for Rangeland Health Evaluations	UAA	29,892
15.AAA000011AAF040042	Living with Wildfire in Arizona	UAA	7,550
15.04FG320200	Hubbell Trading Post Irrigation Demonstration Farm	UAA	18,456
15.04FG320210	Arizona Water Resources	UAA	5,500
15.04FG320270	Projects to Enhance Arizona's Environment: Their Functions, Water Requirements	UAA	8,796
15.14350104CA32915	Publication of Data from Recent MMS Studies (US Minerals Management Service)	UAA	21,621
15.0401GP291	Tribal Consultation on Ceramic Collection	UAA	4,550
15.03FG340010	Yuma Valley Irrigator's Handbook	UAA	21,546
15.14482018101G951	Arizona CRM Rangeland Monitoring Workshops	UAA	10,229
15.201814G900	Arizona Firewise Communities 2003 Workshop in Tucson, Arizona	UAA	4,844
15.CA120099009UAZ10	Ripple Rock Nature Center Exhibits—Capital Reef National Park	UAA	3,606
15.CA124800002UAZ150	Student Fieldtrip: Hypothetical Chacoan Interpretive Center	UAA	700
15.CA124800002UAZ153	Conference on Saving the Wide Open Spaces	UAA	1,488
15.CA124800002UAZ155	KUAT PBS Documentary on the Great Western Drought (Including NW Mexico)	UAA	3,078
15.CMK0E020148	Professional Development for Personnel Teaching Indian Children with Special Needs	UAA	465,434
15.CA124800002UAZ94	NAGPRA Compliance with Nine Tribes Associated	UAA	8,647
15.H1200040002UAZ14	NAGPRA Compliance with Nine Tribes—Grand Canyon National Park	UAA	18,659
15.09-FG-32-0090	State of Arizona Drought Planning	WCA	34,158
15.99FC320140	Arizona Flood Warning System	WCA	10,321
15.99FC320140	Bureau of Reclamation	WCA	11,762
15.Unknown	Aravaipa South Time T&E Fish Transplant	GFA	576
15.Unknown	Partners for Amphibian and Reptile Conservation	GFA	34,471
15.Unknown	Bird Atlas Program	GFA	4,894
15.Unknown	Black-Tailed Prairie Dog Habitat Suitability Determination	GFA	1,532
15.Unknown	Bonita Creek Gila Chub & Aquatic Habitat Inventory	GFA	1,045
15.Unknown	Cooperative Planning Liaison Position	GFA	12,949
15.Unknown	Disease Study of Culicoides in Sonoran Pronghorn	GFA	181
15.Unknown	Enhancement for Sonoran Pronghorn	GFA	37,221
15.Unknown	Gila Topminnow and Desert Pupfish Monitoring	GFA	5,208

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
15.Unknown	Heritage Data Management System Use	GFA	3,543
15.Unknown	Little Colorado Spinedace	GFA	8,035
15.Unknown	Mt. Trumbull W/L Study	GFA	9,468
15.Unknown	Palomas Plain Wildlife Water Catchments	GFA	24,198
15.Unknown	Revegetation and Wildlife Management	GFA	4,120
15.Unknown	Silver Bell Mountain Bighorn Sheep	GFA	7,423
15.Unknown	Sonoran Desert Tortoise Monitoring Study	GFA	80,837
15.Unknown	Yellow-Billed Cuckoo Surveys	GFA	183
15.Unknown	Improving Communities Practice, <i>University of New Mexico</i> , Contract #s 457751, 457752	NAA	42,604
15.Unknown	Indian Children Program, <i>Utah State University</i> , Contract # C028604	NAA	287,885
15.Unknown	Hazardous Fuels Removal by Partners	UAA	3,850
15.Unknown	Wildfire Risk Reduction Instructional Specialist for Gila County, <i>Gila County</i> , Contract # CK02532581	UAA	15,843
Total Department of the Interior			\$ 26,231,159
<u>DEPARTMENT OF JUSTICE</u>			
16.011	Urban Areas Security Initiative	MAA	\$ 1,729,721
16.011	Urban Areas Security Initiative	PSA	455,667
	16.011 Subtotal		2,185,388
16.202	Offender Reentry Program	ASA	223
16.202	Offender Reentry Program	DJA	455,177
	16.202 Subtotal		455,400
16.523	Juvenile Accountability Incentive Block Grants	DJA	155,974
16.523	Juvenile Accountability Incentive Block Grants	GVA	2,559,099
16.523	Juvenile Accountability Incentive Block Grants	HSA	1,153
16.523	Juvenile Accountability Incentive Block Grants	SPA	96,027
	16.523 Subtotal		2,812,253
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	GVA	893,550
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	NAA	769
16.540	Juvenile Justice and Delinquency Prevention—Allocation to States	UAA	30,944
	16.540 Subtotal		925,263
16.547	Victims of Child Abuse, <i>National CASA</i>	SPA	50,836
16.548	Title V—Delinquency Prevention Program	GVA	223,696
16.549	Part E— State Challenge Activities	GVA	102,850
16.550	State Justice Statistics Program for Statistical Analysis Centers	JCA	60,873
16.554	National Criminal History Improvement Program (NCHIP)	JCA	249,332
16.554	National Criminal History Improvement Program (NCHIP)	PSA	198,442
16.554	National Criminal History Improvement Program (NCHIP)	SPA	48,401
	16.554 Subtotal		496,175
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	JCA	102,298
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	PSA	40,287
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	UAA	180,295
	16.560 Subtotal		322,880
16.564	Crime Laboratory Improvement—Combined Offender DNA Index System Backlog Reduction	PSA	1,764,403
16.575	Crime Victim Assistance	AGA	96,719
16.575	Crime Victim Assistance	DCA	23,482
16.575	Crime Victim Assistance	DJA	31,382
16.575	Crime Victim Assistance	PSA	6,505,102
	16.575 Subtotal		6,656,685
16.576	Crime Victim Compensation	JCA	1,208,507

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
16.579	Byrne Formula Grant Program	ASA	5,638
16.579	Byrne Formula Grant Program	AGA	1,179,348
16.579	Byrne Formula Grant Program	JCA	7,420,975
16.579	Byrne Formula Grant Program	LLA	31,136
16.579	Byrne Formula Grant Program, <i>City of Tucson</i> , Contract # 026690	UAA	144,863
	16.579 Subtotal		8,781,960
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	AGA	113,993
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	JCA	365,709
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	PSA	87,864
	16.580 Subtotal		567,566
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	DCA	21,793,703
16.588	Violence Against Women Formula Grants	GVA	1,980,984
16.588	Violence Against Women Formula Grants	SPA	52,180
	16.588 Subtotal		2,033,164
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	GVA	168,139
16.589	Rural Domestic Violence and Child Victimization Enforcement Grant Program	UAA	26,190
	16.589 Subtotal		194,329
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	GVA	189,965
16.592	Local Law Enforcement Block Grants Program	JCA	223,309
16.593	Residential Substance Abuse Treatment for State Prisoners	DCA	397,920
16.593	Residential Substance Abuse Treatment for State Prisoners	DJA	570,375
16.593	Residential Substance Abuse Treatment for State Prisoners	JCA	399,570
	16.593 Subtotal		1,367,865
16.597	Motor Vehicle Theft Protection Act Program	ATA	1,000
16.606	State Criminal Alien Assistance Program	DCA	544,658
16.607	Bulletproof Vest Partnership Program	ADA	10,479
16.609	Community Prosecution and Project Safe Neighborhoods	JCA	402,090
16.609	Community Prosecution and Project Safe Neighborhoods	PSA	83,510
	16.609 Subtotal		485,600
16.610	Regional Information Sharing Systems	PSA	4,240,324
16.710	Public Safety Partnership and Community Policing Grants	ASA	92,494
16.710	Public Safety Partnership and Community Policing Grants	PSA	1,452,989
	16.710 Subtotal		1,545,483
16.727	Enforcing Underage Drinking Laws Program	GHA	103,600
16.727	Enforcing Underage Drinking Laws Program	LLA	261,508
16.727	Enforcing Underage Drinking Laws Program	PSA	30,346
	16.727 Subtotal		395,454
16.198A-PX-C619918	FBI Ft. Apache Safe Trails Task Force	PSA	11,185
16.DPS2001-199	U.S. Customs High Intensity Drug Trafficking Area Task Force	PSA	50,917
16.DPS99-326	FBI Violent Street Gang Task Force	PSA	15,015
16.S31-303202	FBI Forensics IGA	PSA	406,107
16.2004UMWX005A	Community Oriented Policing Services (COPS) Universal Hiring Program	UAA	89,023
16.Unknown	RICO Funds	AGA	198,026
16.Unknown	Southwest Border Prosecution Initiative (SWBPI)	AGA	255,745
16.Unknown	DEA Marijuana Eradication 2004	PSA	25,000
16.Unknown	DEA Organized Crime and Drug Enforcement Task Force	PSA	16,493

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
16.Unknown	FBI Desert Hawk Task Force	PSA	13,741
16.Unknown	FBI-Phoenix Joint Terrorism Task Force	PSA	22,630
16.Unknown	Svori Cross Training Initiative, <i>University of Missouri</i> , Contract #s 5334, 5712	UAA	710
	Total Department of Justice		<u>\$ 60,744,660</u>
<u>DEPARTMENT OF LABOR</u>			
<u>Employment Services Cluster</u>			
17.207	Employment Service	AFA	\$ 73,660
17.207	Employment Service	DEA	12,735,459
17.207	Employment Service	GVA	1,176,360
	17.207 Subtotal		<u>13,985,479</u>
17.801	Disabled Veterans' Outreach Program (DVOP)	DEA	1,477,198
17.804	Local Veterans' Employment Representative Program	DEA	990,408
	Employment Services Cluster Subtotal		<u>16,453,085</u>
<u>WIA Cluster</u>			
17.258	WIA Adult Program	DEA	16,062,665
17.258	WIA Adult Program	EDA	121,733
	17.258 Subtotal		<u>16,184,398</u>
17.259	WIA Youth Activities	DEA	14,134,432
17.259	WIA Youth Activities	EDA	154,257
17.259	WIA Youth Activities	GVA	108,701
17.259	WIA Youth Activities	NAA	3,664
	17.259 Subtotal		<u>14,401,054</u>
17.260	WIA Dislocated Workers	DEA	19,165,765
17.260	WIA Dislocated Workers	GVA	257,160
	17.260 Subtotal		<u>19,422,925</u>
	WIA Cluster Subtotal		<u>50,008,377</u>
<u>Other Department of Labor Programs</u>			
17.002	Labor Force Statistics	DEA	1,133,467
17.005	Compensation and Working Conditions	ICA	77,237
17.203	Labor Certification for Alien Workers	DEA	328,817
17.225	Unemployment Insurance	DEA	323,046,223
17.235	Senior Community Service Employment Program, <i>National Council on Aging</i>	DEA	1,171,926
17.245	Trade Adjustment Assistance—Workers	DEA	3,136,737
17.245	Trade Adjustment Assistance—Workers	EDA	2,561,847
	17.245 Subtotal		<u>5,698,584</u>
17.250	Job Training Partnership Act	EPA	560,443
17.266	Work Incentives Grant	DEA	396,496
17.503	Occupational Safety and Health—State Program	ICA	1,553,390
17.504	Consultation Agreements	ICA	785,030
17.505	OSHA Data Initiative	ICA	7,633
17.600	Mine Health and Safety Grants	MIA	307,242
17.Unknown	Case Management Staff for One Stop Center, <i>Pima County</i> , Contract # 0139A1328020703	UAA	151,557
17.Unknown	Provide Workforce Services to Female Ex-Offenders and Displaced Homemakers, <i>Pima County</i> , Contract # 0139A1329120703	UAA	97,109
17.Unknown	Life Skills for Female Offenders, <i>Tonto Natural Resource Conservation District</i> , Contract # ES142450460	UAA	18,727
	Total Department of Labor		<u>\$ 401,795,343</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
<u>DEPARTMENT OF STATE</u>			
19.415	Professional Exchanges—Annual Open Grant	ASA	\$ 170,332
19.424	Educational Partnerships Program	ASA	99,656
	Total Department of State		<u>\$ 269,988</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
<u>Highway Planning and Construction Cluster</u>			
20.205	Highway Planning and Construction	ADA	\$ 139,931
20.205	Highway Planning and Construction	DTA	497,146,024
20.205	Highway Planning and Construction	GFA	20,015
20.205	Highway Planning and Construction	PSA	38,528
	Highway Planning and Construction Cluster Subtotal		<u>497,344,498</u>
<u>Highway Safety Cluster</u>			
20.600	State and Community Highway Safety	DTA	2,055,914
20.600	State and Community Highway Safety	GHA	2,044,179
20.600	State and Community Highway Safety	LLA	57,917
20.600	State and Community Highway Safety	PSA	786,438
	20.600 Subtotal		<u>4,944,448</u>
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	ASA	9,414
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	GHA	669,927
20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	PSA	394,857
	20.601 Subtotal		<u>1,074,198</u>
20.603	Federal Highway Safety Data Improvements Incentive Grants	GHA	28,034
20.604	Safety Incentive Grants for Use of Seatbelts	GHA	329,703
20.604	Safety Incentive Grants for Use of Seatbelts	PSA	43,554
	20.604 Subtotal		<u>373,257</u>
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	GHA	1,080,662
20.605	Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	PSA	22,000
	20.605 Subtotal		<u>1,102,662</u>
	Highway Safety Cluster Subtotal		<u>7,522,599</u>
<u>Other Department of Transportation Programs</u>			
20.100	Aviation Education	ASA	78,275
20.106	Airport Improvement Program	DTA	4,203,044
20.215	Highway Training and Education	DTA	352,184
20.215	Highway Training and Education, <i>American Society of Civil Engineers</i>	ASA	1,214
20.215	Highway Training and Education, <i>Arizona Transportation Research Center</i>	ASA	13,316
20.215	Highway Training and Education, <i>South Carolina State University</i>	ASA	34,575
	20.215 Subtotal		<u>401,289</u>
20.217	Motor Carrier Safety	DTA	281,534
20.218	National Motor Carrier Safety	PSA	3,618,432
20.219	Recreational Trails Program	DTA	66,235
20.219	Recreational Trails Program	PRA	515,655
	20.219 Subtotal		<u>581,890</u>
20.505	Federal Transit—Metropolitan Planning Grants	DTA	804,052
20.509	Formula Grants for Other Than Urbanized Areas	DTA	4,024,943
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	DTA	3,637,444
20.700	Pipeline Safety	CCA	185,877
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	MAA	262,906

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
20.04010108	Northern Taiga Ventures, Inc., Contract #04010108	ASA	394
20.DTCG3799P656001	Coast Guard Water Safety Center	PRA	4,157
20.TEA-900-0-191-P	AZSite Database	PRA	838
20.DDEGRD04X00423	The Dwight David Eisenhower Transportation Fellowship Program 2004	UAA	1,500
	Total Department of Transportation		<u>\$ 522,953,672</u>
<u>DEPARTMENT OF THE TREASURY</u>			
21.Unknown	ATF Black Biscuit Task Force	PSA	\$ 5,688
	Total Department of the Treasury		<u>\$ 5,688</u>
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>			
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964	AGA	\$ 244,046
	Total Equal Employment Opportunity Commission		<u>\$ 244,046</u>
<u>GENERAL SERVICES ADMINISTRATION</u>			
39.003	Donation of Federal Surplus Personal Property	ADA	\$ 999,315
	Total General Services Administration		<u>\$ 999,315</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>			
43.001	Aerospace Education Services Program	ASA	\$ 98,586
43.001	Aerospace Education Services Program, <i>Jet Propulsion Laboratory</i> , Contract # NAS7-03001	ASA	23,315
	43.001 Subtotal		<u>121,901</u>
43.NAG26074	A Series of "Astrobiology Online" Courses for Teachers	UAA	7,084
43.NAG510267	Rock Spectra Corrected for Sky Illumination	UAA	3,456
43.NAG1302025	National Aeronautics and Space Administration	WCA	312,842
43.Unknown	Space Grant Program	NAA	18,164
43.Unknown	Phoenix Mars Scout Mission	NAA	9,137
43.Unknown	NASA Work Force Program	NAA	11,220
43.Unknown	Reach For The Stars, <i>Space Telescope Science Institute</i> , Contract # HST-EO-09794.08-A	NAA	3,592
43.Unknown	Curriculum and Training Support for Navigators Extra-Solar Planet Research, <i>Jet Propulsion Laboratory</i> , Contract # 1251186	UAA	122,266
43.Unknown	Integration of Hubble Space Telescope Science in the K-5 Science Curriculum, <i>Space Telescope Science Institute</i> , Contract # HSTGO0917306A	UAA	610
43.Unknown	Tools for Teaching Cosmology and Galaxy Evolution, <i>Space Telescope Science Institute</i> , Contract # HSTEO0974428A	UAA	3,060
	Total National Aeronautics and Space Administration		<u>\$ 613,332</u>
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>			
45.024	Promotion of the Arts—Grants to Organizations and Individuals	ASA	\$ 182,500
45.024	Promotion of the Arts—Grants to Organizations and Individuals	UAA	10,684
45.024	Promotion of the Arts—Grants to Organizations and Individuals, <i>Arizona Commission on the Arts</i>	ASA	2,043
45.024	Promotion of the Arts—Grants to Organizations and Individuals, <i>Arizona Commission on the Arts-Education Research Institute</i>	ASA	13,340
45.024	Promotion of the Arts—Grants to Organizations and Individuals, <i>New England Foundation for the Arts</i>	ASA	18,750
45.024	Promotion of the Arts—Grants to Organizations and Individuals, <i>Western States Arts Federation (WESTAF)</i>	ASA	2,500
	45.024 Subtotal		<u>229,817</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
45.025	Promotion of the Arts—Partnership Agreements	HUA	700,254
45.025	Promotion of the Arts—Partnership Agreements, <i>Arizona Commission on the Arts</i>	ASA	5,950
	45.025 Subtotal		<u>706,204</u>
45.027	Promotion of the Arts—Challenge America Grants	UAA	704
45.129	Promotion of the Humanities—Federal/State Partnership	PRA	44,497
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract # GG42-4363-2005	NAA	525
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i>	PRA	4,498
45.129	Promotion of the Humanities—Federal/State Partnership, <i>Arizona Humanities Council</i> , Contract #s GG1938312003, GG4439472003, GG2240772004, GG3341352004, GG7141922004	UAA	8,752
	45.129 Subtotal		<u>58,272</u>
45.130	Promotion of the Humanities—Challenge Grants	UAA	112,748
45.160	Promotion of the Humanities—Fellowships and Stipends, <i>American Council of Learned Societies</i>	ASA	11,250
45.161	Promotion of the Humanities—Research, <i>National Endowment for the Humanities</i>	ASA	13,333
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development	ASA	17,375
45.163	Promotion of the Humanities—Professional Development	UAA	54,633
45.301	Museum for American Grants	UAA	145,408
45.301	Museum for American Grants, <i>Greater Western Library Alliance</i> , Contract # LG03011303	UAA	10,016
	45.301 Subtotal		<u>155,424</u>
45.302	Museum Assessment Program	UAA	2,070
45.303	Conservation Project Support	ASA	9,299
45.310	State Library Program	LAA	2,733,943
45.310	State Library Program	UAA	44,555
	45.310 Subtotal		<u>2,778,498</u>
45.312	National Leadership Grants	LAA	100,149
45.313	Librarians for the 21st Century	UAA	164,948
45.0177003002	Saving Southwest Traditions: The Pottery Project	UAA	34,835
45.IG0002055602	General Operating Support 2002-2004	UAA	23,464
45.Unknown	Visiting Poets and Writers Reading and Lecture Series, <i>Arizona Commission on the Arts</i> , Contract # 15205	UAA	3,825
45.Unknown	The Art of Navajo Weaving, <i>Arizona Commission on the Arts</i> , Contract # 27405	UAA	3,312
45.Unknown	"Burning Issues for Teaching Artists" Workshop April 16, 2005, <i>Arizona Commission on the Arts</i> , Contract # 53105	UAA	750
45.Unknown	Retrospective Conversion - Archives OER	UAA	27,623
45.Unknown	2005—Arizona Library Institute	UAA	7,088
45.Unknown	LARC Editing & Archive Collections	UAA	14,301
45.Unknown	National Leadership Grant	UAA	13,830
45.Unknown	Creative Photo Term Endowment	UAA	44,997
45.Unknown	NEA Challenge Permanent Endowment	UAA	67,193
45.Unknown	NEH/ASM Educational Endowment	UAA	385,272
45.Unknown	Delfos Danza Contemporanea, <i>New England Foundation for the Arts</i> , Contract # 9558	UAA	2,500
45.Unknown	Delfos Danza Contemporanea, <i>Western States Arts Federation</i> , Contract # CHECK#5429	UAA	2,500
45.Unknown	Pilobolus Dance Theater, <i>New England Foundation for the Arts</i> , Contract # 9385	UAA	1,320
45.Unknown	The NMC Museum's Online Authoring and Publishing Tool Partnership, <i>The New Media Consortium</i> , Contract # CK 1780	UAA	20,524
45.Unknown	Community Engagement Project, <i>Arizona Commission on the Arts</i> , Contract # 32805	UAA	5,703
45.Unknown	Kevin Locke Trio, <i>Western States Arts Federation</i> , Contract # CK5933	UAA	2,500
	Total National Foundation on the Arts and the Humanities		<u>\$ 5,076,261</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
<u>NATIONAL SCIENCE FOUNDATION</u>			
47.041	Engineering Grants	ASA	\$ 328,148
47.041	Engineering Grants	NAA	17,458
47.041	Engineering Grants	UAA	156,111
47.041	Engineering Grants, <i>Texas Engineering Experiment Station</i>	ASA	24,353
	47.041 Subtotal		<u>526,070</u>
47.049	Mathematical and Physical Sciences	ASA	62,742
47.049	Mathematical and Physical Sciences	UAA	139,580
	47.049 Subtotal		<u>202,322</u>
47.050	Astronomical, Atmospheric, Earth and Ocean Sciences	ASA	93,941
47.050	Astronomical, Atmospheric, Earth and Ocean Sciences	NAA	5,551
	47.050 Subtotal		<u>99,492</u>
47.070	Computer and Information Science and Engineering	ASA	2,000
47.070	Computer and Information Science and Engineering	UAA	54,932
	47.070 Subtotal		<u>56,932</u>
47.074	Biological Sciences	ASA	20,189
47.074	Biological Sciences	NAA	234,595
47.074	Biological Sciences	UAA	89,569
	47.074 Subtotal		<u>344,353</u>
47.075	Social, Behavioral, and Economic Sciences	ASA	156,335
47.075	Social, Behavioral, and Economic Sciences	UAA	57,620
47.075	Social, Behavioral, and Economic Sciences, <i>Florida State-Association Institutional Research</i>	ASA	21,796
47.075	Social, Behavioral, and Economic Sciences, <i>U.S. Civilian Research and Development Foundation</i>	ASA	8,217
	47.075 Subtotal		<u>243,968</u>
47.076	Education and Human Resources	ASA	5,487,751
47.076	Education and Human Resources	NAA	229,291
47.076	Education and Human Resources	UAA	1,287,280
47.076	Education and Human Resources, <i>University of Miami</i>	ASA	69,615
47.076	Education and Human Resources, <i>University of California—San Diego</i> , Contract # 10251211	UAA	1,210
47.076	Education and Human Resources, <i>University of Nebraska</i> , Contract #s 2505360004002, 2505360001002	UAA	14,290
	47.076 Subtotal		<u>7,089,437</u>
47.078	Polar Programs	ASA	1,204
47.Unknown	Physics Teacher Education Coalition (PhystEC), <i>American Physical Society</i> , Contract # CK096771	UAA	95,195
47.Unknown	Editorial Services for Reviews Project Linguist—The Linguist List, <i>Eastern Michigan University</i> , Contract # P0002068	UAA	6,801
47.Unknown	Two Catts Fellows to Work for Public and Educational Outreach Department, <i>Aura Inc.</i> , Contract # C10443A	UAA	5,800
47.Unknown	Partnership with Flandrau Science Center Cosmic Questions Exhibit, <i>National Optical Astronomy Observatories</i> , Contract # Check119024	UAA	6,600
	Total National Science Foundation		<u>\$ 8,678,174</u>
<u>SMALL BUSINESS ADMINISTRATION</u>			
59.049	Office of Small Disadvantaged Business Certification and Eligibility, <i>Microbusiness Advancement Center</i> , Contract # 04.0627	NAA	\$ 16,615
	Total Small Business Administration		<u>\$ 16,615</u>

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
<u>DEPARTMENT OF VETERANS AFFAIRS</u>			
64.124	All-Volunteer Force Educational Assistance	VSA	\$ 405,028
64.Unknown	VA Headcount	UAA	4,166
	Total Department of Veterans Affairs		<u>\$ 409,194</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
66.001	Air Pollution Control Program Support	EVA	\$ 7,247,770
66.001	Air Pollution Control Program Support	NAA	897
	66.001 Subtotal		<u>7,248,667</u>
66.032	State Indoor Radon Grants	AEA	54,075
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	EVA	637,464
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	NAA	147,432
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act, <i>University of Utah</i> , Contract #XA 83099401-0	ASA	42,697
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act, <i>Prairie Band Potawatomi Nation</i>	NAA	2,402
	66.034 Subtotal		<u>829,995</u>
66.454	Water Quality Management Planning	EVA	84,237
66.458	Capitalization Grants for Clean Water State Revolving Funds	WFA	893,200
66.460	Nonpoint Source Implementation Grants	EVA	4,027,352
66.460	Nonpoint Source Implementation Grants	UAA	112,793
	66.460 Subtotal		<u>4,140,145</u>
66.463	Water Quality Cooperative Agreements	EVA	176,404
66.463	Water Quality Cooperative Agreements	NAA	85,285
	66.463 Subtotal		<u>261,689</u>
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	NAA	6,233
66.468	Capitalization Grants for Drinking Water State Revolving Funds	EVA	1,450,054
66.468	Capitalization Grants for Drinking Water State Revolving Funds	WFA	1,551,900
	66.468 Subtotal		<u>3,001,954</u>
66.474	Water Protection Grants to the States	EVA	91,272
66.500	Environmental Protection—Consolidated Research	GFA	109,119
66.500	Environmental Protection—Consolidated Research, <i>Malcolm Pirnie Inc.</i> , Contract # 04030444	ASA	17,201
	66.500 Subtotal		<u>126,320</u>
66.511	Office of Research and Development Consolidated Research/Training	ASA	71,497
66.511	Office of Research and Development Consolidated Research/Training, <i>Water Environment Research Foundation</i> , Contract # 02PUM1	ASA	87,688
	66.511 Subtotal		<u>159,185</u>
66.605	Performance Partnership Grants	EVA	5,109,861
66.606	Surveys, Studies, Investigations and Special Purpose Grants	ASA	55,919
66.606	Surveys, Studies, Investigations and Special Purpose Grants	AGA	13,266
66.606	Surveys, Studies, Investigations and Special Purpose Grants	AHA	1,450
66.606	Surveys, Studies, Investigations and Special Purpose Grants	EVA	166,745
66.606	Surveys, Studies, Investigations and Special Purpose Grants	NAA	45,859
66.606	Surveys, Studies, Investigations and Special Purpose Grants	UAA	7,090

See accompanying notes to schedule.

State of Arizona
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Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
66.606	Surveys, Studies, Investigations and Special Purpose Grants, <i>New Mexico State University</i> , Contract # X-82971001-0	ASA	1,444
	66.606 Subtotal		<u>291,773</u>
66.607	Training and Fellowships for the Environmental Protection Agency	AGA	234,234
66.607	Training and Fellowships for the Environmental Protection Agency	ASA	14,602
66.607	Training and Fellowships for the Environmental Protection Agency	NAA	2,117,933
	66.607 Subtotal		<u>2,366,769</u>
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	EVA	201,353
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	NAA	86,768
	66.608 Subtotal		<u>288,121</u>
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	AHA	468,144
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	SBA	109,500
	66.700 Subtotal		<u>577,644</u>
66.708	Pollution Prevention Grants Program	EVA	179,678
66.709	Multi-Media Capacity Building Grants for States and Tribes	EVA	8,641
66.709	Multi-Media Capacity Building Grants for States and Tribes	NAA	187,310
	66.709 Subtotal		<u>195,951</u>
66.801	Hazardous Waste Management State Program Support	EVA	2,191,815
66.802	Superfund State, Political Subdivision, and Indian Tribe Site—Specific Cooperative Agreements	EVA	744,472
66.804	State and Tribal Underground Storage Tanks Program	EVA	320,861
66.805	Leaking Underground Storage Tank Trust Fund Program	EVA	1,755,442
66.808	Solid Waste Management Assistance Grants	EVA	9,148
66.808	Solid Waste Management Assistance Grants	NAA	84,429
	66.808 Subtotal		<u>93,577</u>
66.810	Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program	MAA	18,924
66.817	State and Tribal Response Program Grants	EVA	650,786
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	EVA	12,139
66.931	International Finance Assistance Projects Sponsored by the Office of International Affairs	ASA	1,082
66.931	International Finance Assistance Projects Sponsored by the Office of International Affairs	EVA	3,320
66.931	International Finance Assistance Projects Sponsored by the Office of International Affairs	MAA	2,779
	66.931 Subtotal		<u>7,181</u>
66.951	Environmental Education Grants	UAA	9,790
66.4D06437-NAEX, QT-RT-04-001702	Environmental Protection Programs	NAA	77,810
66.Unknown	Homeland Security—First Responder Preparedness	EVA	190,756
66.Unknown	Water Quality Assessment, <i>Fort Peck Tribes</i> , Contract # 51166	NAA	95,307
66.Unknown	Tribal Stakeholder Meeting Indoor, <i>Portage Environmental, Inc.</i> , Contract # 2064S.01	NAA	14,217
	Total Environmental Protection Agency		<u>\$ 32,089,846</u>
<u>DEPARTMENT OF ENERGY</u>			
81.041	State Energy Program	EPA	\$ 646,610
81.042	Weatherization Assistance for Low-Income Persons	EPA	1,298,146
81.049	Office of Science Financial Assistance Program	ASA	236,552
81.049	Office of Science Financial Assistance Program, <i>Sandia National Laboratory</i>	ASA	27,131
	81.049 Subtotal		<u>263,683</u>

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
81.089	Fossil Energy Research and Development	GSA	52,573
81.105	National Industrial Competitiveness through Energy, Environment, and Economics	EPA	98,650
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	AEA	121,332
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	EPA	13,411
81.119	State Energy Program Special Projects	EPA	763,547
81.119	State Energy Program Special Projects	NAA	137,333
	81.119 Subtotal		<u>900,880</u>
81.DE-FG65-04WA27047, DE-FG65-03WA23843	Department of Energy	NAA	7,905
81.Unknown	Petroleum Escrow Funds	EPA	636,848
81.Unknown	Industrial Affiliates Membership, <i>Lawrence Livermore Laboratory</i> , Contract # MEM0503	UAA	10,577
	Total Department of Energy		<u>\$ 4,050,615</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
83.Unknown	Workshops for Homeland Security Geospatial Data Management in Arizona	UAA	\$ 12,297
	Total Federal Emergency Management Agency		<u>\$ 12,297</u>
<u>DEPARTMENT OF EDUCATION</u>			
<u>Special Education Cluster (IDEA)</u>			
84.027	Special Education—Grants to States	ASA	\$ 99,739
84.027	Special Education—Grants to States	DCA	62,904
84.027	Special Education—Grants to States	DJA	194,031
84.027	Special Education—Grants to States	EDA	147,217,277
84.027	Special Education—Grants to States	HSA	1,768
84.027	Special Education—Grants to States	NAA	199,399
84.027	Special Education—Grants to States	SDA	604,263
84.027	Special Education—Grants to States	SPA	87,468
84.027	Special Education—Grants to States	UAA	236,880
84.027	Special Education—Grants to States, <i>Southwest Human Development</i>	ASA	66,576
84.027	Special Education—Grants to States, <i>Southwest Human Development</i>	NAA	12,932
	84.027 Subtotal		<u>148,783,237</u>
84.173	Special Education—Preschool Grants	EDA	5,885,793
84.173	Special Education—Preschool Grants	SDA	50,428
	84.173 Subtotal		<u>5,936,221</u>
	Special Education Cluster Subtotal		<u>154,719,458</u>
<u>TRIO Cluster</u>			
84.042	TRIO—Student Support Services	ASA	534,139
84.042	TRIO—Student Support Services	NAA	316,923
84.042	TRIO—Student Support Services	UAA	243,766
	84.042 Subtotal		<u>1,094,828</u>
84.044	TRIO—Talent Search	NAA	383,579
84.047	TRIO—Upward Bound	ASA	855,114
84.047	TRIO—Upward Bound	NAA	784,603
	84.047 Subtotal		<u>1,639,717</u>
84.066	TRIO—Educational Opportunity Centers	ASA	620,657

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
84.066	TRIO—Educational Opportunity Centers	NAA	429,401
	84.066 Subtotal		<u>1,050,058</u>
84.217	TRIO—McNair Post-Baccalaureate Achievement	UAA	218,540
	Trio Cluster Subtotal		<u>4,386,722</u>
<u>Other Department of Education Programs</u>			
84.002	Adult Education—State Grant Program	EDA	10,398,516
84.010	Title I Grants to Local Educational Agencies	ASA	269,351
84.010	Title I Grants to Local Educational Agencies	EDA	202,320,115
84.010	Title I Grants to Local Educational Agencies	SDA	183,280
	84.010 Subtotal		<u>202,772,746</u>
84.011	Migrant Education—State Grant Program	ASA	34,551
84.011	Migrant Education—State Grant Program	EDA	5,625,755
	84.011 Subtotal		<u>5,660,306</u>
84.013	Title I Program for Neglected and Delinquent Children	DCA	282,982
84.013	Title I Program for Neglected and Delinquent Children	DJA	821,061
84.013	Title I Program for Neglected and Delinquent Children	EDA	19,251
84.013	Title I Program for Neglected and Delinquent Children	SPA	672,361
	84.013 Subtotal		<u>1,795,655</u>
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	ASA	150,930
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	UAA	943,841
	84.015 Subtotal		<u>1,094,771</u>
84.016	Undergraduate International Studies and Foreign Language Programs	ASA	18,564
84.017	International Research and Studies	UAA	193,298
84.021	Overseas—Group Projects Abroad	ASA	16,738
84.021	Overseas—Group Projects Abroad	UAA	55,608
	84.021 Subtotal		<u>72,346</u>
84.031	Higher Education—Institutional Aid, <i>Cochise College</i> , Contract # P031S030013	UAA	87,608
84.048	Vocational Education—Basic Grants to States	ASA	296,763
84.048	Vocational Education—Basic Grants to States	DJA	179,568
84.048	Vocational Education—Basic Grants to States	EDA	21,913,724
84.048	Vocational Education—Basic Grants to States	NAA	115,487
84.048	Vocational Education—Basic Grants to States	UAA	266,988
	84.048 Subtotal		<u>22,772,530</u>
84.069	Leveraging Educational Assistance Partnership	NAA	203,980
84.069	Leveraging Educational Assistance Partnership	PEA	550,800
	84.069 Subtotal		<u>754,780</u>
84.116	Fund for the Improvement of Postsecondary Education	ASA	72,282
84.116	Fund for the Improvement of Postsecondary Education	UAA	922,150
84.116	Fund for the Improvement of Postsecondary Education, <i>Baylor University</i>	ASA	5,423
84.116	Fund for the Improvement of Postsecondary Education, <i>Pennsylvania State University</i>	ASA	38,029
84.116	Fund for the Improvement of Postsecondary Education, <i>University of California —Los Angeles</i>	ASA	3,000
84.116	Fund for the Improvement of Postsecondary Education, <i>University of Cincinnati</i> , Contract # P000030N8700269	UAA	8,976
	84.116 Subtotal		<u>1,049,860</u>
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	ASA	322,860
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	DEA	45,485,453

See accompanying notes to schedule.

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84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	DJA	47,469
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	HSA	25,136
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	SDA	516,154
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States	UAA	76,209
	84.126 Subtotal		46,473,281
84.129	Rehabilitation Long-Term Training	UAA	452,811
84.133	National Institute on Disability and Rehabilitation Research	UAA	83,980
84.133	National Institute on Disability and Rehabilitation Research , <i>Public Health Institute</i> , Contract # 1008956	NAA	17,430
	84.133 Subtotal		101,410
84.153	Business and International Education Projects	NAA	75,007
84.160	Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind, <i>E/ Camino College</i> , Contract # CK24350752	UAA	1,712
84.169	Independent Living—State Grants	DEA	283,902
84.170	Javits Fellowships	UAA	29,481
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind	DEA	517,682
84.181	Special Education—Grants for Infants and Families with Disabilities	DEA	8,017,313
84.181	Special Education—Grants for Infants and Families with Disabilities	HSA	1,047,412
84.181	Special Education—Grants for Infants and Families with Disabilities	SDA	343,416
	84.181 Subtotal		9,408,141
84.184	Safe and Drug-Free Schools and Communities—National Programs	EDA	860,448
84.184	Safe and Drug-Free Schools and Communities—National Programs	UAA	304,729
84.184	Safe and Drug-Free Schools and Communities—National Programs, <i>Washington Elementary School District (WESD)</i>	ASA	250,093
84.184	Safe and Drug-Free Schools and Communities—National Programs, <i>Yuma Elementary School District</i>	ASA	73,390
84.184	Safe and Drug-Free Schools and Communities—National Programs, <i>Tucson Unified School District</i> , Contract #s TUSD10000092770, TUSD10000096497	UAA	391,112
	84.184 Subtotal		1,879,772
84.185	Byrd Honors Scholarships	EDA	768,013
84.185	Byrd Honors Scholarships	UAA	286,425
	84.185 Subtotal		1,054,438
84.186	Safe and Drug-Free Schools and Communities—State Grants	AGA	171,924
84.186	Safe and Drug-Free Schools and Communities—State Grants	DCA	973
84.186	Safe and Drug-Free Schools and Communities—State Grants	DJA	2,340
84.186	Safe and Drug-Free Schools and Communities—State Grants	EDA	6,207,780
84.186	Safe and Drug-Free Schools and Communities—State Grants	GVA	1,259,266
84.186	Safe and Drug-Free Schools and Communities—State Grants	MAA	14,588
84.186	Safe and Drug-Free Schools and Communities—State Grants	NAA	28,210
84.186	Safe and Drug-Free Schools and Communities—State Grants	SPA	4,114
84.186	Safe and Drug-Free Schools and Communities—State Grants	UAA	11,892
	84.186 Subtotal		7,701,087
84.187	Supported Employment Services for Individuals with Severe Disabilities	DEA	714,708
84.195	Bilingual Education—Professional Development	ASA	378,276
84.195	Bilingual Education—Professional Development	NAA	536,621
84.195	Bilingual Education—Professional Development	UAA	484,056
	84.195 Subtotal		1,398,953
84.196	Education for Homeless Children and Youth	EDA	1,223,181
84.203	Star Schools, <i>Gallup McKinley County School</i>	ASA	92,792
84.203	Star Schools, <i>Gallup McKinley County School</i> , Contract #s 245902, 233652	NAA	4,565
	84.203 Subtotal		97,357

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84.213	Even Start—State Educational Agencies	EDA	4,554,046
84.214	Even Start—Migrant Education	EDA	484,905
84.215	Fund for the Improvement of Education	EDA	159,559
84.215	Fund for the Improvement of Education	UAA	24,261
84.215	Fund for the Improvement of Education, <i>Flagstaff Unified School District</i> , Contract # P507849	NAA	27,113
84.215	Fund for the Improvement of Education, <i>Young Men's Christian Association</i> , Contract # Q215R040754	UAA	50,699
	84.215 Subtotal		261,632
84.224	Assistive Technology	NAA	397,281
84.235	Rehabilitation Services Demonstration and Training Programs	NAA	5,347
84.243	Tech-Prep Education	EDA	1,933,227
84.243	Tech-Prep Education, <i>Valley Academy for Career and Technology Education</i>	ASA	29,575
	84.243 Subtotal		1,962,802
84.246	Rehabilitation Short-Term Training	NAA	162,837
84.264	Rehabilitation Training—Continuing Education, <i>San Diego State University Foundation</i> , Contract #s 52010BP12087806212, 52010CP12087806212JLS	UAA	73,567
84.265	Rehabilitation Training—State Vocational Rehabilitation Unit In-Service Training	DEA	82,081
84.281	Eisenhower Professional Development State Grants	DCA	262
84.281	Eisenhower Professional Development State Grants	DJA	328,072
84.281	Eisenhower Professional Development State Grants	SDA	1,026
84.281	Eisenhower Professional Development State Grants	SPA	162,385
	84.281 Subtotal		491,745
84.282	Charter Schools	ASA	808,404
84.282	Charter Schools	NAA	16,857
84.282	Charter Schools, <i>Arizona School for the Arts</i>	NAA	24,613
	84.282 Subtotal		849,874
84.287	Twenty-First Century Community Learning Centers	EDA	9,730,444
84.287	Twenty-First Century Community Learning Centers, <i>Dysart Unified School District</i>	ASA	10,871
	84.287 Subtotal		9,741,315
84.295	Ready-To-Learn Television, <i>Corporation for Public Broadcasting</i>	ASA	60,731
84.295	Ready-To-Learn Television, <i>Public Broadcasting Service</i> , Contract # R295A000002	UAA	49,184
	84.295 Subtotal		109,915
84.298	State Grants for Innovative Programs	DJA	15,769
84.298	State Grants for Innovative Programs	EDA	5,718,643
84.298	State Grants for Innovative Programs	SDA	8,105
84.298	State Grants for Innovative Programs	SPA	8,472
	84.298 Subtotal		5,750,989
84.299	Indian Education—Special Programs	ASA	164,799
84.299	Indian Education—Special Programs	NAA	540,049
	84.299 Subtotal		704,848
84.303	Technology Innovation Challenge Grants, <i>Creighton School District</i>	ASA	27,431
84.303	Technology Innovation Challenge Grants, <i>Gallup McKinley County Schools</i> , Contract # 247327	NAA	39,095
	84.303 Subtotal		66,526
84.315	Capacity Building for Traditionally Underserved Populations	NAA	219,521
84.318	Education Technology State Grants	EDA	11,575,227
84.318	Education Technology State Grants	SDA	12,908
	84.318 Subtotal		11,588,135

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
84.323	Special Education—State Personnel Development	ASA	1,470
84.323	Special Education—State Personnel Development	EDA	641,785
84.323	Special Education—State Personnel Development	NAA	23,089
84.323	Special Education—State Personnel Development	UAA	20,642
	84.323 Subtotal		<u>686,986</u>
84.324	Research in Special Education	ASA	360,523
84.324	Research in Special Education	SDA	14,719
84.324	Research in Special Education, <i>University of Maryland</i> , Contract # H324J990003	ASA	146,844
	84.324 Subtotal		<u>522,086</u>
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities	ASA	154,131
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities	NAA	331,585
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities	UAA	1,809,717
84.325	Special Education—Personnel Preparation to Improve Services and Results for Children with Disabilities, <i>University of North Carolina</i> , Contract # H325B000003	UAA	11,041
	84.325 Subtotal		<u>2,306,474</u>
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	ASA	49,282
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	EDA	195,168
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	SDA	163,225
	84.326 Subtotal		<u>407,675</u>
84.329	Special Education—Studies and Evaluations	NAA	65,066
84.330	Advanced Placement Program	EDA	82,047
84.331	Grants to States for Incarcerated Youth Offenders	DCA	326,569
84.332	Comprehensive School Reform Demonstration	EDA	9,387,894
84.333	Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	UAA	363,288
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	NAA	3,753,453
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	SDA	61,622
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	UAA	524,503
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs, <i>Sacaton School District</i>	ASA	13,154
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs, <i>Tucson Unified School District</i> , Contract # TUSD10000065100	UAA	134,335
	84.334 Subtotal		<u>4,487,067</u>
84.335	Child Care Access Means Parents in School	ASA	200,577
84.335	Child Care Access Means Parents in School	UAA	140,983
	84.335 Subtotal		<u>341,560</u>
84.336	Teacher Quality Enhancement Grants	ASA	1,825,119
84.336	Teacher Quality Enhancement Grants	EDA	387,865
84.336	Teacher Quality Enhancement Grants	GVA	157,785
84.336	Teacher Quality Enhancement Grants	NAA	598,185
84.336	Teacher Quality Enhancement Grants	UAA	364,962
	84.336 Subtotal		<u>3,333,916</u>
84.339	Learning Anytime Anywhere Partnerships	ASA	2,051
84.342	Preparing Tomorrow's Teachers to Use Technology	ASA	37,326
84.342	Preparing Tomorrow's Teachers to Use Technology	NAA	226,919

See accompanying notes to schedule.

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
84.342	Preparing Tomorrow's Teachers to Use Technology	UAA	16,840
	84.342 Subtotal		<u>281,085</u>
84.346	Vocational Education—Occupational and Employment Information State Grants	EDA	216,213
84.349	Early Childhood Educator Professional Development	ASA	835,094
84.349	Early Childhood Educator Professional Development	GVA	10,115
84.349	Early Childhood Educator Professional Development, <i>Navajo Nation</i>	ASA	85,187
	84.349 Subtotal		<u>930,396</u>
84.350	Transition to Teaching	ASA	70,402
84.350	Transition to Teaching	EDA	177,264
	84.350 Subtotal		<u>247,666</u>
84.357	Reading First State Grants	ASA	498,233
84.357	Reading First State Grants	EDA	18,519,354
	84.357 Subtotal		<u>19,017,587</u>
84.358	Rural Education	EDA	770,613
84.359	Early Reading First	ASA	477,570
84.363	School Leadership	ASA	649,770
84.365	English Language Acquisition Grants	EDA	14,134,423
84.366	Mathematics and Science Partnerships	EDA	1,445,818
84.367	Improving Teacher Quality State Grants	BRA	779,497
84.367	Improving Teacher Quality State Grants	EDA	44,373,826
84.367	Improving Teacher Quality State Grants	NAA	410,218
84.367	Improving Teacher Quality State Grants	SDA	24,341
84.367	Improving Teacher Quality State Grants	UAA	163,068
	84.367 Subtotal		<u>45,750,950</u>
84.369	Grants for State Assessments and Related Activities	EDA	6,495,320
84.815	Troops to Teachers	EDA	107,828
84.P116J040032	Pennsylvania State University, Contract # P16J040032	ASA	1,239
84.021113	School Violence Prevention, <i>Dysart Unified School District</i>	ASA	257,900
84.0157040406	Teams Distance Learning Star Schools Grant, <i>Los Angeles County Office of Education</i>	ASA	15,928
84.DGE0514139	Graduate Research	NAA	40,500
84.Unknown	National Center for Education Statistics	EDA	156,376
84.Unknown	Arizona Tech Prep Online Collaboration, <i>Arizona Tech Prep</i> , Contract # 01VACTE48100	NAA	5,838
84.Unknown	Crossing Educational Divide, <i>Arizona Western College</i>	NAA	6,862
84.Unknown	School Leadership Program, <i>Sunnyside Unified School District</i> , Contract # S363A020176	NAA	53,847
84.Unknown	Teaching American History, <i>Page Unified School District</i> , Contract # S215X020214	NAA	9,848
84.Unknown	Application for National Writing Project Matching Funds, <i>National Writing Project</i> , Contract # 92AZ03	UAA	47,217
84.Unknown	Network of Colleges and Universities, <i>Education Development Center</i> , Contract # CK#54215	UAA	887
	Total Department of Education		<u>\$ 628,131,809</u>
<u>SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS</u>			
85.400	Morris K. Udall Scholarship Program	UAA	\$ 580,447
85.FY02WP	The Morris K. Udall Foundation Workplan 2002	UAA	5,164
85.FY03WP	Morris K. Udall Workplan FY 2003	UAA	17,707
85.FY04WP	Morris K. Udall Workplan FY 2004	UAA	173,520
85.MEM0305	Morris K. Udall Workplan FY 2005	UAA	8,318
	Total Scholarship and Fellowship Foundations		<u>\$ 785,156</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>			
89.003	National Historic Publications and Records Grants	LAA	\$ 7,211

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
Total National Archives and Records Administration			\$ 7,211
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Aging Cluster</u>			
93.044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers	DEA	\$ 7,955,914
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services	DEA	8,536,395
93.053	Nutrition Services Incentive Program	DEA	1,846,124
	Aging Cluster Subtotal		<u>18,338,433</u>
<u>Child Care Cluster</u>			
93.575	Child Care and Development Block Grant	DEA	53,686,909
93.575	Child Care and Development Block Grant	GVA	370,782
93.575	Child Care and Development Block Grant	HSA	653,611
93.575	Child Care and Development Block Grant	NAA	1,047
93.575	Child Care and Development Block Grant	UAA	152,217
	93.575 Subtotal		<u>54,864,566</u>
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	DEA	47,932,147
	Child Care Cluster Subtotal		<u>102,796,713</u>
<u>Medicaid Cluster</u>			
93.775	State Medicaid Fraud Control Units	AGA	695,404
93.777	State Survey and Certification of Health Care Providers and Suppliers	BNA	848,200
93.777	State Survey and Certification of Health Care Providers and Suppliers	HSA	3,721,216
	93.777 Subtotal		<u>4,569,416</u>
	Medicaid Cluster Subtotal		<u>5,264,820</u>
<u>Other Department of Health and Human Services Programs</u>			
93.003	Public Health and Social Services Emergency Fund	HSA	5,156,743
93.003	Public Health and Social Services Emergency Fund	UAA	4,081
	93.003 Subtotal		<u>5,160,824</u>
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation	DEA	110,084
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals	DEA	264,540
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services	DEA	422,554
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects	DEA	220,680
93.052	National Family Caregiver Support	DEA	3,229,719
93.103	Food and Drug Administration—Research	AHA	693
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	HSA	831,332
93.107	Model State-Supported Area Health Education Centers	UAA	483,398
93.110	Maternal and Child Health Federal Consolidated Programs	GVA	126,567
93.110	Maternal and Child Health Federal Consolidated Programs	HSA	241,284
93.110	Maternal and Child Health Federal Consolidated Programs	NAA	2,179
93.110	Maternal and Child Health Federal Consolidated Programs	UAA	648,523
93.110	Maternal and Child Health Federal Consolidated Programs, <i>University of Colorado</i> , Contract # FY04003004	UAA	86,205
	93.110 Subtotal		<u>1,104,758</u>
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	HSA	1,022,433
93.127	Emergency Medical Services for Children	HSA	128,609
93.130	Primary Care Services Resource Coordination and Development	HSA	163,724

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.136	Injury Prevention and Control Research and State and Community Based Programs	ASA	59,816
93.136	Injury Prevention and Control Research and State and Community Based Programs	HSA	1,401,347
93.136	Injury Prevention and Control Research and State and Community Based Programs	UAA	893,756
	93.136 Subtotal		2,354,919
93.142	NIEHS Hazardous Waste Worker Health and Safety Training, <i>University of California-Los Angeles</i>	ASA	215,690
93.145	AIDS Education and Training Centers, <i>University of California—San Francisco</i> , Contract # 2943SC	UAA	224,845
93.150	Projects for Assistance in Transition from Homelessness (PATH)	HSA	911,483
93.157	Centers of Excellence	UAA	534,075
93.165	Grants to States for Loan Repayment Program	HSA	80,512
93.173	Research Related to Deafness and Communication Disorders	ASA	35,402
93.189	Health Education and Training Centers	UAA	211,121
93.189	Health Education and Training Centers, <i>University of Alaska Fairbanks</i> , Contract # UAF040076FP406674	UAA	13,500
	93.189 Subtotal		224,621
93.191	Allied Health Special Projects	NAA	157,090
93.192	Quentin N. Burdick Programs for Rural Interdisciplinary Training	ASA	16,588
93.192	Quentin N. Burdick Programs for Rural Interdisciplinary Training	UAA	270,483
	93.192 Subtotal		287,071
93.197	Childhood Lead Poisoning Prevention Projects—State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	HSA	141,899
93.211	Telehealth Network Grants	UAA	225,738
93.217	Family Planning—Services, <i>Arizona Family Planning Council</i>	ASA	220,773
93.230	Consolidated Knowledge Development and Application (KD&A) Program	DCA	227
93.230	Consolidated Knowledge Development and Application (KD&A) Program	HSA	103,503
93.230	Consolidated Knowledge Development and Application (KD&A) Program	UAA	710,488
93.230	Consolidated Knowledge Development and Application (KD&A) Program, <i>Codac Behavioral Health Services of Pima County</i> , Contract # H79TI12145	UAA	1,932
93.230	Consolidated Knowledge Development and Application (KD&A) Program, <i>Empact—SPC</i> , Contract # KD1TI11892	UAA	7,145
93.230	Consolidated Knowledge Development and Application (KD&A) Program, <i>The Wheel Council, Inc.</i> , Contract # CK3414	UAA	20,539
93.230	Consolidated Knowledge Development and Application (KD&A) Program, <i>University of California—Los Angeles</i> , Contract # 2000GCW044	UAA	230,640
	93.230 Subtotal		1,074,474
93.235	Abstinence Education Program	HSA	924,193
93.235	Abstinence Education Program	UAA	24,859
	93.235 Subtotal		949,052
93.239	Policy Research and Evaluation Grants	HSA	318,537
93.240	State Capacity Building	HSA	203,175
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	GVA	230,709
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	HSA	121,775
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	NAA	1,570
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	UAA	2,061,381
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance, <i>Pima County Juvenile Courts</i> , Contract # 1118A1318181102	UAA	1,255
	93.243 Subtotal		2,416,690

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.247	Advanced Education Nursing Grant Program	ASA	1,111,092
93.247	Advanced Education Nursing Grant Program	NAA	23,983
93.247	Advanced Education Nursing Grant Program	UAA	490,962
	93.247 Subtotal		1,626,037
93.250	Geriatric Academic Career Awards, <i>Janet M. Campion</i> , Contract # K01HP00124	UAA	29,983
93.251	Universal Newborn Hearing Screening	HSA	173,697
93.252	Healthy Communities Access Program	UAA	294,472
93.253	Poison Control Stabilization and Enhancement Grants	UAA	225,528
93.256	State Planning Grants Health Care Access for the Uninsured	HCA	39,000
93.259	Rural Access to Emergency Devices Grant	HSA	171,508
93.263	Occupational Safety and Health—Training Grants	UAA	63,975
93.264	Nurse Faculty Loan Program (NFLP)	UAA	51,903
93.268	Immunization Grants	HSA	39,706,846
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	ASA	52,916
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	GVA	130,468
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	HSA	22,630,193
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	SDA	45,273
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance	UAA	1,056,819
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>Association of Teachers of Preventive Medicine</i> , Contract # TS0733	UAA	37,451
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance, <i>University of Colorado</i> , Contract # U27CCU813109	UAA	3,101
	93.283 Subtotal		23,956,221
93.286	Discovery and Applied Research for Technical Innovations to Improve Human Health	UAA	289
93.301	Small Rural Hospital Improvement Grants Program	UAA	162,695
93.307	Minority Health and Health Disparities Research, <i>University of Texas at El Paso</i> , Contract # 26140650	UAA	28,748
93.333	Clinical Research	UAA	237,012
93.358	Advanced Education Nursing Traineeships	ASA	76,182
93.358	Advanced Education Nursing Traineeships	NAA	19,501
93.358	Advanced Education Nursing Traineeships	UAA	65,300
	93.358 Subtotal		160,983
93.359	Nurse Education, Practice and Retention Grants	ASA	256,916
93.375	Minority Biomedical Research Support, <i>University of Texas at El Paso</i> , Contract # 0203297	UAA	21,180
93.389	National Center for Research Resources	UAA	301,980
93.389	National Center for Research Resources, <i>University of Medicine & Dentistry of New Jersey</i> , Contract # R25RR018490	UAA	18,636
	93.389 Subtotal		320,616
93.393	Cancer Cause and Prevention Research	HSA	3,602
93.393	Cancer Cause and Prevention Research	UAA	1,719
	93.393 Subtotal		5,321
93.395	Cancer Treatment Research	UAA	14,755
93.395	Cancer Treatment Research, <i>Duke University</i> , Contract # U10CA76001	UAA	3,500
	93.395 Subtotal		18,255
98.396	Cancer Biology Research	UAA	5,000
93.398	Cancer Research Manpower	UAA	212,875
93.399	Cancer Control	HSA	16,503
93.399	Cancer Control	NAA	8,342
93.399	Cancer Control, <i>Mayo Clinic</i> , Contract # U01CA86098	UAA	72,089
93.399	Cancer Control, <i>University of Alabama</i> , Contract # R01CA86311	UAA	8,687
	93.399 Subtotal		105,621

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
93.556	Promoting Safe and Stable Families	DEA	7,115,563
93.556	Promoting Safe and Stable Families, <i>Navajo Nation—Division of Social Services</i>	ASA	113,792
	93.556 Subtotal		<u>7,229,355</u>
93.558	Temporary Assistance for Needy Families	DEA	195,081,710
93.558	Temporary Assistance for Needy Families	GVA	93,081
	93.558 Subtotal		<u>195,174,791</u>
93.563	Child Support Enforcement	DEA	42,123,362
93.564	Child Support Enforcement Research	DEA	37,324
93.566	Refugee and Entrant Assistance—State Administered Programs	DEA	5,711,368
93.568	Low-Income Home Energy Assistance	DEA	6,470,935
93.568	Low-Income Home Energy Assistance	EPA	1,281,151
	93.568 Subtotal		<u>7,752,086</u>
93.569	Community Services Block Grant	DEA	5,053,401
93.570	Community Services Block Grant—Discretionary Awards, <i>National Youth Sports Program Fund</i>	ASA	72,316
93.570	Community Services Block Grant—Discretionary Awards, <i>National Youth Sports Program Fund</i> , Contract # NYSPF 05:1094	NAA	34,138
93.570	Community Services Block Grant—Discretionary Awards, <i>National Collegiate Athletic Association</i> , Contract #'s NYSPF051149, NYSPF03109, NYSPF041010, CK4630	UAA	123,502
	93.570 Subtotal		<u>229,956</u>
93.571	Community Services Block Grant Discretionary Awards Community Food and Nutrition	DEA	80,858
93.576	Refugee and Entrant Assistance—Discretionary Grants	DEA	601,152
93.576	Refugee and Entrant Assistance—Discretionary Grants	EDA	331,666
	93.576 Subtotal		<u>932,818</u>
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants	DEA	1,241,021
93.586	State Court Improvement Program	SPA	307,630
93.590	Community-Based Child Abuse Prevention Grants	DEA	81,989
93.597	Grants to States for Access and Visitation Programs	DEA	85,022
93.599	Chafee Education and Training Vouchers Program (ETV)	DEA	582,363
93.600	Head Start	GVA	197,171
93.603	Adoption Incentive Payments	DEA	280,000
93.617	Voting Access for Individuals with Disabilities—Grants to States	STA	47,125
93.623	Basic Center Grant	GVA	121,401
93.623	Basic Center Grant	NAA	9,421
	93.623 Subtotal		<u>130,822</u>
93.630	Developmental Disabilities Basic Support and Advocacy Grants	DEA	1,331,052
93.631	Developmental Disabilities Projects of National Significance	NAA	43,513
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	NAA	450,069
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	UAA	75,555
	93.632 Subtotal		<u>525,624</u>
93.643	Children's Justice Grants to States	GVA	339,966
93.643	Children's Justice Grants to States	NAA	1,300
	93.643 Subtotal		<u>341,266</u>
93.645	Child Welfare Services—State Grants	DEA	4,403,694
93.648	Child Welfare Services Training Grants	ASA	422,447

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.648	Child Welfare Services Training Grants	NAA	49,861
	93.648 Subtotal		<u>472,308</u>
93.658	Foster Care—Title IV-E	ASA	1,697,290
93.658	Foster Care—Title IV-E	DEA	76,917,804
	93.658 Subtotal		<u>78,615,094</u>
93.659	Adoption Assistance	DEA	25,827,211
93.667	Social Services Block Grant	ADA	176,467
93.667	Social Services Block Grant	DEA	48,990,538
	93.667 Subtotal		<u>49,167,005</u>
93.669	Child Abuse and Neglect State Grants	DEA	282,732
93.669	Child Abuse and Neglect State Grants	HSA	6,035
	93.669 Subtotal		<u>288,767</u>
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters—Grants to States and Indian Tribes	HSA	1,665,857
93.674	Chafee Foster Care Independence Program	DEA	1,802,384
93.767	State Children's Insurance Program	HCA	83,335,000
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	DEA	49,120,813
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	HCA	4,106,285,000
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	HSA	519,429
	93.779 Subtotal		<u>4,155,925,242</u>
93.822	Health Careers Opportunity Program	NAA	516,568
93.822	Health Careers Opportunity Program	UAA	626,171
	93.822 Subtotal		<u>1,142,739</u>
93.837	Heart and Vascular Diseases Research	UAA	283,368
93.859	Biomedical Research and Research Training	ASA	714,891
93.865	Child Health and Human Development Extramural Research	ASA	2,000
93.880	Minority Access to Research Careers	NAA	797
93.884	Grants for Training in Primary Care Medicine and Dentistry	UAA	432,701
93.895	Grants for Faculty Development in Family Medicine	UAA	8,774
93.896	Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	UAA	18,055
93.912	Rural Health Care Services Outreach and Rural Network Development Program	UAA	533,136
93.912	Rural Health Care Services Outreach and Rural Network Development Program, <i>University of Alaska Anchorage, Contract #s P0309858, PO299180</i>	UAA	7,000
	93.912 Subtotal		<u>540,136</u>
93.913	Grants to States for Operation of Offices of Rural Health	UAA	142,057
93.917	HIV Care Formula Grants	HSA	11,910,892
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	UAA	289,364
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	HSA	5,840
93.923	Disadvantaged Health Professions Faculty Loan Repayment (FLRP) and Minority Faculty (MFFP) Fellowship Program	NAA	34,777
93.933	Demonstration Projects for Indian Health, <i>Hualapai Tribe, Contract # CK38591</i>	UAA	50,865
93.933	Demonstration Projects for Indian Health, <i>Inter Tribal Council of Arizona, Incorporated, Contract # U269400011</i>	UAA	245,811
	93.933 Subtotal		<u>296,676</u>

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	EDA	167,915
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems, <i>Association of American Colleges and Universities</i> , Contract #s CK60217, CK55949	UAA	3,614
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems, <i>National 4H Council</i> , Contract # U87CCU318437	UAA	179,832
	93.938 Subtotal		351,361
93.940	HIV Prevention Activities—Health Department Based	HSA	2,874,442
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	HSA	694,628
93.945	Assistance Programs for Chronic Disease Prevention and Control	HSA	7,548
93.945	Assistance Programs for Chronic Disease Prevention and Control, <i>Migrant Health Promotion</i> , Contract # CK12293	UAA	107,550
	93.945 Subtotal		115,098
93.952	Trauma Care Systems Planning and Development	HSA	38,096
93.958	Block Grants for Community Mental Health Services	DJA	57,248
93.958	Block Grants for Community Mental Health Services	HSA	7,678,255
	93.958 Subtotal		7,735,503
93.959	Block Grants for Prevention and Treatment of Substance Abuse	HSA	34,388,570
93.969	Geriatric Education Centers	ASA	68,675
93.969	Geriatric Education Centers	UAA	469,068
93.969	Geriatric Education Centers, <i>University of Alaska Anchorage</i> , Contract # P0297575	UAA	9,754
	93.969 Subtotal		547,497
93.970	Health Professions Recruitment Program for Indians	ASA	285,885
93.970	Health Professions Recruitment Program for Indians	UAA	217,629
93.970	Health Professions Recruitment Program for Indians, <i>Phoenix Area Indian Health Service</i>	ASA	7,307
	93.970 Subtotal		510,821
93.977	Preventive Health Services—Sexually Transmitted Diseases Control Grants	HSA	1,715,045
93.984	Academic Administrative Units in Primary Care	UAA	147,066
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	HSA	229,657
93.989	International Research and Research Training	UAA	93,851
93.991	Preventive Health and Health Services Block Grant	ASA	228
93.991	Preventive Health and Health Services Block Grant	HSA	1,413,110
93.991	Preventive Health and Health Services Block Grant	UAA	1,429
	93.991 Subtotal		1,414,767
93.994	Maternal and Child Health Services Block Grant to the States	GVA	98,586
93.994	Maternal and Child Health Services Block Grant to the States	HSA	7,001,119
93.994	Maternal and Child Health Services Block Grant to the States	PSA	26,305
	93.994 Subtotal		7,126,010
93.0600-98-32781, 0600-03-60032	Enumeration at Birth	HSA	135,712
93.200-1998-07255	National Death Index	HSA	34,775
93.200-2000-07202	Vital Statistics Cooperative Program	HSA	251,142
93.230010042	Border Vision Fronteriza Project (BVF) Children's Health Project	UAA	234,973
93.02IPA9344	Senior Malaria Advising at UNICEF for RBM Program Planning Implementation for Sub-Saharan Africa	UAA	23,822
93.467MZ302261	NLM Support for Knowledge River Library School Internships	UAA	3,086
93.467MZ401583	Support for Knowledge River Library School Internships	UAA	41,620

See accompanying notes to schedule.

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.CK3209	Border Binational Health Week Grant	UAA	19,800
93.233030107	National Centers of Excellence in Women's Health	UAA	181,669
93.Unknown	Project Match Data and Evaluation Services	UAA	137,950
93.Unknown	American Indian/Alaska Native and Hispanic Program, <i>Courtesy Associates</i> , Contract # CK95O002371	UAA	7,825
93.Unknown	Mental Health Support for Guardians, <i>Arizona Children's Association</i> , Contract # CK11003	UAA	28,189
93.Unknown	Infant Adoption Awareness Training Program, <i>Arizona Children's Association</i> , Contract # USIOA0000301	UAA	61,075
93.Unknown	School-Based Diabetes Education Activities for the Prevention of Diabetes in American Indian Youth, <i>Association of American Indian Physicians</i> , Contract # CK12583	UAA	19,342
93.Unknown	Partnership in Public Health—Arizona Academic Health Department, <i>Association of Schools of Public Health</i> , Contract # D32962323	UAA	63,244
93.Unknown	Strengthening Communities, <i>Codac Behavioral Health Services of Pima County</i> , Contract # 325	UAA	185,389
93.Unknown	Evaluation of Community-Based Mental Health Services for Elderly, <i>Jewish Family and Children's Service</i> , Contract # SM02009	UAA	59,617
93.Unknown	SMI Services, <i>La Frontera, Inc.</i> , Contract # CK0005774	UAA	1,716
93.Unknown	Develop the Native American Research Center for Health on the Navajo Nation, <i>Navajo Nation</i> , Contract # C02450	UAA	16,691
93.Unknown	Family Drug Court and Court Assisted Treatment Services Program, <i>Pima County Juvenile Courts</i> , Contract #s 0718A1318841102, 0718A1333011003	UAA	49,807
93.Unknown	Access to Health Information for Arizona's Tribal Nations, <i>University of California—Los Angeles</i> , Contract # 5415GDB064	UAA	11,034
93.Unknown	Access to Health Information for Arizona's Tribal Nations II, <i>University of California—Los Angeles</i> , Contract # 5415GFB174N01LM13517	UAA	23,805
93.Unknown	Tribal Connections Four Corners, <i>University of Utah</i> , Contract # 200615008	UAA	39,743
93.Unknown	Drug Abuse Warning Network, <i>Westat, Inc.</i> , Contract # 030064A	UAA	7,035
93.Unknown	Steps to a Healthier Cochise County, <i>Cochise County, Arizona</i> , Contract # HG461290	UAA	5,810
93.Unknown	Violence Against Women Electronic Network, <i>Pennsylvania Coalition Against Domestic Violence</i> , Contract # CK057466	UAA	39,611
93.Unknown	Cancer Information Service of Region 12 Rocky Mountain, <i>Penrose St. Francis Health Services</i> , Contract #s N02CO0113, N02C051111AZ1	UAA	59,392
93.Unknown	Eon Evaluation, <i>Pima County Health Department</i> , Contract # 0701A1338890903	UAA	135,526
93.Unknown	Youth Empowerment Project, <i>Tucson Urban League</i> , Contract # SPO9740	UAA	106,197
93.Unknown	Enhancing AzHealthInfo.Org: Phase II of the Arizona Turning Point Public Health, <i>University of California—Los Angeles</i> , Contract # 5415GFB175NOLM13517	UAA	25,000
Total Department of Health and Human Services			\$ 4,964,832,596
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
<u>Foster Grandparent/Senior Companion Cluster</u>			
94.011	Foster Grandparent Program	DEA	\$ 316,418
94.011	Foster Grandparent Program	NAA	348,822
	94.011 Subtotal		665,240
94.016	Senior Companion Program	NAA	203,021
	Foster Grandparent/Senior Companion Cluster Subtotal		868,261
<u>Other Corporation for National and Community Service Programs</u>			
94.002	Retired and Senior Volunteer Program	NAA	58,255
94.003	State Commissions	GVA	219,365
94.003	State Commissions	NAA	3,664
	94.003 Subtotal		223,029
94.004	Learn and Serve America—School and Community Based Programs	EDA	438,369
94.006	AmeriCorps	GVA	1,194,954
94.006	AmeriCorps	NAA	235,834
94.006	AmeriCorps, <i>Jumpstart for Young Children</i>	ASA	34,976

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
	94.006 Subtotal		<u>1,465,764</u>
94.007	Planning and Program Development Grants	GVA	20,755
94.009	Training and Technical Assistance	GVA	123,442
94.009	Training and Technical Assistance	NAA	21,458
94.009	Training and Technical Assistance	UAA	84,323
	94.009 Subtotal		<u>229,223</u>
94.013	Volunteers in Service to America	ASA	4,898
	Total Corporation for National and Community Service		<u>\$ 3,308,554</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>			
<u>Disability Insurance/SSI Cluster</u>			
96.001	Social Security—Disability Insurance	DEA	\$ 24,153,491
	Disability Insurance/SSI Cluster Subtotal		<u>24,153,491</u>
96.E4374103	Community-Based Part-Time MSW Program	ASA	136,740
	Total Social Security Administration		<u>\$ 24,290,231</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
97.005	State and Local Homeland Security Training Program	PSA	\$ 9,092
97.008	Urban Areas Security Initiative	AHA	49,039
97.008	Urban Areas Security Initiative	MAA	167,595
	97.008 Subtotal		<u>216,634</u>
97.012	Boating Safety Financial Assistance	GFA	725,802
97.017	Pre-Disaster Mitigation Competitive Grants	MAA	187,834
97.021	Hazardous Materials Assistance Program	MAA	10,513
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	WCA	116,060
97.029	Flood Mitigation Assistance	MAA	424,180
97.035	Individual and Family Grants	MAA	26,085
97.036	Public Assistance Grants	MAA	1,015,738
97.039	Hazard Mitigation Grant	MAA	399,660
97.041	National Dam Safety Program	WCA	24,862
97.044	Assistance to Firefighters Grant	UAA	205
97.047	Pre-Disaster Mitigation	MAA	197,805
97.051	State and Local All Hazards Emergency Operations Planning	MAA	276,941
97.052	Emergency Operations Centers	MAA	2,603
97.066	Homeland Security Information Technology and Evaluation Program	MAA	363,871
97.Unknown	Emergency and Weapons of Mass Destruction (WMD) Exercise Costs, <i>Pima County Health Department</i> , Contract # 0101A1362260904	UAA	3,484
	Total Department of Homeland Security		<u>\$ 4,001,369</u>
<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</u>			
98.002	Cooperative Development Program, <i>Association Liaison Office for University Cooperation in Development</i>	ASA	\$ 150,539
98.EDH-00-03-00004-00	Center for Intercultural Education Development, Contract # EDH-00-03-00004-00	ASA	279,179
98.Unknown	Development of Human Resource Training, <i>American Council on Education</i> , Contract # 05122002	UAA	122,673
98.Unknown	The Transborder Collaboration to Strengthen the Public Health Infrastructure, <i>American Council on Education</i> , Contract # LTR DTD 040104	UAA	33,139
98.Unknown	Agriculture Sector Trainings in Afghanistan—Rebuilding Agricultural Markets, <i>Chemomics International</i> , Contract # J0250004	UAA	400,000

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
98.Unknown	Project Cass-Tucson Cycle 2003: Jan-Dec 2004, <i>Georgetown University</i> , Contract # UARRX205084903DP	UAA	121,455
98.Unknown	Cooperative Association of States for Scholarships (CASS) Program, <i>Georgetown University</i> , Contract # UARRX205085204M1	UAA	157,567
	Total United States Agency for International Development		<u>\$ 1,264,552</u>
<u>MISCELLANEOUS FEDERAL AGENCIES</u>			
99.Unknown	Corporation for Public Broadcasting	ASA	\$ 30,882
99.Unknown	U.S. Government	UAA	21,916
	Total Miscellaneous Federal Agencies		<u>\$ 52,798</u>
<u>HOMELAND SECURITY GRANT PROGRAM CLUSTER</u>			
<u>U.S. Department of Justice</u>			
16.007	State Domestic Preparedness Equipment Support Program	ASA	\$ 93,301
16.007	State Domestic Preparedness Equipment Support Program	MAA	15,380,185
	16.007 Subtotal		<u>15,473,486</u>
<u>Department of Homeland Security</u>			
97.004	State Domestic Preparedness Equipment Support Program	ADA	95,041
97.004	State Domestic Preparedness Equipment Support Program	AEA	302,380
97.004	State Domestic Preparedness Equipment Support Program	AHA	543
97.004	State Domestic Preparedness Equipment Support Program	DCA	87,953
97.004	State Domestic Preparedness Equipment Support Program	MAA	3,629,756
97.004	State Domestic Preparedness Equipment Support Program	NAA	44,726
97.004	State Domestic Preparedness Equipment Support Program	PSA	3,983,082
97.004	State Domestic Preparedness Equipment Support Program	UAA	974
	97.004 Subtotal		<u>8,144,455</u>
97.042	Emergency Management Performance Grants	MAA	1,226,183
97.053	Citizens Corps	GVA	11,782
97.053	Citizens Corps	MAA	55,097
	97.053 Subtotal		<u>66,879</u>
97.067	Homeland Security Grant Program	MAA	1,586,871
	Total Homeland Security Grant Program Cluster		<u>\$ 26,497,874</u>
<u>STUDENT FINANCIAL AID CLUSTER</u>			
<u>Department of Education</u>			
84.007	Federal Supplemental Educational Opportunity Grants	ASA	\$ 2,146,936
84.007	Federal Supplemental Educational Opportunity Grants	NAA	462,524
84.007	Federal Supplemental Educational Opportunity Grants	UAA	902,331
	84.007 Subtotal		<u>3,511,791</u>
84.033	Federal Work-Study Program	AGA	45,287
84.033	Federal Work-Study Program	ASA	1,573,620
84.033	Federal Work-Study Program	NAA	725,093
84.033	Federal Work-Study Program	UAA	1,599,453
	84.033 Subtotal		<u>3,943,453</u>
84.038	Federal Perkins Loan Program—Federal Capital Contributions	ASA	441,838
84.038	Federal Perkins Loan Program—Federal Capital Contributions	NAA	119,625
84.038	Federal Perkins Loan Program—Federal Capital Contributions	UAA	184,184
	84.038 Subtotal		<u>745,647</u>
84.063	Federal Pell Grant Program	ASA	32,057,253

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
84.063	Federal Pell Grant Program	NAA	12,319,485
84.063	Federal Pell Grant Program	UAA	18,514,459
	84.063 Subtotal		62,891,197
<u>Department of Health and Human Services</u>			
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	UAA	46,346
93.364	Nursing Student Loans	UAA	26,671
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	ASA	163
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	NAA	56,354
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	UAA	318,598
	93.925 Subtotal		375,115
Total Student Financial Aid Cluster			\$ 71,540,220
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>			
<u>Department of Agriculture</u>			
10.RD	Agricultural Research Service	ASA	\$ 18,640
10.RD	Animal and Plant Health Inspection Service	NAA	9,656
10.RD	Cooperative State Research, Education, and Extension Service	ASA	784,592
10.RD	Cooperative State Research, Education, and Extension Service	NAA	483,879
10.RD	Department of Agriculture	ASA	76,240
10.RD	Department of Agriculture	UAA	8,537,120
10.RD	Economic Research Service	ASA	10,218
10.RD	Forest Service	ASA	35,785
10.RD	Forest Service	NAA	1,088,440
10.RD	Forest Service	UAA	1,154,179
10.RD	Santa Fe National Forest	UAA	103,560
10.RD	Valles Caldera Trust	UAA	5,606
10.RD	Arizona Department of Agriculture, Contract #s 23007144, 0497041200CA	UAA	32,896
10.RD	Arizona Department of Education, Contract # 0337ED	ASA	2,674
10.RD	Ben-Gurion University, Contract # 88839	UAA	13,112
10.RD	Biotechnology Research and Development, Contract # 367567	UAA	147,365
10.RD	Colorado State University, Contract # G14061	UAA	125,570
10.RD	Dine College, Contract # 108674	UAA	30,126
10.RD	Induction of Ovarian Senescences, Institute of Technology, Contract # 32474-1	NAA	69,004
10.RD	Mississippi State University, Contract # 32094601050003	UAA	31,235
10.RD	New Mexico State University, Contract #s NMSUSUBG17Q00906, SWC04N07, SWC03N05, NMSUSUBG18Q00907, NMSUBD10, NMSUSUBG19Q00908, Q00778SWC02R03	UAA	135,932
10.RD	North Carolina State University, Contract # 2004157802	UAA	1,205
10.RD	Oceanic Institute, Contract #s 20023880801345, 2043880802142	UAA	241,720
10.RD	Oregon State University, Contract #s RD01A11, RD010A11	UAA	11,702
10.RD	Purdue University, Contract #s 590261801, 591055701	UAA	54,688
10.RD	Quantifying Sheet Wash, CASE Western Reserve University, Contract # Z99477H	NAA	3,433
10.RD	Rutgers University, Contract # 02IE08310229	ASA	34,555
10.RD	Rutgers, The State University of New Jersey, Contract # 2004AZ001BPD	UAA	7,710
10.RD	Texas A&M University, Contract #s 570118, 570115	UAA	74,835
10.RD	Tonto National Resource Conservation District, Contract # CK2498	UAA	1,355
10.RD	University of California-Davis, Contract #s 00RA2416AZ, 0200777IC, 00RA6754, K00779704,	UAA	49,746
10.RD	University of Guam, Contract # 51R662150R53233	UAA	17,392
10.RD	University of Haifa, Contract # 03R25	UAA	3,943
10.RD	University of Idaho, Contract #s GNK369, GRK107	UAA	9,570
10.RD	University of Tennessee, Contract # 85706	UAA	11,183
10.RD	University of Washington, Contract #s 423298, 567962, 913638	UAA	5,674
10.RD	University of Wisconsin, Contract # LTR 04/26/04	ASA	2,339
10.RD	Utah State University, Contract #s C026020, C025887, C027004, C026031	UAA	88,347
10.RD	Weizmann Institute of Science, Contract # 04DG11132463019	UAA	13,966
	Subtotal Department of Agriculture		13,529,192

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
<u>Department of Commerce</u>			
11.RD	Economic Development Administration	UAA	112,581
11.RD	National Institute of Standards and Technology	UAA	77,448
11.RD	National Oceanic and Atmospheric Administration	UAA	1,982,292
11.RD	General Electric Inc., Contract # 70NANB3H3030	ASA	2,933
11.RD	National Storage Industry Consortium, Contract # 70NANB1H3056	UAA	195,868
11.RD	University of Georgia, Contract # RC7140467513357	UAA	12,010
11.RD	University Corporation for Atmospheric Research, Contract # S0344674	UAA	13,734
11.RD	University of Southern Mississippi, Contract # USM0315001101B10	UAA	14,362
11.RD	University of Washington, Contract #s 293139, 875565	UAA	40,866
	Subtotal Department of Commerce		2,452,094
<u>Department of Defense</u>			
12.RD	Advance Research Projects Agency	ASA	593,591
12.RD	Army Corps of Engineers	ASA	483
12.RD	Army Research Institute for the Behavioral and Social Sciences	ASA	49,409
12.RD	Army Research Laboratory	ASA	37,259
12.RD	Defense Advanced Research Projects Agency	ASA	1,965
12.RD	Defense Advanced Research Projects Agency	UAA	2,024,820
12.RD	Department of Defense	ASA	292,412
12.RD	Department of Defense	NAA	307,238
12.RD	Department of Defense	UAA	56,031
12.RD	Department of the Air Force	UAA	8,806,700
12.RD	Department of Defense—Air Force Office of Scientific Research	ASA	2,009,581
12.RD	Department of Defense—Air Force Research Laboratory	ASA	490,699
12.RD	Department of Defense—Air Force Research Laboratory	UAA	155,943
12.RD	Department of Defense—Army	ASA	10,119
12.RD	Department of the Army	NAA	63,188
12.RD	Department of the Army	UAA	665,307
12.RD	Department of the Army, Army Research Office	ASA	1,207,709
12.RD	Department of the Navy	UAA	1,734,083
12.RD	Department of the Navy, Office of the Chief of Naval Research	ASA	3,269,913
12.RD	Department of the Navy, Office of the Chief of Naval Research	NAA	311,488
12.RD	The Missile Defense Agency	UAA	8,151
12.RD	National Imagery and Mapping Agency	UAA	57,548
12.RD	National Security Agency	ASA	15,970
12.RD	National Security Agency	UAA	34,566
12.RD	Research and Technology Development	ASA	3,216
12.RD	Spawar Systems Center - San Diego	UAA	56,903
12.RD	U.S. Army Materiel Command	ASA	2,374,610
12.RD	U.S. Army Materiel Command	UAA	521,070
12.RD	U.S. Army Medical Command	ASA	6,501,371
12.RD	U.S. Army Medical Command	UAA	1,376,520
12.RD	3M-Minnesota Mining and Manufacturing, Contract # DE-FC02-02CH11111	ASA	3,854
12.RD	Advanced Ceramics Research Incorporated, Contract #s A0334, 004812	UAA	110,245
12.RD	Advanced Research and Development Activity, Contract # 2004-H900700-000	ASA	101,614
12.RD	AdveNSys, LLC, Contract # DW911NF-04-C-0071	ASA	31,515
12.RD	Allied Signal - Honeywell, Contract # 05-093616	ASA	10,180
12.RD	Battelle Columbus Division, Contract # DAAD19-02-D-0001	ASA	25,962
12.RD	Boeing Aerospace Company, Contract # ACCT 345860	UAA	21,576
12.RD	Brown and Caldwell, Contract # 23446.270	NAA	25,467
12.RD	California Institute of Technology, Contract # 68A1058601	UAA	53,106
12.RD	California State University, Long Beach, Contract # DAAD19-02-1-0355	ASA	37,323
12.RD	Call / Recall Incorporated, Contract # W9113M04C0086	UAA	103,010
12.RD	Cognitive Engineering Research Institute, Contract # FA8650-04-2-6442	ASA	45,988
12.RD	Corporation for National Research Initiatives, Contract # NBCH2030002	UAA	808,018
12.RD	Crawdad Technologies, Contract # F49620-03-0082/USAF	ASA	70,001
12.RD	Electrosystems Engineers, Inc., Contract # W9124Q04P1089	UAA	15,999
12.RD	Eoir Technologies, Contract # G6003268	UAA	37,202
12.RD	General Dynamics, Inc., Contract # GD1203	ASA	54,854
12.RD	Georgia Institute of Technology, Contract # E216WGG1	UAA	28,810
12.RD	Geosystems Analysis, Inc., Contract # DABT6398T0158	ASA	12,471

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State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
12.RD	Global Technologies, Inc., Contract # 263-01	ASA	34,595
12.RD	GULde, Contract # F33615-01-C-2186	ASA	220,145
12.RD	High Performance Technologies, Inc., Contract # GS04T01BFC0061	ASA	173,506
12.RD	L3 Communications Aerospace Electronics Division, Contract # LTR102505	ASA	173,117
12.RD	L3 Communications Link Simulation and Training, Contract # F41624-97-D-50000017	ASA	9,691
12.RD	Massachusetts Institute of Technology, Contract # N000140110758	ASA	72,820
12.RD	Microlab Inc., Contract #s F2960101C0032	ASA	13,708
12.RD	Mission Research Corporation, Contract # F29601-00-D-0244	ASA	56,876
12.RD	Mission Research Corporation, Contract # N00164-02-D-6599/0008	ASA	3,037
12.RD	Mission Research Corporation, Contract # SC6599902002UAZ02	UAA	16,835
12.RD	Neotech, Contract # N00173-01-C-2011	ASA	1,002
12.RD	New Jersey Institute of Technology, Contract # P405586	UAA	84
12.RD	North Carolina State University, Contract # N00014-01-1-0716	ASA	94,470
12.RD	North Carolina State University, Contract # 2001116202	UAA	30,797
12.RD	Northrop Grumman Space Technology Sector, Contract # ACIMSSC04033	UAA	637,383
12.RD	Pennsylvania State University, Contract # N00014-02-1-0658	ASA	14,904
12.RD	Princeton University, Contract # N000140110741	ASA	156,587
12.RD	QYNERGY Corporation, Contract # FA9453-04-C-0066	ASA	289,175
12.RD	Raytheon, Contract # N00014-04-C-0437	ASA	28,537
12.RD	Raytheon Company, Contract # S76AX849	UAA	54,806
12.RD	Raytheon Missile Systems, Contract # F4962002C0055	ASA	107,245
12.RD	Rush-Presbyterian-St. Luke's, Contract # F30602-01-2-0584	ASA	175,105
12.RD	San Diego State University Foundation, Contract # N66001-03-D-0042	ASA	20,738
12.RD	Sandia National Laboratories, Contract # A0334211413	UAA	34,378
12.RD	Signal Corporation, Contract # 01091UOFATEIS200501215	UAA	16,124
12.RD	Signal Solutions, Inc., Contract # W9128Z-04-R-0004	ASA	23,649
12.RD	Stanford University, Contract # 28841A	UAA	187,269
12.RD	Texas Engineering Experiment Station, Contract # FA9550-04-1-0425	ASA	29,777
12.RD	Titan Systems Corporation, Contract # N0001403C0228	ASA	263,453
12.RD	Universal Technology Corporation, Contract # F33615-03-D-3307	ASA	97,220
12.RD	University of California—Los Angeles, Contract # 0160-G-EF805	ASA	53,170
12.RD	University of Dayton, Contract # RSC04015	UAA	84,176
12.RD	University of Illinois, Contract # 01128	UAA	110,481
12.RD	University of Illinois—Chicago, Contract # DAAD190110462	ASA	77,699
12.RD	University of Iowa, Contract #s 4000508757, 4000516859, 4000514479	UAA	293,475
12.RD	University of Massachusetts, Contract # F33615-02-C-4031	ASA	22,914
12.RD	University of Michigan, Contract #s F005004, F012443	UAA	42,415
12.RD	University of Minnesota, Contract # R6636360302	UAA	19,709
12.RD	University of New Mexico, Contract # DTRA01-03-D-0009	ASA	61,585
12.RD	University of New Mexico, Contract #s 707195873W, 707588873W	UAA	256,586
12.RD	University of Oregon, Contract # 235221B	UAA	12,098
12.RD	University of South Florida, Contract # N00039-02-C-3244	ASA	190,192
12.RD	University of Southern California, Contract # 080120	UAA	24,959
12.RD	University of Texas MD Anderson Cancer Center, Contract # DAMD179919505	UAA	36,128
12.RD	University of Vermont, Contract #s DAAD190010377, N00014-96-1251	ASA	7,352
12.RD	University of Virginia, Contract # F496020110352	ASA	141,110
12.RD	URS Corp., Contract # LV03A0020S4023A	UAA	157,711
12.RD	Vanderbilt University, Contract # HR0011-04C-0106	ASA	71,623
12.RD	Vanderbilt University, Contract # 14761S3	UAA	22,189
12.RD	Washington State University, Contract #s F29601-02-2-0299, N00015-04-1-0644	ASA	44,244
12.RD	Waveband Corporation, Contract #s DAAD1903C0090, W911NF04C0051	UAA	65,804
12.RD	Zona Technology Inc., Contract # ZTASU010612	ASA	20,326
12.RD	Zonge Engineering & Research Organization, Contract # 202264RD1309	UAA	25,885
	Subtotal Department of Defense		39,513,922
<u>Department of Housing and Urban Development</u>			
14.RD	Department of Housing and Urban Development	UAA	2,724
14.RD	City of Phoenix, Contract # 109609	ASA	150,932
	Subtotal Department of Housing and Urban Development		153,656
<u>Department of the Interior</u>			
15.RD	Bureau of Land Management	ASA	88,199

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/ <i>Pass-Through Grantor</i> /Contract Number	Grantee (Appendix)	Expenditures
15.RD	Bureau of Land Management	NAA	1,355,124
15.RD	Bureau of Land Management	UAA	175,803
15.RD	Bureau of Reclamation	ASA	565,444
15.RD	Bureau of Reclamation	NAA	54,684
15.RD	Bureau of Reclamation	UAA	215,453
15.RD	Department of the Interior	UAA	880,509
15.RD	National Park Service	ASA	49,811
15.RD	National Park Service	NAA	1,227,390
15.RD	National Park Service	UAA	1,363,477
15.RD	U.S. Fish and Wildlife Service	ASA	14,506
15.RD	U.S. Fish and Wildlife Service	NAA	35,276
15.RD	U.S. Fish and Wildlife Service	UAA	267,620
15.RD	U.S. Department of Agriculture-Apache Sitgreaves Forest	ASA	1,422
15.RD	U.S. Geological Survey	ASA	61,827
15.RD	U.S. Geological Survey	NAA	1,557,912
15.RD	U.S. Geological Survey	UAA	2,555,831
15.RD	U.S. Geological Survey—Flagstaff	ASA	1,607
15.RD	<i>Arizona Department of Agriculture, Contract # AZE66</i>	UAA	92,948
15.RD	<i>Louisiana State University and Agricultural and Mechanical College, Contract # R138636</i>	UAA	31,182
15.RD	<i>National Fish and Wildlife Foundation, Contract #s 20040060000, 2004011500</i>	UAA	66,825
15.RD	<i>Northern Arizona University, Contract # CSE35FY99175HS020</i>	UAA	29,975
15.RD	<i>Pronatura, Contract # AGMT DTD 10SEP02</i>	UAA	25,001
15.RD	<i>State of Utah, Contract # 976475</i>	NAA	7,097
15.RD	<i>University of Arizona, Contract # 01HQGR0113</i>	ASA	3,926
15.RD	<i>University of Arizona, Contract #s Y712611, P692112</i>	NAA	2,097
15.RD	<i>University of New Mexico, Contract # 2840NAU-GTU-1620</i>	NAA	111,103
15.RD	<i>Washington Department of Fish and Wildlife, Contract # 041020</i>	UAA	15,122
15.RD	<i>Western National Parks Association, Contract # 0407</i>	UAA	7,343
	Subtotal Department of the Interior		10,864,514
<u>Department of Justice</u>			
16.RD	Department of Justice	NAA	396,523
16.RD	Federal Bureau of Investigation	NAA	18,078
16.RD	National Institute of Justice	ASA	29,958
16.RD	National Institute of Justice	UAA	412,798
16.RD	National Opinion Research Center	ASA	986,201
16.RD	Hopi Youth Wellness Court, <i>Hopi Tribe</i> , Contract # 04-040	NAA	17,592
16.RD	<i>University of Pittsburgh, Contract # 2000-MU-0007</i>	ASA	488,527
	Subtotal Department of Justice		2,349,677
<u>Department of Labor</u>			
17.RD	<i>Arizona Department of Commerce, Contract # 107803</i>	ASA	156,064
	Subtotal Department of Labor		156,064
<u>Department of State</u>			
19.RD	Department of State	UAA	124,682
19.RD	U.S. Civilian Research and Development Foundation	ASA	6,353
19.RD	<i>National Council for Eurasian & East European Research, Contract # 820-1</i>	ASA	9,265
	Subtotal Department of State		140,300
<u>Department of Transportation</u>			
20.RD	Federal Aviation Administration	ASA	444,487
20.RD	Federal Highway Administration	ASA	72
20.RD	Federal Highway Administration	UAA	1,061
20.RD	National Cooperative Highway Research Program	ASA	43,088
20.RD	National Highway Traffic Safety Administration	UAA	124,556
20.RD	<i>Aerospace Corporation, Contract # 4600002667</i>	UAA	2,703
20.RD	<i>Arizona Department of Transportation, Contract #s KR-03-1090-TRN, KR-04-0168-TRN, KR-04-0282-TRN, KR-04-0720-TRN</i>	ASA	115,789
20.RD	<i>Arizona Department of Transportation, Contract #s JPA04001T, JPA02165, JPA99166,</i>	UAA	505,199
20.RD	<i>Cambridge Systems, Inc., Contract # 7214001</i>	UAA	8,530

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
20.RD	National Academy of Science, Contract # HR0923	ASA	4,471
20.RD	National Academy of Science, Contract # HR844	UAA	99,643
20.RD	Ohio State University Research Foundation, Contract # 60003341RF01009706	UAA	55,614
20.RD	Siemens Intelligent Transportation Systems, Contract # S557070554E	UAA	47,025
20.RD	Texas A&M Research Foundation, Contract # S040061	UAA	52,102
	Subtotal Department of Transportation		1,504,340
<u>National Aeronautics and Space Administration</u>			
43.RD	Ames Research Center	UAA	1,031,749
43.RD	Goddard Space Flight Center	UAA	37,652,985
43.RD	John C. Stennis Space Center	UAA	243,162
43.RD	Kennedy Space Center	UAA	21,143
43.RD	Langley Research Center	UAA	246,470
43.RD	Lewis Research Center	UAA	116,232
43.RD	Marshall Space Flight Center	UAA	130,290
43.RD	NASA Glenn Research Center	UAA	163,618
43.RD	NASA Johnson Space Center	UAA	55,524
43.RD	National Aeronautics and Space Administration	ASA	3,097,934
43.RD	National Aeronautics and Space Administration	NAA	101,236
43.RD	National Aeronautics and Space Administration	UAA	371,362
43.RD	Arizona State University, Contract #s 02066, 00103SC	UAA	156,248
43.RD	California Institute of Technology, Contract #s 21062198, 65P1069213	UAA	680,237
43.RD	Carnegie Institution of Washington, Contract #s DTM325002, NASW00002	UAA	121,174
43.RD	Center for Cultural & Technical Interchange, Contract # HC11795	UAA	51,941
43.RD	Cornell University, Contract # JPL No. 1223696	ASA	845,552
43.RD	Georgia Institute of Technology, Contract # G35674G3	UAA	15,608
43.RD	Harvey Mudd College, Contract # NNG05GA56G	UAA	19,286
43.RD	Jackson Laboratory, Contract # 562359	UAA	3,793
43.RD	Jet Propulsion Laboratory, Contract #s 1262699, JPL Task No. 10209, NA-Director's Fund, NAS7-03001, NAS7-1407, NM0710076, NM0710830, NM0710837, NMO710741, NMO710764, NMO710805, NMO710819, NMO710862	ASA	6,630,042
43.RD	Jet Propulsion Laboratory, Contract #s 959969, 960164, 960173, 960489, 960785, 961160, 961163, 961165, 961166, 961167, 1270499, 1270067, 1268552, 1264726, 1264723, 1261947, 1260022, 1272252, 1258909, 1260895, 1258748, 1207213, 1245833, 1216369, 1208566, 1218749, 1224768, 1224769, 1226582, 1228726, 1230836, 1235383, 1236412, 1236728, 1236841, 1258074, 1243073, 1254725, 1256424, 1256318, 1255670, 1255596, 1255566, 1241125, 1255094, 1249621, 1254724, 1254722, 1254354, 1252566, 1251189, 1250479, 1255219, 1273630, 1218749	UAA	26,761,026
43.RD	John's Hopkins University, Contract # 782694	UAA	6,073
43.RD	Lockheed Martin Corporation, Contract # RF4214274	UAA	12,513
43.RD	Longhill Technologies, Inc., Contract # 01-2-S1.05-9324	ASA	19,150
43.RD	Mississippi Space Services, Contract # 49288	UAA	5,051
43.RD	National Optical Astronomy Observatories, Contract # P15345A	UAA	10,053
43.RD	Ohio Aerospace Institute, Contract #s 021422-001, PO 7112	ASA	74,592
43.RD	Pennsylvania State University, Contract # 2302-NAU-NASA-2275	NAA	27,042
43.RD	Pennsylvania State University, Contract # 2358UANASA2330	UAA	48,618
43.RD	Raytheon Company, Contract #s 3000623, 884382S90, SYNVAJAZ043008854	UAA	191,537
43.RD	Science Application International Corporation, Contract # NAS9-19180	ASA	1,207
43.RD	Seti Institute, Contract # 132803002	UAA	8,433
43.RD	Smithsonian Astrophysics Observatory, Contract #s NAS8-03060, NAS8-39073	ASA	14,592
43.RD	Smithsonian-National Air and Space Museum, Contract # NAG5-12180	ASA	13,233
43.RD	Southwest Research Institute, Contract # 83818	UAA	410,855
43.RD	Space Telescope Science Institute, Contract #s 09780.02-A, NAS5-26555, HST-AR-10298.02-A, HST-GO-10180.06-A	ASA	335,468
43.RD	Space Telescope Science Institute, Contract #s HST-GO-09386.06-A, HST-GO-09794.97-A	NAA	2,091

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
43.RD	<i>Space Telescope Science Institute, Contract #s HSTGO0976901A, HSTGO0982204A, HSTGO0980308A, HSTGO0980307A, HSTGO0980301A, HSTGO0978103A, HSTGO0938502A, HSTGO0983304A, HSTHF0116001, HSTGO0976802A, HSTGO0976201A, HSTGO0974807A, HSTGO0977110A, HSTGO0983901A, HSTGO0984601A, HSTGO1014501A, HSTGO1017603A, HSTGO1017701A, HSTGO1017805A, HSTGO1018275A, HSTGO1019001A, HSTGO1026803A, HSTHF0112801A, HSTHF0113501A, HSTHF0115602A, HSTGO0974503A, HSTGO1008101A, HSTGO0917301A, GO081960197A, HSRGO0974101A, HSTAR0952106A, HSTAR0955601A, HSTAR0991082A, HSTAR1030801A, HSTAR1031801, HSTGO0828601A, HSTGO0903501A, HSTGO0906402A, HSTGO0913401A, HSTGO0974405A, HSTGO0917201A, 42743, HSTGO0928002A, HSTGO0935401A, HSTGO0943305A, HSTGO0936001A, HSTGO0937503A, HSTGO0938301A, HSTGO0938503A, HSTGO0944002A, HSTGO0945701A, HSTGO0950005A, HSTGO0972501A, HSTGO0972901A, HSTGO0916101A, HSTGO1014903A, HSTGO1019201A</i>	UAA	995,991
43.RD	<i>Stanford University, Contract # NAG5-12673</i>	ASA	7,028
43.RD	<i>Texas A&M Research Foundation, Contract # S030017</i>	UAA	37,571
43.RD	<i>Universities Space Research Association, Contract # 07605003036</i>	UAA	64,224
43.RD	<i>University of Arizona, Contract # NGT5-40082</i>	ASA	153,036
43.RD	<i>University of Arizona, Contract # Y702150</i>	NAA	70,282
43.RD	<i>University of California—Berkeley, Contract # SA377324009</i>	UAA	34,914
43.RD	<i>University of California—Los Angeles, Contract # NCC2-1364</i>	ASA	45,643
43.RD	<i>University of California—Los Angeles, Contract #s 0965GCB625, 2090GDC157, 2090GEC366</i>	UAA	33,116
43.RD	<i>University of Colorado, Contract # 1534722</i>	UAA	142,624
43.RD	<i>University of Colorado—Boulder, Contract # NAG512279</i>	ASA	71,496
43.RD	<i>University of Hawaii, Contract # NNG04GL88G</i>	UAA	67,733
43.RD	<i>University of Maryland, Contract # NNG04GK29G</i>	ASA	39,909
43.RD	<i>University of Maryland, Contract # Z667706</i>	UAA	56,765
43.RD	<i>University of Michigan, Contract #s F006453, F007004</i>	UAA	169,094
43.RD	<i>University of New Mexico, Contract # 3413517810</i>	UAA	312,663
43.RD	<i>University of Pennsylvania, Contract # 536594A</i>	UAA	889
43.RD	<i>University of Texas, Contract # UTA03-066</i>	NAA	80,018
43.RD	<i>University of Washington, Contract # 426389</i>	UAA	42,041
43.RD	<i>Zona Technology Inc., Contract #s NNLO4AA07C, NAS1-03021</i>	ASA	225,286
	Subtotal National Aeronautics and Space Administration		82,347,443
<u>National Foundation on the Arts and the Humanities</u>			
45.RD	National Endowment for the Humanities	ASA	6,724
45.RD	National Endowment for the Humanities	UAA	132
45.RD	<i>Space Telescope Science Institute, Contract # NAS5-26555</i>	ASA	33,478
45.RD	<i>World Monuments Fund, Contract # PI-50007-04</i>	ASA	36,491
	Subtotal National Foundation on the Arts and the Humanities		76,825
<u>National Science Foundation</u>			
47.RD	Education and Human Resources	ASA	1,017,157
47.RD	Engineering Grants	ASA	7,579
47.RD	Mathematical and Physical Sciences	ASA	24,661
47.RD	National Science Foundation	ASA	26,800,557
47.RD	National Science Foundation	NAA	2,991,394
47.RD	National Science Foundation	UAA	42,261,444
47.RD	Teacher Quality Enhancement Grants	ASA	8,463
47.RD	<i>Alaska Pacific University, Contract # SUBNSF</i>	UAA	4,645
47.RD	<i>American Association for the Advancement of Science, Contract #s CK 321316, CK313943</i>	UAA	3,073
47.RD	<i>American Museum of Natural History, Contract # 052002</i>	UAA	7,024
47.RD	<i>Arctic Research Consortium of the United States, Inc., Contract # OPP0101279</i>	UAA	54,915
47.RD	<i>Arizona Science Center, Contract # DMR0120997</i>	ASA	23,008
47.RD	<i>Arizona State University, Contract #s 04-417, 0335699</i>	NAA	68,692

See accompanying notes to schedule.

State of Arizona
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CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
47.RD	Arizona State University, Contract #s KMD52761137S04UR006, 00112, 03039, 04418, KMD52761136F03UR002, KMD52761136F03UR018, KMD52761136F03UR019, KMD52761136F03UR020, KMD52761136F03UR022, KMD52761140S05UR011, KMD52761140S05UR016, KMD52761140S05UR015, KMD52761137S04UR005, KMD52761140S05UR013, KMD52761140S05UR010, KMD52761139F04UR016, KMD52761139F04UR015, KMD52761139F04UR014, KMD52761139F04UR013, KMD52761139F04UR012, KMD52761139F04UR011, KMD52761139F04UR010, KMD52761137S04UR012, KMD52761138V04UR017, KMD52761137S04UR004, KMD52761137S04UR008, KMD52761137S04UR009, KMD52761140S05UR014, KMD52761137S04UR011, KMD52761137S04UR013, KMD52761137S04UR007, KMD52761138V04UR010, KMD52761138V04UR011, KMD52761138V04UR013, KMD52761138V04UR014, KMD52761138V04UR015, KMD52761140S05UR012, KMD52761137S04UR007	UAA	88,168
47.RD	Aura, Inc., Contract #s C10480A, P15328A, P15249A, C44003A, P47109A, C44001A, C10464A, C10409A, C44002A	UAA	110,484
47.RD	Case Western Reserve University, Contract # CCR-0329910	ASA	23,638
47.RD	Carleton College, Contract # CK 169286	UAA	19,141
47.RD	Cold Spring Harbor Lab, Contract # 22140111	UAA	808,201
47.RD	Colorado State University, Contract # ANI0196156	ASA	67
47.RD	Colorado State University, Contract # G30341	UAA	382
47.RD	Columbia University, Contract # ONE(1)	UAA	81,736
47.RD	Cornell University, Contract # BES-0109936	ASA	51,027
47.RD	Cornell University, Contract # 397616663	UAA	48,997
47.RD	Florida International University, Contract # SES-0433947	ASA	26,143
47.RD	Harvard University, Contract # ATM0304213	ASA	151,904
47.RD	Incorporated Research Institutions for Seismology, Contract #s 0350030, 0323309	ASA	30,683
47.RD	Incorporated Research Institutions for Seismology, Contract # 38103	UAA	2,597
47.RD	Iowa State University, Contract # 4206131	UAA	203,861
47.RD	Jackson and Tull, Contract # PO NM04-273	ASA	10,000
47.RD	Jet Propulsion Laboratory, Contract # N/A - Director's Fund	ASA	78,935
47.RD	Kansas State University, Contract # DEB-0218210	ASA	17,296
47.RD	Los Alamos National Laboratory, Contract # W-7405-ENG-36	ASA	199,280
47.RD	Maricopa Community Colleges, Contact # ES1-053469	ASA	43,534
47.RD	Michigan State University, Contract # DMR-0304391	ASA	53,637
47.RD	Michigan State University, Contract # 612113A	UAA	3,152
47.RD	National Optical Astronomy Observatories, Contract # P15317A	UAA	87,122
47.RD	New York University, Contract # PHY-0428662-01	ASA	38,077
47.RD	New York University, Contract # F563601	UAA	1,409
47.RD	North Carolina State University, Contract #s 2001093304, 2001093307	UAA	275,905
47.RD	North Dakota State University, Contract # 497102	UAA	203,071
47.RD	Northern Arizona University, Contract # CHM324G02	UAA	5,040
47.RD	Ohio State University Research Foundation, Contract # 746607RF01012560	UAA	17,637
47.RD	Pennsylvania State University, Contract #s 2359ASUNSF3702	ASA	2,611
47.RD	Pennsylvania State University, Contract #s 1921UANSF8052, 2205UANSF9156, 2501UANSF3772	UAA	214,664
47.RD	Portland State University, Contract # EIA-0085952	ASA	83,954
47.RD	Raytheon Company, Contract # RM8651101	UAA	69,002
47.RD	Rensselaer Polytechnic Institute, Contract # DAAD190210246	ASA	64,050
47.RD	Rockefeller University, Contract # DMS0443803	UAA	165
47.RD	Rutgers, The State University of New Jersey, Contract # 1494	UAA	124,308
47.RD	Social Science Research Council, Contract # REC0355353	ASA	60,115
47.RD	Southern California Earthquake Center, Contract # PO 083260	ASA	300
47.RD	Science Education Solutions, Incorporate, Contract # 12	NAA	39,672
47.RD	Split Engineering, LLC, Contract # DMI-0239119	UAA	8,555
47.RD	SRI International, Contract # SBE-0354453	ASA	23,785
47.RD	State University of New York-Buffalo, Contract # DMR-0305242	ASA	65,105
47.RD	State University of New York-Stony Brook, Contract # EAR-0135554	ASA	191,892
47.RD	Texas A&M Research Foundation, Contract # OCE-9320477	ASA	6,625
47.RD	Texas Technology University, Contract # DMR-0304640	ASA	56,659
47.RD	University of Arizona, Contract #s 9523338, DMI-0122227, EAR9876800, EEC9523338, SES-0241559	ASA	262,207
47.RD	University of Arizona, Contract # Y542104	NAA	30,979
47.RD	University of California—Berkeley, Contract # ESI-0334199	ASA	95,170

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47.RD	University of California—Irvine, Contract # CNS-0326606	ASA	52,412
47.RD	University of California—Los Angeles, Contract # DMS-0107428	ASA	4,001
47.RD	University of California—Davis, Contract # K013269	UAA	1,140
47.RD	University of California—Riverside, Contract # S00050	UAA	26,976
47.RD	University of Chicago, Contract # 25340	UAA	23,628
47.RD	University of Colorado—Boulder, Contract # SES03455604	ASA	19,689
47.RD	University of Florida, Contract #s SC00011513, UF03070	UAA	199,739
47.RD	University of Georgia, Contract # RR3730206236467	UAA	207,225
47.RD	University of Illinois, Contract # P0048699	UAA	3,985
47.RD	University of Kentucky Research Foundation, Contract # UKRF46683904024	UAA	3,603
47.RD	University of Michigan, Contract #s CCR-0205227, DMR 024382	ASA	113,967
47.RD	University of Minnesota, Contract # EAR-0322065	ASA	10,375
47.RD	University of Missouri, Contract # C000040794	UAA	404,009
47.RD	University of Missouri—Columbia, Contract # CMS0115828	ASA	3,914
47.RD	University of Nevada Las Vegas, Contract # 02449A0	UAA	6,805
47.RD	University of New Mexico, Contract # DBI-0225665	ASA	37,928
47.RD	University of New Mexico, Contract # 3-27401-78102	NAA	57,354
47.RD	University of Notre Dame, Contract #s 200689, 46735	UAA	41,561
47.RD	University of Oklahoma—Health Science Center, Contract # HRD-0225228	ASA	5,469
47.RD	University of Oregon, Contract # 204991A	UAA	210
47.RD	University of South Florida, Contract #s 250016700B, 2500016700C	UAA	4,389
47.RD	University of Tennessee, Contract # OR87800111	ASA	13,809
47.RD	University of Texas at Dallas, Contract #s ANI-0105985, ANI-0220001	ASA	60,674
47.RD	University of Texas at Austin, Contract # CTS-0352552	ASA	9
47.RD	University of Vermont, Contract # DEB0450537	UAA	15,815
47.RD	University of Virginia, Contract # BES-0403963	ASA	29,352
47.RD	University of Washington, Contract #s LTR 07/01/02, ECS-0300537	ASA	67,346
47.RD	University of Washington, Contract # 594594	UAA	713,821
47.RD	Utah State University, Contract # ESI-0352570	ASA	24,927
47.RD	Vassar College, Contract # BCS-0218609	NAA	24,344
47.RD	Virginia Polytechnic Institute, Contract # ECS-0224701	ASA	32,304
47.RD	Wayne State University, Contract # ANI0086020	ASA	115,850
47.RD	Wayne State University, Contract # WSU01160	UAA	44,173
	Subtotal National Science Foundation		79,724,357
<u>Smithsonian Institution</u>			
60.RD	Smithsonian Astrophysical Observatory	UAA	1,011,956
60.RD	Smithsonian Institution	UAA	91,278
	Subtotal Smithsonian Institution		1,103,234
<u>Department of Veterans Affairs</u>			
64.RD	Department of Veterans Affairs	ASA	34,497
64.RD	Veterans Administration	UAA	604,985
	Subtotal Department of Veterans Affairs		639,482
<u>Environmental Protection Agency</u>			
66.RD	Environmental Protection Agency	ASA	164,633
66.RD	Environmental Protection Agency	NAA	3,456
66.RD	Environmental Protection Agency	UAA	822,828
66.RD	American Bird Conservancy, Contract # CK5053	UAA	328
66.RD	Arizona Department of Environmental Quality, Contract # ENV04-0142	NAA	32,242
66.RD	Battelle Memorial Institute, Contract # 188148	UAA	12,037
66.RD	Battelle Memorial Institute, Pacific Northwest National Laboratory, Contract # 68C00185	ASA	65,284
66.RD	CASE Western Reserve University, Contract # GL97590101	NAA	505
66.RD	Clarkson University, Contract # R827354-01	ASA	1,812
66.RD	Health Effects Institute, Contract # 4728RFFPA046051	UAA	13,039
66.RD	Naco Fire District, Contract #s BF-96921901, BP989066-01-0	ASA	36,241
66.RD	New Mexico State University, Contract # X-82971001-0	ASA	7,949
66.RD	Southwest Center for Environmental Research, Contract # XA 83099401-0	ASA	66,440
66.RD	State University of New York, Research Foundation, Contract # RD-83090601	ASA	6,230
66.RD	University of Houston, Contract # R030220	ASA	6,926
66.RD	University of New Mexico, Contract # RD-83159601	ASA	19,593

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
66.RD	University of New Mexico, Contract # 3422617810	UAA	3,744
66.RD	University of Utah, Contract #s XA 83099401-0, XA-83099401-1	ASA	234,389
66.RD	University of Wisconsin, Contract # CR827345-01	ASA	17,451
66.RD	Washington University, Contract # WUHT021929406A	UAA	40,348
	Subtotal Environmental Protection Agency		1,555,475
<u>Department of Energy</u>			
81.RD	Department of Energy	ASA	2,553,267
81.RD	Department of Energy	NAA	526,645
81.RD	Department of Energy	UAA	5,128,525
81.RD	American Water Works Association Research Foundation, Contract #s 3077, 3079	ASA	83,855
81.RD	Argonne National Laboratory, Contract # W-31-109-ENG-38	ASA	228,989
81.RD	Arizona Board of Regents, Contract # 99200202	ASA	856
81.RD	Awwa Research Foundation, Contract # 3083	UAA	46,494
81.RD	Battelle Memorial Institute, Contract # 15523	UAA	3,150
81.RD	Battelle Pacific Northwest Laboratories, Contract #s 401592A3E, 325651AN44131333502	UAA	460,926
81.RD	BP Exploration, Inc., Contract # 4748	UAA	416,640
81.RD	Brookhaven National Laboratory, Contract # DE-AC02-98CH10886	ASA	51,526
81.RD	Brookhaven National Laboratory, Contract #s 4054, 74201, 85587	UAA	284,136
81.RD	Brookhaven Science Associates, Contract # 96923	UAA	8,126
81.RD	Fermi National Accelerator Laboratory, Contract #s 550814, 557734	UAA	87,511
81.RD	Case Western Reserve University, Contract # DE-FC28-04RW12252	ASA	73,263
81.RD	Clemson University, American Water Works Association Research Foundation, Contract # 3079	ASA	10,283
81.RD	Georgia Institute of Technology, Contract # G35A01G1	UAA	22,164
81.RD	Howard University, Contract # 633254-192523	NAA	125,783
81.RD	Krell Institute, Contract # LTR 8/10/04, 3/7, 3/8, 4/6	ASA	894
81.RD	Lawrence Livermore Laboratory, Contract #s B527959, B529385	UAA	264,290
81.RD	Lawrence Livermore National Laboratory, Contract #s 98218C, W-7405-ENG-48	ASA	37,946
81.RD	Los Alamos National Laboratory, Contract # W-7405-ENG-36	ASA	32,525
81.RD	Los Alamos National Laboratory, Contract #s 70926-002-053C, 93061-00109AA	NAA	89,260
81.RD	Los Alamos National Laboratory, Contract #s 67198001033C, 84240001033V	UAA	109,558
81.RD	Materials and Power Technologies LLC, Contract # 1027	UAA	29,976
81.RD	Michigan State University, Contract # DE-FG02-97ER45651	ASA	37,084
81.RD	National Institute for Global Environmental Change, Contract # DE-FC03-90ER61010	ASA	1,993
81.RD	National Renewable Energy Laboratory, Contract # DEAC36-99-G010337	ASA	19,616
81.RD	National Renewable Energy Laboratory, Contract # XAM-4-44835-01	NAA	76,694
81.RD	Navajo Nation—Division of Social Services, Contract # DEAC3699GO10337	ASA	26,827
81.RD	New Mexico Institute of Mining and Technology, Contract # DE-FC26-03NT41983	ASA	581
81.RD	Oak Ridge National Laboratory, Contract # DE-AC05-00OR22725	ASA	41,106
81.RD	Purdue University, Contract # 54100721	UAA	440
81.RD	Radiation Monitoring Devices, Inc, Contract # C0519	UAA	38,267
81.RD	S.M. Stoller Corporation, Contract #s 24616, 0000002075, 22842	UAA	93,956
81.RD	Sandia National Laboratories, Contract #s 16230, 49285	ASA	27,239
81.RD	Sandia National Laboratories, Contract # 122248	NAA	47,750
81.RD	Sandia National Laboratories, Contract #s AO334237537, A033429652, AO334433852, AO334411370, AO334386067, AO334305236, AO334302676, AO334256458, AO334247952, AO334238152, AO33427240, AO334154902, AO334436506, AO33421294, AO334188890, AO33427258, AO33429209, AO33430141, AO334444631, AO344183391	UAA	1,291,837
81.RD	Smithsonian Institute, Contract # 05-SUBC-440-0000052743	NAA	15,000
81.RD	State University of New York-Buffalo, Contract # DE-FG02-04ER46180	ASA	33,612
81.RD	Thomas Jefferson National Accelerator Facility, Contract # DEAC0584ER40150	ASA	576
81.RD	University of Arizona, Contract # DE-FG03-02ER46013	ASA	1,852
81.RD	University of California—Berkeley, Contract # 6720500	UAA	7,094
81.RD	University of California—Santa Cruz, Contract # S0171499	UAA	27,218
81.RD	University of Chicago, Contract # B523820	UAA	22,580
81.RD	University of Colorado, Contract # 1531939SPO39883	UAA	292
81.RD	University of Nevada Reno, Contract # UNR0224	UAA	25,203
81.RD	University of Texas—El Paso, Contract # DEFC0401AL67097	ASA	21,622
81.RD	University of Texas—El Paso, Contract # 00012052	UAA	49,340
81.RD	University of Virginia, Contract # DE-FG02-01ER15203	ASA	4,907
	Subtotal Department of Energy		12,589,274

See accompanying notes to schedule.

State of Arizona
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
<u>Department of Education</u>			
84.RD	Department of Education	ASA	496,024
84.RD	Department of Education	NAA	5,720
84.RD	Department of Education	UAA	331,660
84.RD	Elementary & Secondary Education	ASA	437,603
84.RD	<i>Arizona Department of Education, Contract #s 03-06-ED, 03-07-ED</i>	NAA	268,985
84.RD	<i>Arizona Department of Education, Contract #s 0223ED, 0309ED-04FAAMSY-470841-08C, 0440ED, ED050042001</i>	UAA	79,910
84.RD	<i>Arizona Office of the Governor, Contract # A12175</i>	ASA	51,843
84.RD	<i>Arizona State University, Contract # 04-413, 03-104</i>	NAA	3,224
84.RD	<i>International Technology Exchange, Inc., Contract # DEFG0203ER63687</i>	UAA	13,907
84.RD	<i>Northern Arizona University, Contract # P336B990064</i>	ASA	5,652
84.RD	<i>Salt River Pima-Maricopa Indian Community, Contract # C-0000184566</i>	ASA	142,494
84.RD	<i>San Simon School District, Contract # 04-121843</i>	ASA	495,709
84.RD	<i>Southwest Human Development, Contract # S359B030989</i>	ASA	199,350
84.RD	<i>Thomas Jefferson University, Contract # H327X010003</i>	ASA	206,430
84.RD	<i>Touch Graphics Company, Contract # MEM1103</i>	UAA	19,118
84.RD	<i>University of Wisconsin, Contract #s 255G780, F131821</i>	UAA	99,529
84.RD	<i>Wayne State University, Contract # 04-024</i>	ASA	13,670
	Subtotal Department of Education		2,870,828
<u>National Archives and Records Administration</u>			
89.RD	National Archives and Records Administration	UAA	52,322
	Subtotal National Archives and Records Administration		52,322
<u>Department of Health and Human Services</u>			
93.RD	Administration for Children and Families	ASA	13,713
93.RD	Agency for Healthcare Research and Quality	UAA	1,926,555
93.RD	Centers for Disease Control and Prevention	ASA	2,822
93.RD	Centers for Disease Control and Prevention	NAA	215,239
93.RD	Centers for Disease Control and Prevention	UAA	1,533,647
93.RD	Centers for Medicare and Medicaid Services	UAA	31,808
93.RD	Drug Abuse Research Programs	ASA	24,864
93.RD	Food and Drug Administration	UAA	245,687
93.RD	Health Resources and Services Administration	ASA	9,959
93.RD	Health Resources and Services Administration	UAA	1,644,049
93.RD	National Institutes of Health	ASA	22,870,154
93.RD	National Institutes of Health	NAA	2,509,242
93.RD	National Institutes of Health	UAA	109,336,993
93.RD	Occupational Safety and Health Research Grants	ASA	203,760
93.RD	Public Health Service	UAA	116,186
93.RD	Substance Abuse and Mental Health Administration	UAA	330,430
93.RD	<i>10 Blade, Contract # R41RR18698</i>	UAA	88,486
93.RD	<i>American College of Radiology, Contract # 4701</i>	UAA	3,623
93.RD	<i>Arizona Department of Economic Security, Contract # E4374194</i>	ASA	7,803
93.RD	<i>Arizona Department of Health Services, Contract # 152055</i>	UAA	45,415
93.RD	<i>Association of American Medical Colleges, Contract # MM05790303</i>	UAA	134,787
93.RD	<i>Association of Schools of Public Health, Contract # S33502323</i>	UAA	35,720
93.RD	<i>Association of University Centers on Disability, Contract # 810</i>	UAA	37,902
93.RD	<i>Axio Research Corporation, Contract # 50018</i>	UAA	3,659
93.RD	<i>Banner Health, Contract # 2R01MH057899</i>	ASA	99,246
93.RD	<i>Barrow Neurological Institute, Contract # R01DA1538901A1</i>	UAA	48,508
93.RD	<i>Baylor University, Contract #s 4600580177, 4600601668, U19CA86809, 4600500317</i>	UAA	197,035
93.RD	<i>Beckman Research Institute of the City of Hope, Contract # 306690912478</i>	UAA	24,902
93.RD	<i>Brigham and Women's Hospital, Contract # 151381R01HL075426</i>	UAA	2,563
93.RD	<i>Cancervax, Contract #s MMAITIII, MMAITIV</i>	UAA	70,551
93.RD	<i>Carnegie Mellon University, Contract # 1308041090028</i>	UAA	59,571
93.RD	<i>Codac Behavioral Health Services of Pima County, Contract # KD1T111422</i>	UAA	11,596
93.RD	<i>Colorado State University, Contract #s G45801, G77631</i>	UAA	9,571
93.RD	<i>Duke University, Contract #s DS698, 122165</i>	UAA	58,928
93.RD	<i>Gaia Herbs, Inc., Contract # 4-R44-AT000771-02</i>	ASA	74,468
93.RD	<i>Genomics Collaborative, Inc., Contract # R43AI060166</i>	UAA	68,802

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.RD	Georgia Institute of Technology, Contract # N01-HD-3-3359	ASA	26,833
93.RD	Georgetown University, Contract # RX4265032UAZ	UAA	13,804
93.RD	Good Samaritan Medical Center, Contract # R01MH57899	UAA	13,388
93.RD	Gynecologic Oncology Group Administrative, Contract #s CA101165, CCOPGOG167	UAA	220,360
93.RD	Health Research, Inc., Contract # AJ042836-04	ASA	112,796
93.RD	Henry Ford Health Sciences Center, Contract # R01CA092143	UAA	193,453
93.RD	Henry J. Kaiser Family Foundation, Contract # R21AT001324	UAA	3,284
93.RD	Indiana University, Contract # R01DA103555	ASA	28,204
93.RD	Indiana University, Contract # R01NS42078	UAA	15,299
93.RD	Iogenetics, LLC, Contract # CK1640	UAA	95,413
93.RD	Kaiser Foundation Research Institute, Contract # R01AT001930	UAA	14,950
93.RD	Mayo Clinic, Contract # U01CA89389	UAA	106,924
93.RD	Medical Directions, Incorporated, Contract #s CK10228, R42DK62569	UAA	118,149
93.RD	Medical Research Council—University of Dundee, Contract # R1MH64882	UAA	16,101
93.RD	Medstar Research Institute, Contract # 1R01HL6703101A1	UAA	76,693
93.RD	Morehouse School of Medicine, Contract # SO6GM08248	UAA	352
93.RD	National Childhood Cancer Foundation, Contract # 12768	UAA	7,958
93.RD	Niadyne, Incorporated, Contract #s R44CA090085, R41CA099469	UAA	119,328
93.RD	Northern Arizona University, Contract # IHD31V3	UAA	15,599
93.RD	Northwest Portland Area Indian Health Board, Contract # CO502	UAA	8,192
93.RD	NSABP Foundation, Incorporated, Contract #s ARZ01P2, MIN19ARZ, MIN20ARZ, ARZ01P1	UAA	215,791
93.RD	Ohio State University, Contract #s 740196, 742116	UAA	57,449
93.RD	Ohio State University Research Foundation, Contract # 741173RF00906518	UAA	344,205
93.RD	Oregon Health Sciences University, Contract #s 1R01DA1201801A1, 5 R01 DA011748	ASA	144,104
93.RD	Oregon Health Sciences University, Contract # 8401236A	UAA	144
93.RD	Pennsylvania State University, Contract #s 2 R01 DA005629, 3 P50 DA010075-0851	ASA	461,692
93.RD	Pain Therapeutics Inc., Contract # R41NS047807	UAA	30,000
93.RD	Pare Technologies, Contract # MEM0305	UAA	4,309
93.RD	Prevention Research Center, Contract # HHSN281200410012C	ASA	15,358
93.RD	Rand Corporation, Contract # 4042	UAA	29,792
93.RD	Research Technologies, Inc., Contract # 657U7658	UAA	15,017
93.RD	Salt River Pima-Maricopa Indian Community, Contract # C-0000184566	ASA	78,227
93.RD	Schepens Eye Research Institute, Contract # EY07624SC1	UAA	25,765
93.RD	Southwest Oncology Group, Contract #s SWOG04000, SWOG05035, 5U10CA3210219, SWOG05011, SWOG05003, SWOG04006, S0515, CCOP04003, CCOP03006, CCOP03002, CA32102/CA37429, CA37429	UAA	300,468
93.RD	Stanford University, Contract # PY2268	UAA	467,960
93.RD	Sun Health Research Institute, Contract #s 1 P30 AG19610-01, 5 U01 AG16976-04	ASA	62,084
93.RD	Sun Health Research Institute, Contract #s 561136, P30AG19610	UAA	275,317
93.RD	Temple University, Contract # 361811401	UAA	54,522
93.RD	Texas A&M University, Contract # HD39367	ASA	30,669
93.RD	Three Rivers Holding, LLC, Contract # R43-HD43512-01	ASA	9,228
93.RD	Uniformed Services University of the Health Sciences, Contract # A1022014821	ASA	50,841
93.RD	University of Arizona, Contract #s 1 R01 AR047595-01A1, 1 R01 CA90265-01A1,	ASA	101,986
93.RD	University of Arizona, Contract # GM065101-03	NAA	47,882
93.RD	University of California—Davis, Contract # 5P01AG022500-02	ASA	108,158
93.RD	University of California—Irvine, Contract #s 20031181, B97NO1CN750191, F99CA81886UA	UAA	119,727
93.RD	University of California—Los Angeles, Contract # 1930GEB772	UAA	2,103
93.RD	University of California—San Diego, Contract # 1 R01 HD043221-01	ASA	5,036
93.RD	University of California—San Diego, Contract #s 10154581, 10247146	UAA	153,752
93.RD	University of California—San Francisco, Contract # 1U01AG024904	ASA	53,037
93.RD	University of California—San Francisco, Contract # 3100SC	UAA	633,487
93.RD	University of Cincinnati, Contract # R01HL66044	UAA	32,229
93.RD	University of Colorado, Contract #s 2573615FY05001017, 2525836FY04024002, 2573323FY03001008, 2573384FY04001004, 2573455FY04001007	UAA	233,696
93.RD	University of Connecticut Health Center, Contract # 461905	UAA	84,541
93.RD	University of Florida, Contract # R01 NS39687	ASA	164,904
93.RD	University of Florida, Contract #s UF04018, UF02041	UAA	53,374
93.RD	University of Illinois—Champaign/Urbana, Contract # 10P98360504	ASA	72,922
93.RD	University of Maryland, Contract #s S01079, S01370	UAA	6,449
93.RD	University of Medicine & Dentistry of New Jersey, Contract# CK898746	UAA	3,433
93.RD	University of Michigan, Contract # TW006489	ASA	9,287

See accompanying notes to schedule.

State of Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

CFDA/Identifying Number	Federal Grantor/Program Title/ Pass-Through Grantor /Contract Number	Grantee (Appendix)	Expenditures
93.RD	University of Michigan, Contract # F007271	UAA	161,030
93.RD	University of Minnesota, Contract # H6636419102	UAA	94,408
93.RD	University of Missouri—Columbia, Contract #s 1 R01 NS41584-03, 1 R01 NS41584-04S1	ASA	91,463
93.RD	University of Nebraska—Lincoln, Contract # 24-0506-008-002	NAA	60,311
93.RD	University of New Mexico, Contract # PA5497	UAA	72,424
93.RD	University of North Carolina—Chapel Hill, Contract # K01-CE000496-01	ASA	53,326
93.RD	University of Oklahoma Health Science Center, Contract # 2746983	UAA	963
93.RD	University of Rochester, Contract # 5RO1CA084105-04	ASA	38,973
93.RD	University of Southern California, Contract # H25987	UAA	214,054
93.RD	University of Texas, Contract # 116687	UAA	32,405
93.RD	University of Texas at Dallas, Contract # 1R01DC00625701A1	ASA	136,959
93.RD	University of Texas at Arlington, Contract # 2616011761	UAA	69,135
93.RD	University of Texas at Austin, Contract #s UTA00031, UTA05123	UAA	30,766
93.RD	University of Texas at Galveston, Contract # U54AJ057156-03	ASA	21,604
93.RD	University of Texas Health Sciences Center at Houston, Contract #s 0004359, U10EY12471	UAA	56,531
93.RD	University of Texas MD Anderson Center, Contract #s N01CN95040, R01CA089608	UAA	76,400
93.RD	University of Toronto, Contract # 450489	UAA	71,163
93.RD	University of Utah, Contract #s 9903093, 9809032O, 9809032OA, 2302004	UAA	202,065
93.RD	University of Wisconsin, Contract #s J033375, J033375-1,144LD45, J033375-04, J033375-03	UAA	625,559
93.RD	Vanderbilt University, Contract # VUMC105354R33EB000776	UAA	33,068
93.RD	Veterans Medical Research Foundation, Contract # P01AI37232	UAA	22,513
93.RD	Wake Forest University, Contract #s NS34447, 31194	UAA	102,777
93.RD	Yale University, Contract # A05648	UAA	78
93.RD	Yeshiva University, Contract # 95261660	UAA	9,302
93.RD	Yinnel Tech, Inc., Contract # 1021	UAA	19,904
	Subtotal Department of Health and Human Services		150,161,450
<u>Agency for International Development</u>			
98.RD	Agency for International Development	UAA	1,389,497
98.RD	Mexico United States Partnership, American Council on Education, Contract # HNE-A-0059-00	NAA	77,412
98.RD	Americana Council on Education, Contract #s HNEA0097005900, HNEA00970005900	UAA	125,518
98.RD	International Institute of Tropical Agriculture, Contract # AGMT DTD 14NOV02	UAA	92,087
98.RD	Michigan State University, Contract # REEA000300094-00	ASA	87,525
98.RD	Virginia Polytechnic Institute, Contract #s CR19101425215, CR19101425655	UAA	20,360
98.RD	Volunteers in Overseas Cooperative Assistance, Contract # AFPA00040003400	UAA	71,972
	Subtotal Agency for International Development		1,864,371
<u>Miscellaneous Federal Agencies</u>			
99.RD	Central Intelligence Agency	ASA	120,505
99.RD	National Reconnaissance Office	UAA	88,390
	Subtotal Miscellaneous Federal Agencies		208,895
	Total Research and Development Cluster		\$ 403,857,715
	Total Expenditures of Federal Awards		\$ 8,373,112,107

See accompanying notes to schedule.

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Note 1 - Significant Accounting Policies

Basis of Presentation—The information in the schedule is presented in accordance with the requirements of OMB Circular A-133.

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

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and proprietary funds and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2005; and were accounted for using the modified accrual and full accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles.

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

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

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

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2005 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "Unknown" were used.

Note 3 - Research and Development Cluster

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

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Note 4 - Pass-through Grantor Contract Numbers

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

Note 5 - Loan and Loan Guarantee Programs

Only administrative costs incurred for loan and loan guarantee programs are included in the schedule. However, OMB Circular A-133, Subpart B, §.205(b) requires that the current-year administrative costs and loan distributions, and the balances of the previous year's outstanding student loans and loan guarantees, also be included for these programs when determining federal awards expended for single audit purposes. Further, Subpart B, §.310(b)(6) requires that loans or loan guarantees outstanding at year-end be included in either the schedule or a note to the schedule. Loans and loan guarantees outstanding at June 30, 2005, are described below:

Student Loan Programs

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

Loan Program	CFDA Number	Loans Distributed During the Year	Loan Balances Outstanding at June 30, 2005
Federal Perkins Loan Program—Federal Capital Contributions	84.038	\$6,220,057	\$29,828,409
Nurse Faculty Loan Program (NFLP)	93.264	55,000	55,000
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	389,378	2,077,132
Nursing Student Loans	93.364	405,221	1,268,810

In addition, the Universities distribute loans from two federal loan programs that are administered by independent third parties. For the year ended June 30, 2005, the Universities distributed \$144,242,466 of Federal Family Education Loans (CFDA number 84.032) and \$241,358,942 of Federal Direct Student Loans (CFDA number 84.268).

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Loan Guarantee Programs

The Water Infrastructure Finance Authority (WIFA), a discretely presented component unit on the State's fiscal year 2005 basic financial statements, has entered into capitalization grant agreements with the U.S. Environmental Protection Agency. During fiscal year 2005, the WIFA received capitalization grant monies totaling \$102,878 from the Capitalization Grants for Clean Water State Revolving Funds (CFDA number 66.458) program and \$5,826,009 from the Capitalization Grants for Drinking Water State Revolving Funds (CFDA number 66.468) program for deposit into their revolving loan guarantee funds. The balances of the federal guarantee portion of the loans outstanding for these capitalization grants were \$152,432,585 and \$62,526,551, respectively, at June 30, 2005.

Housing Program

The Department of Housing administers the HOME Investment Partnerships Program (CFDA number 14.239), which provides loans to municipalities, nonprofit organizations, and individuals to purchase homes and rental properties. The Department distributed \$795,102 in loans during fiscal year 2005 and had \$7,091,025 in loan balances outstanding at June 30, 2005.

Note 6 - Food Commodities

Food commodities received by the State are disbursed through distributing agencies. Such commodities are included in the definition of federal awards when distributed and, accordingly, are included in the amounts presented on the schedule. The State's food commodity distributions totaled \$23,652,727, and the amounts, by CFDA number, are presented as follows:

CFDA Number	Program Title	Amount
10.553	School Breakfast Program	\$ 213,543
10.555	National School Lunch Program	13,884,815
10.559	Summer Food Service Program for Children	29,501
10.565	Commodity Supplemental Food Program	3,039,928
10.569	Emergency Food Assistance Program (Food Commodities)	6,484,940

Note 7 - Donation of Federal Surplus Personal Property

The value of the Donation of Federal Surplus Personal Property (CFDA number 39.003) program reported on the schedule is based on a "market basket formula" developed by the U.S. General Services Administration. This market basket formula represents 23.3 percent of the original federal acquisition cost, totaling \$999,315 for the year ended June 30, 2005.

State of Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Note 8 - Immunization and HIV Grants

The Immunization Grants (CFDA number 93.268) expenditures of \$39,706,846 include \$33,417,611 worth of vaccines. The HIV Care Formula Grants (CFDA number 93.917) expenditures of \$11,910,892 include \$9,542,410 worth of vaccines. Vaccines administered by the Department of Health Services are included in the definition of federal awards and, accordingly, are included in the amount presented on the schedule.

Note 9 - Unemployment Insurance (CFDA No. 17.225)

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

The amount presented on the schedule consists of the following:

Regular unemployment compensation benefits	\$284,178,569
Unemployment compensation for federal employees	5,185,641
Unemployment compensation for ex-service members	2,762,526
Administrative costs	<u>30,919,487</u>
Total expenditures	<u>\$323,046,223</u>

State of Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2005

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
	Yes	No
Material weakness identified in internal control over financial reporting?	—	<u>X</u>
Reportable condition identified not considered to be a material weakness?	—	<u>X</u> (None reported)
Noncompliance material to the financial statements noted?	—	<u>X</u>

Federal Awards

Material weaknesses identified in internal control over major programs?	<u>X</u>	—
Reportable conditions identified not considered to be material weaknesses?	<u>X</u>	—

Type of auditors' report issued on compliance for major programs:
 Unqualified for all major programs except for the Food Stamp Cluster, Child Nutrition Cluster, Child and Adult Care Food Program, Homeland Security Grant Program Cluster, Title I Grants to Local Educational Agencies, Special Education Cluster, Rehabilitation Services—Vocational Rehabilitation Grants to States, Even Start—State Educational Agencies, Temporary Assistance for Needy Families, and Social Services Block Grant, which were qualified.

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

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551/10.561	Food Stamp Cluster
10.553/10.555/10.556/10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
16.007/97.004/97.042/97.053/ 97.067	Homeland Security Grant Program Cluster
14.239	HOME Investment Partnerships Program
17.225	Unemployment Insurance
20.205	Highway Planning and Construction Cluster

State of Arizona
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<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
66.001	Air Pollution Control Program Support
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.007/84.032/84.033/84.038/ 84.063/84.268/93.342/93.364/ 93.925	Student Financial Aid Cluster
84.027/84.173	Special Education Cluster
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.213	Even Start—State Educational Agencies
93.268	Immunization Grants
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.575/93.596	Child Care Cluster
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	State Children’s Insurance Program
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations
RD	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$25,119,336

	Yes	No
Auditee qualified as low-risk auditee?	___	_X_

Other Matters

Auditee’s Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	_X_	___
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State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

05-101

Child Nutrition Cluster:

CFDA No.: 10.553 School Breakfast Program, # 7AZ300AZ3
10.555 National School Lunch Program, # 7AZ300AZ3
10.556 Special Milk Program for Children, # 7AZ300AZ3
10.559 Summer Food Service Program for Children, # 7AZ300AZ3

CFDA No.: 10.558 Child and Adult Care Food Program, # 7AZ300AZ3

U.S. Department of Agriculture

Award Period: October 1, 2004 through September 30, 2005

CFDA No.: 84.010 Title I Grants to Local Educational Agencies, # S010A040003A

Special Education Cluster:

CFDA No.: 84.027 Special Education—Grants to States, # H027A04007
84.173 Special Education—Preschool Grants, # H173A04003
CFDA No.: 84.213 Even Start—State Educational Agencies, # S213C040003A

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Arizona Department of Education did not comply with the following subrecipient monitoring requirements of the U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 Code of Federal Regulations (CFR), §80.26 and OMB Circular A-133, §.400(d):

- The Department did not obtain single audit reports from subrecipients who spent at least \$500,000 in federal assistance until the reports were requested by auditors for 3 of 12 Special Education Cluster subrecipients tested, 2 of 7 Child and Adult Care Food Program subrecipients tested, 2 of 18 Even Start subrecipients tested, and 1 of 14 Title I subrecipients tested.
- The Department did not issue management decisions within 6 months after the receipt of subrecipient single audit reports. Auditors noted that 6 Title I Grants to Local Educational Agencies subrecipients, 3 Child Nutrition Cluster subrecipients, and 1 Special Education Cluster subrecipient were not issued management decisions within required timelines.

This finding is a material internal control weakness and material noncompliance with subrecipient monitoring requirements.

To help ensure compliance with U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 CFR, §80.26 and OMB Circular A-133, §.400(d), (4) and (5), the Department should establish internal control policies and procedures to ensure single audit reports are received from all subrecipients who spend at least \$500,000 in federal assistance and that management decisions are issued within 6 months after receipt of subrecipient single audit reports.

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05-102

CFDA No.: 84.213 **Even Start—State Educational Agencies, # S213C040003A**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 CFR §80.40(a) and OMB Circular A-133 §.400(d)(3) requires grantees to monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. However, the Arizona Department of Education did not document its site visits to the subrecipients who received funding under the Even Start—State Educational Agencies program. In addition, the Department did not have procedures in place to examine subrecipient financial records when performing site visits to ensure grant monies were expended in accordance with program requirements. Consequently, auditors were unable to determine if the Department monitored subrecipients to ensure that federal monies were used for authorized purposes and that subrecipients complied with program requirements.

This finding is a material internal control weakness and material noncompliance with subrecipient monitoring requirements.

To help ensure compliance with U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 CFR, §80.40(a) and OMB Circular A-133 §.400(d)(3), the Department should document procedures performed during its site monitoring visits. Furthermore, the Department should develop policies and procedures that require a detailed review of subrecipient financial records during site visits to determine whether subrecipients spent program monies for authorized purposes and complied with program requirements.

05-103

CFDA No.: 84.213 **Even Start—State Educational Agencies, # S213C040003A**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: \$554,988

The Arizona Department of Education is required by the Elementary and Secondary Education Act, *No Child Left Behind Act of 2001*, Title I, Part B, Subpart 3, Section 1234(b)(1), William F. Goodling Even Start Family Literacy to limit the federal share of program monies to 60 percent of the total project costs for Local Educational Agencies (LEAs) who are program recipients. However, the Department did not have adequate policies and procedures in place to ensure that LEAs were meeting the local matching requirement of 40 percent. Specifically, for 2 of 21 LEAs tested, the LEAs did not meet the matching requirements by a combined total of \$61,121. In addition, for 5 of 21 LEAs tested, the Department did not obtain supporting documentation from the LEAs to verify that the recipient met the local match, which totaled \$493,867.

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This finding is a material internal control weakness and material noncompliance with the program's matching requirements.

To help ensure compliance with the Even Start—State Educational Agencies Federal share limits set by the Elementary and Secondary Education Act, the Department should develop procedures to ensure that LEAs comply with the program's matching requirement.

05-104

CFDA No.: 84.010 **Title I Grants to Local Educational Agencies, # S010A040003A**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The U.S. Department of Education allocates federal monies to states for the Elementary and Secondary Education Act Program Grants, including Title I Grants to Local Educational Agencies to states, based, in part, on each state's per-pupil expenditures. The Arizona Department of Education submitted Arizona's per-pupil expenditure data to the National Center for Educational Statistics using the National Public Education Financial Survey form, however, the Department did not have adequate procedures to ensure that it prepared the form accurately. Specifically, expenditures from operation of noninstructional services food services—other were overstated by \$21,294,044. The overstatement was caused by including expenditures for property, which should be excluded for determining the State's per-pupil expenditures. As the data from the National Public Education Financial Survey forms are used to allocate federal program monies to states, the net effect of these errors would potentially overstate Arizona's per-pupil expenditures and the State's allotment for the 2007 award year.

It was not practical to extend our auditing procedures sufficiently to determine the impact this finding will have on the future funding allocations for this program for the 2007 award year. The finding is a reportable condition and immaterial noncompliance with the program's reporting requirements. This finding is similar to prior-years' findings.

To help ensure compliance with the program's reporting requirements and the accuracy of the National Public Education Financial Survey form, the Department should:

- Submit revised expenditure information to the National Center for Educational Statistics.
- Reconcile expenditure and average daily attendance information to supporting records prior to submitting the National Public Education Financial Survey form.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

05-105

Special Education Cluster:

CFDA No.: 84.027 **Special Education—Grants to States, # H027A040007**
84.173 **Special Education—Preschool Grants, # H173A040003**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Arizona Department of Education is required by 34 CFR §300.231(c)(1) to perform maintenance-of-effort calculations before awarding grant monies to its subrecipients for the Special Education Cluster of programs. To monitor maintenance-of-effort requirements of its subrecipients, LEAs, the Department requires each LEA to submit to the Department an Annual Financial Report (AFR). However, the AFR submitted by 12 of 49 LEAs tested did not contain financial information in sufficient detail to monitor compliance with maintenance-of-effort requirements. Specifically, LEAs did not always separately report Special Education expenditures on their AFRs.

It was not practical to extend our auditing procedures to determine questioned costs, if any, for the Special Education Cluster that may have resulted from this finding. However, this finding is a material internal control weakness and material noncompliance with the Cluster's maintenance-of-effort requirements. This instance of noncompliance is similar to a prior-year finding.

To help ensure compliance with 34 CFR §300.231(c)(1), the Department should establish policies and procedures to ensure that AFRs that LEAs submit contain financial information in sufficient detail to monitor compliance with maintenance-of-effort requirements.

05-106

CFDA No.: 84.010 **Title I Grants to Local Educational Agencies, # S010A040003A**

Special Education Cluster:

CFDA No.: 84.027 **Special Education—Grants to States, # H027A040007**
84.173 **Special Education—Preschool Grants, # H173A040003**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Arizona Department of Education has implemented an information system that is a Web based application, named the Grants Management Enterprise System. The Grants Management Enterprise System is an online application that is used by subrecipients to apply for and report information on the federal and state grants administered by the Department. However, the Department did not enforce its existing internal control policies and procedures to ensure that only approved users had access to the Department's Grants Management Enterprise System. Auditors noted that for 1 of 21 subrecipients tested for the Title I Grants to Local Educational Agencies, and for 2 of 49 subrecipients tested for the Special Education Cluster, unauthorized users had either edited or submitted information in the Grants Management Enterprise System. The Department requires that subrecipients submit an annual General Statement of Assurance form that in part identifies the individuals who are authorized to edit and submit information in the Grants Management Enterprise System. These users were not listed and had not signed the General Statement of Assurance submitted by the subrecipients. As a result, they should not have been granted access to the Grants Management Enterprise System.

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Schedule of Findings and Questioned Costs
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It was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding. However, this finding is a reportable condition and immaterial noncompliance with programs' activities allowed or unallowed and allowable costs/cost principles requirements.

To comply with the Department's own policies and procedures and help protect sensitive information from unauthorized access or changes, the Department should only grant access to the Grants Management Enterprise System to those users who are listed on the subrecipients' approved General Statement of Assurance.

05-107

CFDA No.: 84.010 **Title I Grants to Local Educational Agencies, # S010A040003A**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005.

Questioned Cost: Unknown

The Elementary and Secondary Education Act (ESEA), Section 1127, provides for LEAs who receive more than \$50,000 in Title I Grants to carry over unexpended Title I Grant monies for 1 fiscal year beyond the initial funding period, but limits the amount of carryover monies to 15 percent of the monies allocated. The Arizona Department of Education has procedures in place to notify a LEA if its carryover balance exceeds 15 percent of its initial allocation and require a return of monies, or issue a waiver, if appropriate. However, auditors noted that for 2 of 14 LEAs tested, the Department did not follow its procedures and notify the LEA that it exceeded the 15 percent carryover balance.

It was not practical to extend our auditing procedures sufficiently to determine the likely questioned cost, if any, that may have resulted from this finding. However, this finding is a reportable condition and immaterial noncompliance with the program's period of availability requirements.

To comply with ESEA Section 1127, the Department should follow its procedures and require a return of monies or issue a waiver when a LEA's completion report indicates a carryover balance in excess of 15 percent of the original allocation.

05-108

Child Nutrition Cluster:

CFDA No.: 10.553 **School Breakfast Program, # 7AZ300AZ3**

10.555 **National School Lunch Program, # 7AZ300AZ3**

10.556 **Special Milk Program for Children, # 7AZ300AZ3**

10.559 **Summer Food Service Program for Children, # 7AZ300AZ3**

CFDA No.: 10.558 **Child and Adult Care Food Program, # 7AZ300AZ3**

U.S. Department of Agriculture

Award Period: October 1, 2004 through September 30, 2005

Questioned Cost: N/A

The Arizona Department of Education implemented an internally developed information system that is a Web-based application, named CNP Web. CNP Web is an online application and claiming system for the Child Nutrition Programs administered by the Department, which includes the School Breakfast Program, National School Lunch Program, and the Child and Adult Care Food Program. LEAs submit program

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applications and counts of meals served through the Internet to the CNP Web system. After Department employees approve the online applications, reimbursements to the LEAs are calculated by the system based on the meal count information submitted. Therefore, it is critical that the Department establish adequate internal controls to ensure the integrity of information processed through the system. Auditors tested information processed by the system for compliance and noted no instances of noncompliance. However, auditors noted the following material internal control weaknesses:

- System security—Auditors tested selected controls over the security of Web-based applications at the Department, including the CNP Web system, and reviewed security-related policies and procedures, and noted security deficiencies over software security patch management, password management, network vulnerability, basic security awareness, user access and privileges, and intrusion detection. These deficiencies put the Department's systems and information at risk of potential theft, manipulation, or misuse. A formal performance audit report on the Department's information management function is scheduled to be released by the Office of the Auditor General by September that will detail these security risks.
- Account management—Written policies and procedures had not been developed to ensure that access and activity privileges granted to department employees were appropriate in relation to their job responsibilities. In addition, system access rights for external users were not restricted to only authorized LEA employees. Auditors noted that for 28 of 45 external users tested, the Department was unable to provide documentation that the users had been approved and authorized to submit program applications and claim information.
- System documentation—While the Department has a tracking mechanism for program changes made to the CNP Web system, the Department had not updated comprehensive systems documentation for program changes made since it was placed in operation. In addition, the Department did not have documented policies and standards for system maintenance or processing. Also, the Department had not developed a master description list that shows the access privileges for each user. Currently, the Department can only determine the access and activity privileges granted to a system user by analyzing the system source programming.
- Data changes—When a department user enters or changes data in the CNP Web system, the system only retains the most recent data. Information submitted by previous users, LEAs, or other department users was overwritten and not retained and stored in a history file. However, auditors performed an analysis of claims processed through CNP Web and determined that claims modified by department employees were very immaterial. Further, from July 1, 2004 to March 1, 2006, system programmers made at least 377 changes to application and claim data directly to the system's database without using the system's application software. As a result, these changes were not subjected to the data validation edits programmed into the system. Furthermore, system programmers were able to make changes to data in the system and the system did not record that the change was made by a programmer. While the Department had a manual tracking process that system programmers use, undocumented changes still could occur.

These deficiencies cumulatively constitute a material internal control weakness that affects activities allowed or unallowed, allowable costs/cost principles, and reporting compliance requirements for the School Breakfast Program, National School Lunch Program, and the Child and Adult Care Food Program.

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The Department should implement the following procedures to properly control information recorded on the CNP Web system:

- Develop and implement an ongoing process for addressing security vulnerabilities. The process should ensure that known security concerns are evaluated and prioritized in order of risk. Develop specific plans to address them and assign responsibilities to implement the plans.
- Develop written policies and procedures that define access privileges for system users.
- Retain external user access agreements and periodically review access privileges granted to ensure that external users only have access to needed applications and functions.
- Update systems documentation to reflect all program changes that have been made since the system's implementation. Also, document all future program changes with identifying numbers, program code modifications, test results, and approval and implementation dates.
- Develop policies and procedures that define standards for system maintenance and processing.
- Define user access privileges and control access privileges granted to ensure users have access only to the system applications and functions necessary for them to perform their assigned duties.
- Modify the CNP Web application to record in a history file all data recorded and changed in the system by department employees, to serve as an audit trail.
- Control changes made by system programmers to data submitted by LEAs through the applications software.

05-109

Food Stamp Cluster:

CFDA No.: 10.551 Food Stamps

10.561 State Administrative Matching Grants for Food Stamp Program, # 7AZ400AZ4

CFDA No.: 93.558 Temporary Assistance for Needy Families, #s G0401AZTANF and G0501AZTANF

U.S. Department of Agriculture

Award Period: July 1, 2004 through June 30, 2005

U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004 and

October 1, 2004 through September 30, 2005

Questioned Cost: \$55,693

The Department of Economic Security, Division of Benefits and Medical Eligibility did not monitor adherence to and enforce its internal control policies and procedures for activating and issuing Electronic Benefits Transfer (EBT) cards for food stamps and cash assistance benefits at its local Family Assistance Administration (FAA) offices to ensure that food stamps and cash assistance benefits were issued to eligible recipients. Auditors performed observations at 5 of the 82 FAA Offices in February 2005 and noted that these Offices did not always follow the Division's established internal control policies and procedures. Specifically, the local FAA Offices did not always request identification or document a recipient's identity before issuing an EBT card, destroy damaged or inactivated EBT cards, and document eligibility determinations in the eligibility computer system prior to awarding benefits. Also, supervisors did not always review and approve EBT card reconciliations. In addition, several employees manipulated the eligibility computer system to issue EBT cards for personal use and allegedly defrauded the Department out of \$31,206 in cash assistance and \$24,487 in food stamps benefits. The Department referred matters

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to the Arizona Attorney General's Office for further investigation and prosecution. Additionally, auditors performed observations at 5 of the 82 FAA Offices in February 2006 and noted that several of these internal control weaknesses had not been corrected.

It was not practical to extend our auditing procedures sufficiently to determine whether any additional questioned costs resulted from this finding. This finding is a material internal control weakness and material noncompliance with the Food Stamp Cluster's special tests and provisions requirements. It is also a material internal control weakness and material noncompliance for the Temporary Assistance for Needy Families (TANF) program's activities allowed or unallowed, allowable costs and cost principles, and eligibility requirements. This instance of noncompliance is similar to a prior-year finding.

To comply with the Food Stamp Cluster's special tests and provisions requirements stipulated in 7 CFR §§274.11(c) and 274.12(i)(3) and the TANF program's activities allowed or unallowed, allowable costs and cost principles, and eligibility requirements specified in 45 CFR §206.10, and help prevent unauthorized transactions, the Division should monitor adherence to and enforce its internal control policies and procedures over the process of authorizing and issuing EBT cards at its FAA Offices.

05-110

CFDA No.: 93.558 **Temporary Assistance for Needy Families, #s G0401AZTANF and G0501AZTANF**
U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004 and
October 1, 2004 through September 30, 2005

Questioned Cost: \$8,325

The Department of Economic Security, Division of Benefits and Medical Eligibility and Division of Employment and Rehabilitation Services did not always adhere to its internal control policies and procedures to support eligibility determinations for Temporary Assistance for Needy Families (TANF) program recipients and to retain recipients' case files that contained all required data to ensure compliance with activities allowed or unallowed, allowable costs and cost principles, eligibility, and special tests and provisions requirements. Specifically, the Division was unable to locate one recipient's case file and failed to follow up on another recipient who did not cooperate with the work activities program. In addition, the Division did not detect a recipient's incomplete case file that had been fraudulently created by an employee. As a result, auditors could not perform a complete review for 3 of 40 recipients tested or perform additional audit procedures to validate the recipients' eligibility. For the audit period July 1, 2004 through June 30, 2005, these recipients were awarded \$8,325 in cash assistance.

It was not practical to extend our auditing procedures sufficiently to determine if any additional questioned costs resulted from this finding. However, based on auditors' evaluation of the cumulative effect of the internal control deficiencies and estimate of cash assistance errors in relation to the program's compliance requirements, this finding is classified as a material internal control weakness and material noncompliance with the TANF program's activities allowed or unallowed, allowable costs and cost principles, and eligibility requirements and a reportable condition and immaterial noncompliance with the TANF program's special tests and provisions requirements. This instance of noncompliance is similar to a prior-year finding.

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To comply with 45 CFR §206.10, the Department should properly maintain and retain its recipients' case files to support expenditures made for program recipients. Each case file must contain a written application signed by the recipient requesting cash assistance and documentation supporting each decision regarding eligibility. In addition, to comply with 45 CFR §261.14, the Department should reduce or terminate the recipient's cash assistance benefits when a recipient refuses to work.

05-111

Food Stamp Cluster:

CFDA No.: 10.551 **Food Stamps**

10.561 **State Administrative Matching Grants for Food Stamp Program, # 7AZ400AZ4**

U.S. Department of Agriculture

Award Period: July 1, 2004 through June 30, 2005

Questioned Cost: \$2,460

The Department of Economic Security, Division of Benefits and Medical Eligibility did not adhere to its internal control policies and procedures to ensure that all documentation required to be included in the case files for Food Stamp recipients was received, prepared, or retained and to accurately record correct recipient information into its eligibility computer system. Specifically, for 7 of 40 food stamp recipients' case files tested, auditors noted that the Division did not record the recipients' information correctly into the eligibility computer system. In addition, auditors noted that earned income, gross income, shelter costs, and rent expenses were not recorded, calculated, or supported by pertinent documents. As a result, these recipients were overpaid \$2,460 in food stamp benefits for the period July 1, 2004 through June 30, 2005.

It was not practical to extend our auditing procedures sufficiently to determine if any additional questioned costs resulted from this finding. However, this finding is a material internal control weakness and material noncompliance with the Food Stamp Cluster's special tests and provisions requirements. This instance of noncompliance is similar to a prior-year finding.

To comply with 7 CFR §273.2(a)(2) and (b), the Department should properly maintain its food stamp recipients' case files to support benefit authorizations. Each case file must contain documentation supporting the recipient's earned income, gross income, shelter costs, and rent expenses.

05-112

Food Stamp Cluster:

CFDA No.: 10.551 **Food Stamps**

10.561 **State Administrative Matching Grants for Food Stamp Program, # 7AZ400AZ4**

U.S. Department of Agriculture

Award Period: July 1, 2004 through June 30, 2005

Questioned Cost: \$24,487

The Department of Economic Security, Division of Benefits and Medical Eligibility did not have internal control policies and procedures in place to require the reporting of alleged fraud committed by employees on the FNS-46 Issuance Reconciliation Report to the U.S. Department of Agriculture, Food and Nutrition Service. As a result, the Department did not report \$24,487 in employee fraud for the award period on the FNS-46 Report. This questioned cost was also reported in finding 05-109.

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This finding is a reportable condition and immaterial noncompliance with the Food Stamp Cluster's reporting requirements. This instance of noncompliance is similar to a prior-year finding.

To comply with 7 CFR §§276.2(b)(7) and 276.3(a) and (c), the Department should establish internal control policies and procedures to ensure that all losses related to employee fraud are reported to the U.S. Department of Agriculture, Food and Nutrition Services.

05-113

CFDA No.: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States,**
#s H126A30002, H126A40002, and H126A50002

U.S. Department of Education

Award Period: October 1, 2002 through September 30, 2004,
October 1, 2003 through September 30, 2005, and
October 1, 2004 through September 30, 2006

Questioned Cost: N/A

The Department of Economic Security, Division of Employment and Rehabilitation Services did not have adequate internal control policies and procedures to ensure compliance with procurement requirements. Specifically, for 5 of 23 vendors tested who were paid more than \$10,000 in program expenditures for the period July 1, 2004 through June 30, 2005, auditors noted that the Division did not prepare written contracts between the Department and vendor. In addition, for the vendors tested who were paid more than \$25,000 and with whom the Department did not have a written contract, the Department did not require them to certify that they had not been suspended or debarred from doing business by the federal government. However, auditors verified that none of these vendors were suspended or debarred.

Auditors were able to determine that no questioned costs resulted from this finding as expenditures were paid in accordance with the Department's authorized medical fee schedules. This finding is a reportable condition and immaterial noncompliance with the program's procurement, suspension, and debarment requirements. This instance of noncompliance is similar to a prior-year finding.

To help ensure compliance with 34 CFR §80.36, the Department should follow the Arizona Procurement Rules and Regulations for all purchases over \$10,000 by having a formal written contract with the vendor. In addition, for all purchases over \$25,000, the Department should require the vendor to certify that it had not been suspended or debarred from doing business by the federal government.

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

05-114

CFDA No.: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States,**
#s H126A30002, H126A40002, and H126A50002

U.S. Department of Education

Award Period: October 1, 2002 through September 30, 2004,
October 1, 2003 through September 30, 2005, and
October 1, 2004 through September 30, 2006

Questioned Cost: N/A

The Department of Economic Security, Division of Employment and Rehabilitation Services did not have adequate internal control policies and procedures to ensure compliance with eligibility determination requirements. As a result, for 7 of 32 applicants tested, auditors noted that the Department did not determine the applicant's eligibility for vocational rehabilitation services within 60 days of the application submission date. Specifically, it took the Department between 62 to 154 days to determine if the applicants were eligible for the program. Further, the Department did not maintain documentation indicating why the 60-day period was exceeded as evidenced by either an extension letter filed and signed by both the Department and applicant, or the Department's continued exploration of the applicant's abilities, capabilities, and capacity to perform in work situations.

This finding is a material internal control weakness and material noncompliance with the program's eligibility requirements.

To comply with 29 United States (U.S.) Code 722 (a)(6), the Department should determine an applicant's eligibility within 60 days of the application submission date. In addition, if eligibility for an applicant cannot be determined within 60 days, the Department should maintain documentation indicating why the 60-day period was exceeded.

05-115

CFDA No.: 17.225 **Unemployment Insurance**

U.S. Department of Labor

Award Period: July 1, 2004 though June 30, 2005

Questioned Cost: Unknown

The Department of Economic Security, Division of Employment and Rehabilitation Services did not have adequate internal control policies and procedures to ensure that unemployment insurance benefits were issued only to eligible claimants. The Division's General Unemployment Insurance Development Effort (GUIDE) benefits system was programmed to check only for Job Services registration on the 35th day after the initial unemployment insurance claim was filed. As a result, for benefits paid after 35 days, the Job Services registration status may not have been verified. Auditors extended procedures and worked with the Department's programmers to determine the total effect of this error and determined that during fiscal year 2005, the Department paid \$1,072,306 to 519 claimants who were not registered with Job Services after the initial registration period.

It was not practical to extend our auditing procedures to determine the amount of questioned costs, if any, that resulted from this finding. This finding is a reportable condition and immaterial noncompliance with the Unemployment Insurance program's activities allowed or unallowed, allowable costs and costs principles, and eligibility requirements. This instance of noncompliance is similar to a prior-year finding.

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To comply with the Unemployment Insurance program's activities allowed or unallowed, allowable costs and costs principles, and eligibility requirements specified in the 42 U.S. Code 503(a)(10), the Department should correct the programming deficiencies in the GUIDE system that allow checks to be issued to claimants whose registration with Job Services was not verified.

05-116

CFDA No.: 17.225 **Unemployment Insurance**

U.S. Department of Labor

Award Period: July 1, 2004 though June 30, 2005

Questioned Cost: \$3,214

The Department of Economic Security, Division of Employment and Rehabilitation Services did not have adequate internal control policies and procedures to ensure that unemployment insurance benefits were paid only to eligible claimants. Specifically, for 1 of 52 claimants tested, auditors noted that the claimant used a false social security number when applying for unemployment insurance benefits. In addition, the claimant's name did not agree to the Employer's Tax Wage reports and the social security number was not verified with the U.S. Social Security Administration. Further, a second name was used by the claimant when registering for Job Services. This error occurred because there were not adequate system edit checks to validate both the name and social security numbers with Employer's Tax Wage reports or Job Services. For the audit period July 1, 2004 through June 30, 2005, the claimant received \$3,214 in unemployment insurance benefits paid from employer contributions.

It was not practical to extend our auditing procedures to determine if any additional questioned costs resulted from this finding. Based on test work performed, auditors determined that the Department materially complied with the program's activities allowed or unallowed, allowable costs and costs principles, and eligibility requirements. This finding is a reportable condition and immaterial noncompliance with the Unemployment Insurance program's activities allowed or unallowed, allowable costs and costs principles, and eligibility requirements.

To comply with the Unemployment Insurance program's activities allowed or unallowed, allowable costs and costs principles, and eligibility requirements specified in 20 CFR §603.3, the Department should validate a claimant's name and social security number with Employer's Tax Wage reports, U.S. Social Security Administration, and Job Services prior to awarding unemployment insurance benefits.

05-117

CFDA No.: 17.225 **Unemployment Insurance**

U.S. Department of Labor

Award Period: July 1, 2004 though June 30, 2005

Questioned Cost: Unknown

The Department of Economic Security, Division of Employment and Rehabilitation Services did not have adequate internal control policies and procedures to ensure that unemployment insurance program deposits were accurately reported on the ETA-2112, *UI Financial Transaction Summary* report as required by the ET Handbook 401, 3rd Edition, *Unemployment Insurance Reports Handbook 401*. The Division reported deposits on the ETA-2112 report based on daily deposits recorded for the reporting period.

State of Arizona
Schedule of Findings and Questioned Costs
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However, the Division did not reconcile those deposits to UI program receipts recorded in its accounting system, Tax Employer Accounting Multi-System (TEAMS). As a result, for the period ended June 30, 2005, auditors noted that there was an additional \$3,148,302 of net unemployment insurance contributions recorded on the ETA-2112 report that were not recorded in TEAMS. Neither the auditors nor the Department were able to reconcile the difference.

It was not practical to extend our auditing procedures sufficiently to determine if any questioned costs resulted from this finding. This finding is a reportable condition and immaterial noncompliance with the program's reporting requirements.

To help ensure that the amounts reported on the ETA-2112 report and Division accounting records are accurate and complete, the Division should reconcile deposits to TEAMS and investigate and correct all differences.

05-118

CFDA No.: 93.563 Child Support Enforcement, #s G0404AZ4004, and G0504AZ4004

U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004

October 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Department of Economic Security did not have adequate policies and procedures to ensure that telephone and postage costs allocated to the Child Support Enforcement program through its cost pools were proper. Specifically, for 2 of 29 allocated costs tested, auditors noted that the selected pooled charges were either not properly supported or reviewed and approved before they were allocated to the program. In one instance, the Department was unable to locate documentation authorizing monthly telephone charges allocated to the program. In the other instance, mailroom charges allocated to the program were not supported by the billing documents. This occurred due to a clerical error by an employee who was responsible for compiling and approving the allocation of mailroom postage charges. According to department management, they were aware of the problem and acknowledged that mailroom postage charges had been misallocated in other months as well. This finding has the potential to affect other federal programs administered by the Department that are allocated telephone and mailroom postage costs.

It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. We performed sufficient test work and determined that the Department materially complied with the program's allowable costs and costs principles requirements. However, this finding is a reportable condition and immaterial noncompliance with the program's allowable costs and cost principles requirements.

To help ensure compliance with OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments, Subpart C, and that costs are allocated in accordance with the Department's Cost Allocation Plan, Department management should establish internal control policies and procedures to ensure that allocated telephone and mailroom postage expenditure are properly supported and approved by a supervisor.

State of Arizona
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Year Ended June 30, 2005

05-119

CFDA No.: 93.563 **Child Support Enforcement, #s G0404AZ4004, and G0504AZ4004**

U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004

October 1, 2004 through September 30, 2005

Questioned Cost: \$55,167

The Department of Economic Security, Division of Child Support Enforcement did not have adequate internal control policies and procedures to ensure compliance with procurement requirements. The Department utilized a vendor under contract to perform accounting and clerical services that were not authorized in its contract. The contractor was paid approximately \$5.57 more per hour than vendors under contract with the State of Arizona for similar types of services. As a result, auditors estimated that the Department overpaid the vendor \$55,167 for accounting services.

This finding is a reportable condition and immaterial noncompliance with the program's procurement requirements.

To help ensure compliance with 45 CFR §92.36 and obtain the most advantageous price for accounting and clerical services, the Department should use current vendors under contract with the State of Arizona.

05-120

CFDA No.: 93.667 **Social Services Block Grant, #s G0401AZSOSR and G0501AZSOSR**

U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004 and

October 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Department of Economic Security's management did not monitor its administrations to ensure that they complied with subrecipient monitoring requirements. The Department provides general guidance to its administrations and program staff that are responsible for administering federal awards to ensure compliance with subrecipient monitoring requirements. From this guidance, each administration is responsible for establishing specific policies and procedures to evaluate the subrecipients' programmatic and financial compliance. During the audit period July 1, 2004 through June 30, 2005, the Department's Aging and Adult Administration, Administration of Children, Youth and Families, JOBS Administration, Rehabilitation Services Administration, and Policy and Planning Administration did not adequately monitor subrecipients who received federal Social Services Block Grant (SSBG) monies from the Department. Specifically, auditors noted three administrations did not establish subrecipient monitoring policies and procedures and, as a result, these administrations did not perform fiscal and performance monitoring; one administration did not complete its scheduled on-site monitoring during the year; two administrations were unable to provide documentation for reviews performed on its subrecipients; and two administrations did not maintain a listing of its subrecipients or the amounts passed through to the subrecipients. Further, even though the Department developed several contract monitoring forms to assist personnel in making consistent determinations of whether an entity was a subrecipient or vendor, there was at least 1 form missing from 15 of 28 contract files reviewed.

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It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. Because each administration maintained separate records, auditors estimated that at least \$5.3 million of SSBG monies were passed through to subrecipients. Therefore, this finding is a material internal control weakness and material noncompliance with the program's subrecipient monitoring requirements.

To help ensure compliance with OMB Circular A-133, §.400 (d)(3), Department and Administration management should develop uniform department-wide subrecipient monitoring standards and incorporate these standards into the Department's existing subrecipient monitoring policies and related directives and supporting forms and checklists. Further, the Department and Administration management should monitor each administration's subrecipient monitoring activities to ensure that established policies and procedures are being followed.

05-121

CFDA No.: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States,**
#s H126A30002, H126A40002, and H126A50002
93.667 **Social Services Block Grant, #s G0401AZSOSR and G0501AZSOSR**

U.S. Department of Education

Award Period: October 1, 2002 through September 30, 2004,
October 1, 2003 through September 30, 2005, and
October 1, 2004 through September 30, 2006

U.S. Department of Health and Human Services

Award Period: October 1, 2003 through September 30, 2004 and
October 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Department of Economic Security, Office of Procurement did not have adequate internal control policies and procedures to maintain a complete and accurate listing of all subrecipients receiving pass-through monies from the Department. The Office is responsible for maintaining information pertaining to all contracts administered by the Department, including each contract's classification as a vendor or subrecipient. The Office records each contract's classification in a central database to help ensure that Audit Management Services (AMS) requests a Single Audit Reporting Package from each subrecipient expending \$500,000 or more in federal awards. However, the Department did not reconcile the Office's database of subrecipients to each of its administration's listings of subrecipients for completeness. Further, the Rehabilitation Services Administration was unable to identify which of its contractors were subrecipients or the amount of monies passed through to subrecipients. As a result, auditors were unable to obtain a complete listing of subrecipients for the audit period July 1, 2004 through June 30, 2005. This finding has the potential to affect other federal programs administered by the Department that pass through federal monies to subrecipients.

It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding. However, this finding is a reportable condition and immaterial noncompliance with the programs' subrecipient monitoring requirements.

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Year Ended June 30, 2005

To help ensure compliance with OMB Circular A-133, §.400 (d)(4) and applicable federal grantors' administrative requirements for subrecipient monitoring, department and administration management should evaluate its process for identifying and communicating contractor vendor and subrecipient determinations to the Office of Procurement and implement changes to ensure that the contracts database contains a complete and accurate listing of subrecipients. Further, the administrations and Office of Procurement should review the contracts database monthly to help ensure it is complete and accurate.

05-122

Child Nutrition Cluster:

CFDA No.: 10.553 School Breakfast Program, # 7AZ300AZ3

10.555 National School Lunch Program, # 7AZ300AZ3

10.556 Special Milk Program for Children, # 7AZ300AZ3

10.559 Summer Food Service Program for Children, # 7AZ300AZ3

CFDA No.: 10.558 Child and Adult Care Food Program, # 7AZ300AZ3

U.S. Department of Education

Award Period: October 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Arizona Department of Education, Health and Nutrition Unit failed to retain required eligibility documentation in subrecipient case files to ensure compliance with eligibility requirements for the School Breakfast Program (SBP), National School Lunch Program (NSLP), and Child and Adult Care Food Program (CACFP). Auditors tested 11 case files for the SBP and NSLP and 13 case files for CACFP and noted the following:

- The SBP and NSLP case files were missing 9 certifications regarding lobbying and/or debarment and 1 civil rights compliance document.
- The CACFP case files were missing 1 current licensing document and 1 required designated official signature on the Food Service Agreement.

Also, the Department's subrecipient monitoring procedures require subrecipient notification of on-site review findings within 1 month of the review. However, in 2 of the 13 case files tested, auditors noted that the CACFP subrecipients were not notified of its findings until 45 days after the review.

This finding is a reportable condition and immaterial noncompliance with the SBP, NSLP, and CACFP's eligibility requirements and a reportable condition and immaterial noncompliance with the CACFP subrecipient monitoring requirements. It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

To comply with 7 CFR §§226.6 and 210.20 and the Department's own procedures, the Department should properly maintain its subrecipients' case files to ensure they contain the required eligibility documents. Additionally, the Department should notify the subrecipient of any findings within 1 month of the on-site review.

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Year Ended June 30, 2005

05-123

Special Education Cluster:

CFDA No.: 84.027 **Special Education—Grants to States, # H027A040007**
84.173 **Special Education—Preschool Grants, # H173A040003**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 CFR §80.40(a) and OMB Circular A-133 §.400(d)(3) requires grantees to monitor the activities of subrecipients to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. However, when performing site visits, the Arizona Department of Education did not perform a detailed review of subrecipient financial records to ensure grant monies were expended in accordance with program requirements. Instead, the Department relied on cash management reports submitted by subrecipients and initial grant budgets to evaluate compliance.

It was not practical to extend our auditing procedures to determine questioned costs, if any, for the Special Education Cluster that may have resulted from this finding. However, this finding is a material internal control weakness and material noncompliance with the Cluster's subrecipient monitoring requirements.

To help ensure compliance U.S. Department of Education's *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 34 CFR, §80.40(a) and with OMB Circular A-133, §.400(d),(3), the Department should establish internal control policies and procedures that require a detailed review of subrecipient financial records during site visits to evaluate whether subrecipients complied with program requirements.

05-124

Special Education Cluster:

CFDA No.: 84.027 **Special Education—Grants to States, # H027A040007**
84.173 **Special Education—Preschool Grants, # H173A040003**

U.S. Department of Education

Award Period: July 1, 2004 through September 30, 2005

Questioned Cost: Unknown

The Arizona Department of Education is required to report to the Secretary of the U.S. Department of Education an unduplicated count of children with disabilities who received special education and related services. Annually, the Department prepared unduplicated census reports of children with disabilities aged 3-21 who received special education and related services within the State using data from its Student Accountability Information System (SAIS). In addition, the Department sent verification letters to LEAs requesting an unduplicated student count as of December 1 that were required to be signed, dated, and returned to the Department for comparison with the SAIS data. However, differences between the SAIS data used by the Department to prepare the final Report of Children with Disabilities Receiving Special Education, Part B and the LEA verification letters were not investigated and resolved. For 21 of 49 LEAs tested student census data from SAIS did not agree to the census data verified by the LEAs.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

This finding is a material internal control weakness and material noncompliance with the Special Education Cluster's reporting requirements. It was not practical to extend our auditing procedures sufficiently to determine the questioned costs that may have resulted from this finding.

To help ensure compliance with 34 CFR §300.750, the Department should resolve differences between census data reported by LEAs on their verification letters and the census data on SAIS to ensure that accurate information is used to prepare the Report of Children with Disabilities Receiving Special Education, Part B.

05-125

Homeland Security Grant Program Cluster:

CFDA No.: 16.007 State Domestic Preparedness Equipment Support Program, #s 2002-TE-CX-0051, 2002-TE-CX-0142, 2003-TE-TX-0196, and 2003-MU-T3-0034

U.S. Department of Justice

Award Period: February 1, 2002 through January 31, 2006 (2002-TE-CX-0051)

August 1, 2002 through December 31, 2005 (2002-TE-CX-0142)

April 1, 2003 through March 31, 2006 (2003-TE-TX-0196)

May 1, 2003 through April 30, 2006 (2003-MU-T3-0034)

CFDA No.: 97.004 State Domestic Preparedness Equipment Support Program, # 2004-GE-T4-0051

97.042 Emergency Management Performance Grants, # EMF-2004-GR-0401

97.053 Citizen Corps, # EMF-2003-GR-0360

97.067 Homeland Security Grant Program, # 2005-GE-T5-0030

Department of Homeland Security

Award Period: December 1, 2003 through November 30, 2006 (2004-GE-T4-0051)

October 1, 2003 through September 30, 2004 (EMF-2004-GR-0401)

October 1, 2002 through July 31, 2005 (EMF-2003-GR-0360)

October 1, 2004 through March 31, 2007 (2005-GE-T5-0030)

Questioned Cost: Unknown

The Division of Emergency Management did not have adequate internal control policies and procedures to ensure compliance with subrecipient monitoring requirements. In particular, the Division did not comply with the following requirements of Office of Management and Budget (OMB) Circular A-133, §.400(d):

- The Division did not provide subrecipients with accurate Catalog of Federal Domestic Assistance (CFDA) titles and numbers as required by OMB Circular A-133, §.400(d)(1).
- The Division did not monitor subrecipients' activities by performing site visits and reviewing reports to ensure that the subrecipients used federal awards for authorized purposes in compliance with laws, regulations, and the provisions of contracts and grant agreements as required by OMB Circular A-133, §.400(d)(3).
- The Division did not ensure that subrecipients expending \$500,000 or more in federal awards met the audit requirements as required by OMB Circular A-133, §.400(d)(4).

This finding is a material internal control weakness and material noncompliance with the Cluster's subrecipient monitoring requirements. It was not practical to extend our auditing procedures to determine if any questioned costs resulted from this finding.

State of Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

To comply with OMB Circular A-133, §.400(d), the Division should establish adequate internal control policies and procedures to ensure that it provides subrecipients of federal awards with the CFDA title and number, it performs the necessary monitoring procedures over subrecipients, and it requires subrecipients expending \$500,000 or more of federal awards to obtain annual single audits.

05-126

Homeland Security Grant Program Cluster:

CFDA No.: 16.007 **State Domestic Preparedness Equipment Support Program, #s 2002-TE-CX-0051, 2002-TE-CX-0142, 2003-TE-TX-0196, and 2003-MU-T3-0034**

U.S. Department of Justice

Award Period: February 1, 2002 through January 31, 2006 (2002-TE-CX-0051)

August 1, 2002 through December 31, 2005 (2002-TE-CX-0142)

April 1, 2003 through March 31, 2006 (2003-TE-TX-0196)

May 1, 2003 through April 30, 2006 (2003-MU-T3-0034)

CFDA No.: 97.004 **State Domestic Preparedness Equipment Support Program, # 2004-GE-T4-0051**

97.042 **Emergency Management Performance Grants, # EMF-2004-GR-0401**

97.053 **Citizen Corps, # EMF-2003-GR-0360**

97.067 **Homeland Security Grant Program, # 2005-GE-T5-0030**

Department of Homeland Security

Award Period: December 1, 2003 through November 30, 2006 (2004-GE-T4-0051)

October 1, 2003 through September 30, 2004 (EMF-2004-GR-0401)

October 1, 2002 through July 31, 2005 (EMF-2003-GR-0360)

October 1, 2004 through March 31, 2007 (2005-GE-T5-0030)

Questioned Cost: N/A

The Division of Emergency Management failed to obligate monies for the 2003 and 2004 State Domestic Preparedness Equipment Support Program (CFDA Numbers 16.007 and 97.004) awards to local units of government within the required time frames as outlined in the program's guidelines. For two awards received in 2003 that had 45-day obligation requirements, the Division accepted the awards on July 22, 2003; however, the monies were not obligated to the counties until October 8, 2003, 78 days later. In addition, for the award received in 2004 that had a 60-day obligation requirement, the Division accepted the award on June 28, 2004; however, the monies were not obligated to the state regions until January 10, 2005, 196 days later.

This finding is a material internal control weakness and material noncompliance with the Cluster's special tests and provisions requirements.

To help comply with the program guidelines, the Division should establish internal control policies and procedures to properly obligate award monies within the required time frames.

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

05-127

Homeland Security Grant Program Cluster:

CFDA No.: 16.007 **State Domestic Preparedness Equipment Support Program, #s 2002-TE-CX-0051, 2002-TE-CX-0142, 2003-TE-TX-0196, and 2003-MU-T3-0034**

U.S. Department of Justice

Award Period: February 1, 2002 through January 31, 2006 (2002-TE-CX-0051)
August 1, 2002 through December 31, 2005 (2002-TE-CX-0142)
April 1, 2003 through March 31, 2006 (2003-TE-TX-0196)
May 1, 2003 through April 30, 2006 (2003-MU-T3-0034)

CFDA No.: 97.004 **State Domestic Preparedness Equipment Support Program, # 2004-GE-T4-0051**
97.042 **Emergency Management Performance Grants, # EMF-2004-GR-0401**
97.053 **Citizen Corps, # EMF-2003-GR-0360**
97.067 **Homeland Security Grant Program, # 2005-GE-T5-0030**

Department of Homeland Security

Award Period: December 1, 2003 through November 30, 2006 (2004-GE-T4-0051)
October 1, 2003 through September 30, 2004 (EMF-2004-GR-0401)
October 1, 2002 through July 31, 2005 (EMF-2003-GR-0360)
October 1, 2004 through March 31, 2007 (2005-GE-T5-0030)

Questioned Cost: Unknown

The Division of Emergency Management receives federal funding on a reimbursement basis from the U.S. Department of Justice. When a program is funded on a reimbursement basis, the Division must pay eligible program costs before requesting reimbursement from the federal government. In addition, the Division must monitor federal monies it passes through to subrecipients to ensure that the subrecipients are also funded on a reimbursement basis. However, the Division did not have internal control policies and procedures to continuously monitor cash balances over the State Domestic Preparedness Equipment Support Program (CFDA Numbers 16.007 and 97.004) to ensure that federal cash on hand was the minimum needed for subrecipient reimbursements. In certain instances, the Division requested reimbursement when they had excess federal monies on hand due to corrections and adjustments made by the Division. In addition, the Division advanced monies to counties for the Citizen Corps program, but did not monitor the time elapsing between the transfer of the monies and their disbursement by counties.

This finding is a material internal control weakness and material noncompliance with the Cluster's cash management requirements. It was not practical to extend our auditing procedures to determine the questioned costs that resulted from this finding.

To comply with the Cash Management Improvement Act Subpart B, 31 CFR §205, 28 CFR §66.21, and the Department of Justice *Financial Guide*, the Division should develop policies and procedures to track federal monies on hand and ensure that its cash balances and drawdown requests will be disbursed within 10 days.

Appendix

State of Arizona
Appendix
State of Arizona Agency Codes
Year Ended June 30, 2005

Agency Code	Agency
ADA	Department of Administration
AEA	Radiation Regulatory Agency
AFA	Governor's Office of Equal Opportunity
AGA	Office of the Attorney General
AHA	Arizona Department of Agriculture
ASA	Arizona State University
ATA	Arizona Automobile Theft Authority
BNA	Arizona State Board of Nursing
BRA	Arizona Board of Regents
CCA	Corporation Commission
DCA	Department of Corrections
DEA	Department of Economic Security
DJA	Department of Juvenile Corrections
DTA	Department of Transportation
EDA	Department of Education
EPA	Department of Commerce
EVA	Department of Environmental Quality
GFA	Arizona Game and Fish Department
GHA	Governor's Office of Highway Safety
GSA	Arizona Geological Survey
GVA	Office of the Governor
HCA	Arizona Health Care Cost Containment System
HDA	Arizona Department of Housing
HSA	Department of Health Services
HUA	Arizona Commission on the Arts
ICA	Industrial Commission of Arizona
JCA	Arizona Criminal Justice Commission
LAA	Arizona State Library, Archives and Public Records
LDA	State Land Department
LLA	Department of Liquor Licenses and Control
MAA	Department of Emergency and Military Affairs
MIA	State Mine Inspector
NAA	Northern Arizona University
PEA	Commission for Postsecondary Education
PRA	Arizona State Parks Board
PSA	Department of Public Safety
SBA	Structural Pest Control Commission
SDA	Arizona State Schools for the Deaf and the Blind
SPA	Arizona Supreme Court
STA	Secretary of State's Office
UAA	University of Arizona
VSA	Department of Veterans' Services
WCA	Department of Water Resources
WFA	Water Infrastructure Finance Authority

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Corrective Action Plan

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency: Department of Education

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.558 Child and Adult Care Food Program
10.559 Summer Food Service Program for Children
84.010 Title I Grants to Local Educational Agencies
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.213 Even Start—State Educational Agencies

Finding No.: 05-101

Status: Concur

Agency description:

In order to comply with OMB Circular A-133, §.400(d), the Arizona Department of Education's Audit Resolution Unit (Unit) will implement steps to ensure adequate subrecipient monitoring. In addition, the Unit will ensure that management decisions are issued by the appropriate Department program area personnel within six months after receipt of subrecipient single audit reports. Implementation of these policies and procedures should occur no later than June 30, 2007.

- The Unit has hired a full-time employee to facilitate the Department's monitoring of subrecipients expending pass-through federal dollars from the Department.
- The Unit, with assistance from other Department units, will identify those subrecipients expending pass-through federal dollars from the Department.
- The Unit will continue to maintain a database containing subrecipients and the corresponding amount of federal financial assistance they expended in pass-through federal dollars from the Department in a given fiscal year. Those subrecipients that expended pass-through federal dollars from the Department equal to or in excess of the threshold specified by OMB Circular A-133 (currently \$500,000 for a given fiscal year) will be identified.
- For those subrecipients identified in the previous step, the Unit will ensure that the Department receives, documents the reception and files Single Audit Reports from those subrecipients expending pass-through federal dollars from the Department.
- The Unit will ensure that findings contained in these single audit reports are referred to the appropriate Department program area personnel. The Department program area personnel will monitor subrecipients to ensure that adequate corrective action plans related to such findings are documented and executed.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

- The Unit will continue to hold periodic meetings with Department program area personnel to ensure that such personnel appropriately monitor subrecipients expending pass-through federal dollars from the Department.
- The Unit will follow up with Department program area personnel to ensure that management decisions are issued by appropriate Department program area personnel within six months after receipt of single audit reports.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.213 Even Start—State Educational Agencies

Finding No.: 05-102

Status: Concur

Agency description:

For program year 2006, the Arizona Department of Education implemented new procedures to assure that subrecipient monitoring occurs in compliance with all applicable requirements. New policies were instituted outlining both on-site and off-site reviews. The procedures for review were written into the Arizona Family Literacy Policy Manual and provided to project directors during the annual business meeting in February 2006. State monitoring policies are written as follows: "Grantee monitoring by the State is required by Federal regulation (The Education Department General Administrative Regulations - EDGAR - Section 80.40, Monitoring and Reporting Program Performance) and is necessary to assure compliance with applicable Federal requirements and achievement of performance goals. State monitoring includes: review of budgets and applications annually; review of completion reports annually; review of annual reports submitted by each project; and on-site compliance visits, to include review of program implementation, review of expenditures and investigation of any complaints related to the administration of such programs received by the State or referred to the State."

Each Even Start project now receives a minimum of two on-site reviews during the four year grant period. Visits are documented using a validation instrument developed by the Early Childhood Education Section which outlines the program's levels of compliance with the four core components and 15 program elements required by Even Start. Documentation of visits is maintained in the program file.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Since instituting the new monitoring policies and procedures, all programs have received a minimum of two desk reviews and four of the 16 projects have received on-site reviews to date. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.213 Even Start—State Educational Agencies

Finding No.: 05-103

Status: Concur

Agency description:

End of year reports for each project are required by September 30th of each year following a project period. For reports due September 30, 2006, projects will include full local share budgets with details. To avoid miscalculations of local share dollars, clear guidance was written into the Arizona Family Literacy Policy Manual and provided to directors during the annual business meeting in February 2006. Current projects with miscalculated local shares were requested to resubmit corrected local share budgets by June 30, 2006. Several of the projects missing local share information during the 2005 program year no longer receive Even Start funding. Letters requesting that local share budgets be submitted will be drafted and sent to sites by May 31, 2006. Missing local share budgets will be due by June 30, 2006. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

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

Finding No.: 05-104

Status: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency description:

The operation of noninstructional services food service-other reporting field was overstated due to incorrect categorization of certain expenditure amounts. These amounts should have been included as property, rather than other. Ultimately, since property is excluded from the determination of total current expenditures, current expenditures were overstated. A revised submission including corrected expenditure data will be submitted to the National Center for Educational Statistics using the National Public Education Financial Survey (NPEFS) form.

Processes, procedures and automation are being updated to allow for tracking of any and all changes, additions and deletions to the categorization of expenditures and revenues for purposes of the NPEFS. This includes a report of all changes in categorization from one fiscal year to the next. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 05-105

Status: Concur

Agency description:

The following steps were implemented during the 2006 state fiscal year:

- The Arizona Department of Education Exceptional Student Services (ESS) programmer developed and implemented a computer application that identifies those school districts and charter schools which do not have expenditures that meet the maintenance-of-effort (MOE) requirements.
- The ESS Funding Unit has a full-time employee that reviews the results of the MOE computer application.
- School districts and charter schools that do not have expenditures that meet the MOE requirements are notified and are required to submit an explanation to the ESS Funding Unit.
- A detailed response is required within 60 days of such notification. Failure to provide an adequate and timely response will cause the Department to cease the distribution of federal funds until the MOE issue is resolved.

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

- Responses from the school districts and charter schools are reviewed, information verified, additional research is performed and a corrective action plan may be formulated. Corrective actions may include a return of prior year federal funds and/or a reduction in current year allocations.
- The school district and/or charter school is notified of the review results.
- Appropriate action is documented and the school district and/or charter school is advised.

Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.010 Title I Grants to Local Educational Agencies
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 05-106

Status: Concur

Agency description:

A change has been made to the Grants Management Enterprise System (GME) that restricts the actions of the Local Educational Agency (LEA) Capture only users. LEAs are required to submit General Statements of Assurance (GSAs) at the start of the new year. When the GSAs are received, they are updated in the GME. An automated message is issued to the Support Center to have the LEA information updated on the Common Logon; this is the first point of entry into the system. The failure occurs at the Common Logon security level; it didn't purge the identifications from the previous year. LEAs were still able to logon and access the GME. Moreover, the GME didn't block LEAs with user access from performing tasks in the GME. The GME now checks the permissions (access rights) of the LEAs. For example, if the LEAs have read only access, they cannot submit Cash Management Reports. The GME basically blocks LEAs from performing functions they are not allowed to do. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

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

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Finding No.: 05-107

Status: Concur

Agency description:

The Arizona Department of Education has since notified the two LEAs that they appeared to have available carryover funds in excess of 15 percent of their initial allocation. Both LEAs subsequently provided documentation for expenditures that resulted in neither LEA having carryover exceeding the 15 percent limitation required by section 1127 of the Elementary and Secondary Education Act.

Additionally, all employees of the Central Processing Unit have reviewed the relevant policies and procedures to ensure that this finding does not recur. The Central Processing Unit's supervisor will review the employees' work periodically as part of his or her normal job responsibilities. In the future, any deviations from the established standard operating policies and procedures will be highlighted and addressed with the employees should they occur. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.558 Child and Adult Care Food Program
10.559 Summer Food Service Program for Children

Finding No.: 05-108

Status: Concur

Agency description:

Application Security

Corrective action specific to the CNP Web Application:

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

While the following table lists the status for compliance with the specific recommendations for the CNP Web Application, much more work will be accomplished in the overall IT security plan described in the next section. Implementation of these policies and procedures should occur no later than June 30, 2008.

Recommendation	Status
Develop and implement an ongoing process for addressing security vulnerabilities and control weaknesses. The process should ensure that known security concerns are evaluated and prioritized in order of risk.	In progress
Develop specific plans to address them and assign responsibilities to implement the plans.	In progress

Overall ADE IT Security Corrective Action Plan:

In April, 2006, Arizona Department of Education's Information Technology (IT) division launched an agency-wide initiative dedicated to enabling the agency to develop, purchase, maintain and operate applications that can be trusted. Health & Nutrition's CNP Web system has been identified as an agency critical application targeted for inclusion in the initial rollout of the Department's IT security initiative. The goal for completion of the one-time security modifications is June 30, 2008, with an additional security element being added to all IT functions going forward.

Account Management

Health and Nutrition (H&N) has implemented a policy and procedure to maintain external user access. Currently H&N has staff working to bring all active user accounts current with the appropriate training certificates and common logon user agreements. In addition, the accounts that are no longer active will be terminated. Maintenance of these accounts will occur on a regular basis once they become current. Implementation of these policies and procedures should occur no later than June 30, 2007.

Systems Documentation

In following the policies and practices currently employed by the H&N systems development team, every software change made to the CNP Web system is documented in the form of a work ticket within the FootPrints tracking system, and each individual program modification is recorded by the Visual SourceSafe source code control system. The majority of these software changes have consisted of "bug" fixes (logic corrections to ensure that the system behaves as originally specified) and "cosmetic" enhancements (additional functionality that remains consistent with the original system design). As such, the tools and processes already in use have proved adequate for documenting and tracking system software changes, and there has been little need to update the original design documentation to reflect changes in system architecture, process flow, business rules, etc., as such changes have been rare.

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Federal Award Findings and Questioned Costs

Notwithstanding, the H&N development team acknowledges the benefits of maintaining detailed, comprehensive, and up-to-date system design documentation, and seeks to improve upon its current software development and maintenance processes in the following ways:

- By developing and implementing a plan to review, reorganize, update, and augment CNP Web system design documentation to ensure that it accurately reflects currently supported system functionality and implementation details, including the documentation of defined security permission flags and user access control settings.
- By reviewing, revising, formalizing, and documenting policies and practices relating to H&N software development and maintenance processes, particularly as they relate to software change tracking and the continued maintenance of system design documentation.

Implementation of these policies and procedures should occur no later than June 30, 2008.

Data Changes

The Health and Nutrition Services administrative and technical staff will research, plan for, and implement enhancements to the auditing capabilities of the CNP Web system to address requirements for improved data change tracking and control. Specifically, system software and configuration changes will be defined and developed to ensure that all updates to user-entered data made by any system user, either internal or external, are logged for historical record, and that data corrections made by technical staff are controlled and tracked appropriately. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program
93.558 Temporary Assistance for Needy Families

Finding No.: 05-109

Status: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency description:

The Department of Economic Security, Division of Benefits and Medical Eligibility has implemented procedures to monitor Local Office compliance with policy and procedures for activating and issuing Electronic Benefits Transfer (EBT) cards for food stamp and cash assistance and to ensure internal controls are in place to safeguard against unauthorized transactions. The following corrective action plan is being implemented.

- Local office managers are to submit daily EBT audit results to their respective district program manager. Each district program manager is to prepare a monthly EBT compliance monitoring report listing each local office, attest by signature the accuracy of the report, and submit it to the field operations manager by the 15th of each month. The field operations manager will follow up with the managers when any local office data indicates non-compliance to ensure corrective action has been initiated. This was implemented in January 2006 and will continue on a monthly basis.
- Data security reminder communications will be issued on a quarterly basis through July 2007 reminding staff of data security procedures. The first communication is scheduled for April 2006.
- Flexible wrist key chains or lanyards will be distributed to staff assigned access to the EBT cards so they can remain locked when not in use. Wrist key chains or lanyards will be distributed to the appropriate staff during training scheduled for June 15 – 30, 2006.
- A Policy Broadcast will be issued on June 15, 2006 to advise staff of changes to EBT procedures effective July 1, 2006. The Policy Broadcast will be incorporated into the Arizona Integrated Manual and Benefit Information Guide in the subsequent revision.
- EBT training materials will be revised in accordance to the changes in the EBT procedures by June 12, 2006.
- Staff assigned the procedural responsibilities for card issuance and controls, card security, daily auditing, and reporting requirements will complete EBT training. Training is scheduled for delivery June 15 – 30, 2006.

Contact person: Aldona Vaitkus
 (602) 542-5637

Agency: Department of Economic Security

CFDA No.: 93.558 Temporary Assistance for Needy Families

Finding No.: 05-110

Status: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency description:

The Department of Economic Security, Division of Benefits and Medical Eligibility (DBME) has begun implementation of a comprehensive solution for proper case file retention and maintenance in its Family Assistance Administration (FAA) offices. In January 2005, a proof of concept study was completed after which the Department began the roll out of a document imaging solution to FAA offices. All FAA offices are expected to be utilizing document imaging by December 2008.

In addition, to help ensure that all required documentation supporting decisions regarding eligibility is contained in the FAA case files, DBME will continue to review physical and electronic case files and to reinforce documentation requirements through staff training and the case read process. On a monthly basis beginning January 2006, case reviews will be completed in the *Case Accuracy Tracking System/Targeted Case Accuracy Tracking System* for tracking and monitoring to ensure that each office completes the required number of case reviews assigned.

DBME will continue to emphasize and reinforce in employee training and during the case file review process the requirement to monitor Temporary Assistance for Needy Families recipients for compliance with work requirements and follow up to ensure that cash assistance benefits are reduced or terminated if a recipient is not cooperating with the work activities program. For case files managed by a Jobs privatized vendor, a review of the case files during monitoring visits for compliance with work requirements will be emphasized, and any instances of noncompliance will be managed through the contract compliance process.

Contact person: Aldona Vaitkus Delia Walters
 (602) 542-5637 (602) 542-5520

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
 10.561 State Administrative Matching Grants for Food Stamp Program

Finding No.: 05-111

Status: Concur

Agency description:

To help ensure that documentation supporting food stamp recipients' earned income, gross income, shelter costs, and rent expenses is received, retained in the recipients' case files and accurately recorded into the eligibility computer system, the following procedures will be performed by the Department of Economic Security, Division of Benefits and Medical Eligibility:

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

- Case files will be reviewed to ensure that all required documentation has been obtained and retained in the file.
- The accuracy of the information entered into the eligibility computer system will be verified as a required part of the case review process.
- Additional training will be provided to employees who fail to record correct recipient data into the eligibility computer system.
- On a monthly basis beginning January 2006, case reviews will be completed in the *Case Accuracy Tracking System/Targeted Case Accuracy Tracking System* for tracking and monitoring to ensure that each office completes the required number of case reviews assigned.

The department anticipates full implementation of the corrective actions described above by June 30, 2006.

Contact person: Aldona Vaitkus
(602) 542-5637

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program

Finding No.: 05-112

Status: Concur

Agency description:

The Department of Economic Security, Division of Benefits and Medical Eligibility has established the following internal controls and procedures to help ensure that all losses related to employee fraud are reported to the U.S. Department of Agriculture, Food and Nutrition Service in compliance with 7 CFR §§276.2(7) and 276.3(a) and (c).

- A report prepared by the Department's Office of Internal Affairs of all losses related to employee fraud will be provided to the Family Assistance Administration (FAA) monthly.
- FAA will report all losses included in the report prepared by the Office of Internal Affairs to the U.S. Department of Agriculture, Food and Nutrition Service on the FNS-46 Issuance Reconciliation Report (FNS-46).
- By June 2006, FAA will submit an amended FNS-46 for any instances of fraud that occurred during the award period not included in the original report.

Contact person: Aldona Vaitkus
(602) 542-5637

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency: Department of Economic Security

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

Finding No.: 05-113

Status: Concur

Agency description:

The Department of Economic Security, Division of Rehabilitation Services (DERS) and the Department's Office of Procurement (OP) continue to explore solutions to the complex nature of providing needed goods and services to the Rehabilitation Services Administration's (RSA) specialized client population. The following procedures and strategies that have been developed and are being implemented by RSA to address the deficiencies noted in the audit finding:

- Defining purchasing procedures clearly by separating payment and purchasing functions within RSA, by January 1, 2006.
- Transferring many of the RSA procurement functions to OP, which is projected to be completed by December 31, 2006.
- Requiring payment purchasing technicians to attend training organized by the State of Arizona, Enterprise Procurement Services to help ensure that they have basic knowledge of proper procurement procedures, which was completed December 9, 2005.
- Reducing Vocational Rehabilitation purchasing technicians' procurement authority from \$10,000 to \$1,000. RSA anticipates that the revised policy will be posted by July 1, 2006.
- Completing a review in February 2006 of all purchased services for compliance with procurement regulations. Based on the review, RSA will determine the appropriate procurement modes for purchases not covered under state contract and work with OP to expedite these purchases to meet client needs.
- Identifying all aggregate purchases over \$10,000 for which there are no contracts and for which RSA plans to offer service agreements to the vendors, which is projected to be completed by September 1, 2006.
- Verifying that vendors are not suspended, debarred, or otherwise excluded by annually checking the *Excluded Parties List System* maintained by U.S. General Services Administration. A tracking database will be created to log the quarterly verification by July 15, 2006.
- Exploring better utilization of the existing Arizona Health Care Cost Containment System (AHCCCS) medical fee schedule and AHCCCS approved providers, for which a workgroup will be established by July 1, 2006.
- Soliciting providers for vocational evaluation rather than continuing to pay an established fee for this service. RSA anticipates a vocational evaluation solicitation to be awarded by September 1, 2006.

Contact person: Vanja Pasalic
(602) 542-6296

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency: Department of Economic Security

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

Finding No.: 05-114

Status: Concur

Agency description:

To help ensure that an applicant's eligibility for vocational rehabilitation services is determined within 60 days of the application submission date or that documentation is maintained indicating why the 60-day period was exceeded, the Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (RSA) is developing training materials and setting up a staff training program which is scheduled to begin in April 2006. In addition, RSA is developing compliance review procedures which will include counselors, supervisors, program managers and a case review process.

Contact person: Paul L. Wilson
(602) 542-6260

Agency: Department of Economic Security

CFDA No.: 17.225 Unemployment Insurance

Finding No.: 05-115

Status: Concur

Agency description:

To help ensure compliance with the Unemployment Insurance (UI) program eligibility requirements specified in the 42 U.S. Code 503(a)(10), the UI Policy and Training Unit has implemented review procedures and created a report as of May 2005 to validate the local office review process for compliance with Job Service registration requirements. The report includes a random selection of identified claimants who do not show a Job Service registration. Some claimants are not required to register for Job Service; however, further investigation and follow up will be performed on all claimants selected in the sample required to be registered with Job Service.

State of Arizona
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Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency: Department of Economic Security

CFDA No.: 17.225 Unemployment Insurance

Finding No.: 05-117

Status: Concur

Agency description:

To properly reconcile the difference between deposits and total Unemployment Insurance (UI) employer tax payments on the Tax Employer Accounting Multi-System and to help ensure that UI employer tax payments are accurately reported in the *ETA 2112-UI Financial Transaction Summary* report, the Department has developed a new reconciliation process and is developing a new report scheduled for completion in May 2006. This report will track information on the batch and reporting month, and the new reconciliation process will address offsite processing and timing of entry issues related to the timing of deposits and entry into the various systems used by the UI program.

In addition to timing differences, discrepancies arise when the deposit amount does not match the supporting documentation from taxpayers. When such discrepancies are identified, the information is placed on suspense pending further investigation. The Department continuously reviews its available funding and workload to determine the most appropriate use of resources. As resources become available to address the discrepancies on suspense, the Department will reconcile the information. The Department estimates that these correction entries will be current by May 2006.

Contact person: John Norris
(602) 248-9354

Agency: Department of Economic Security

CFDA No.: 93.563 Child Support Enforcement

Finding No.: 05-118

Status: Concur

State of Arizona
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Federal Award Findings and Questioned Costs

- Department administrations must complete a *Contract Coordination Sheet* for all awarded vendor contracts.
- The “Single Audit Flag” data field on the *Contract Coordination Sheet* must be checked as either “Vendor” or “Subrecipient.”
- OP staff will enter the data from the *Contract Coordination Sheet* into CMIS.
- A list of subrecipients will be provided to AMS based on the “Single Audit Flag” in the CMIS database.

The new procedures will require all data on the *Contract Coordination Sheet* to be completed before the information is keyed into the CMIS database. Should an administration determine a change in the vendor/subrecipient status, the administration will notify OP that the status has been re-determined and provide an amended *Contract Coordination Sheet*. To help ensure that the “Single Audit Flag” accurately reflects the contractor’s status as a subrecipient in the database, OP has implemented procedures for quarterly random sampling of data entries in CMIS which will be compared to the *Contract Coordination Sheet*. Random sampling will be completed no later than the 20th of the month in March, June, September, and December of each calendar year. The subsequent report will be used for quality assurance and corrective measures. The Department anticipates that the above corrective action plans will be implemented by June 30, 2006.

Contact person: Katherine K. Babonis
(602) 364-0194

Agency: Department of Education

CFDA No.: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.558 Child and Adult Care Food Program
10.559 Summer Food Service Program for Children

Finding No.: 05-122

Status: Concur

Agency description:

It is important to note that this is an internal Health and Nutrition Services policy established by the Child and Adult Care Food Program (CACFP) and not a program requirement. All sub-recipients are provided with written notification of all findings during the exit conference at the conclusion of the review. The written notification is signed by both the entity and the program specialist at the exit conference. The policy is a formal reiteration of the findings and reinforces the corrective action required.

State of Arizona
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Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

The Health and Nutrition Services Unit of the Arizona Department of Education has established policies and procedures and has documented the process required to establish and maintain its subrecipients' case files to ensure that they contain the required eligibility documents. These policies and procedures assign responsibility for establishing and maintaining subrecipients' case files to certain Health and Nutrition Services employees by title and specify the actions to be taken by these employees. These policies and procedures apply to the CACFP, the National School Lunch Program and the School Breakfast Program. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 05-123

Status: Concur

Agency description:

For federal financial assistance passed through from the Arizona Department of Education to the LEAs, the Exceptional Student Services Unit (ESS) will develop policies and procedures to establish a process for quarterly audits of LEA subrecipients receiving federal financial assistance that should be monitored by the ESS. This task will be accomplished by requesting copies of the LEAs' expenditure reports generated by the LEAs' accounting systems. These expenditure reports will be reconciled with the corresponding federal grant project budget records. Beginning in fiscal year 2007, ESS will work with the Department Audit Resolution Unit to develop and document specific policies and procedures pertaining to on-site LEA audits; ESS personnel will perform such on-site LEA audits. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Finding No.: 05-124

Status: Concur

Agency description:

The Arizona Department of Education, Exceptional Students Services (ESS) Unit, will revise its December 1 federal child count verification process such that ESS will verify data from the immediate prior year during the current reporting year. By verifying prior year data, the only discrepancies that are anticipated to have a potential impact on finalizing the December 1 federal child count are prior year Arizona Revised Statutes (ARS) § 15-915 requests. ARS § 15-915 requests are permitted by statute and allow school districts and charter schools to change certain data submitted to the State's Student Accountability Information System (SAIS) for a period not to exceed the previous three fiscal years. Any proposed changes to SAIS data initiated by a school district and/or charter school pursuant to an ARS § 15-915 request must be pre-approved by the Department. A new procedure will be established between the Department's ESS Unit and its School Finance Unit such that School Finance will systematically and timely notify ESS of ARS § 15-915 requests that may affect the December 1 federal child count. Implementation of these policies and procedures should occur no later than June 30, 2007.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Emergency and Military Affairs

CFDA No.: 16.007 State Domestic Preparedness Equipment Support Program
97.004 State Domestic Preparedness Equipment Support Program
97.042 Emergency Management Performance Grants
97.053 Citizen Corps
97.067 Homeland Security Grant Program

Finding No.: 05-125

Status: Concur

Agency description:

Internal control policies and procedures will be implemented in accordance with OMB A-133 §.400(d). Subrecipients will be informed of the accurate Catalog of Federal Domestic Assistance (CFDA) title and number as required. The Division will develop a system to monitor the activities of subrecipients. This will be coordinated through site visits, review of reports and other means necessary to ensure compliance

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with OMB Circular A-133. The Division will ensure that subrecipients expending \$500,000 or more in federal awards meet the required audit requirements by closely monitoring the single audits and documenting these actions. The Division anticipates completion of this plan by June 30, 2006.

Contact Person: Mark Howard Andrew Allen
 (602) 231-6212 (602) 267-2322

Agency: Department of Emergency and Military Affairs

CFDA No.: 16.007 State Domestic Preparedness Equipment Support Program
 97.004 State Domestic Preparedness Equipment Support Program
 97.042 Emergency Management Performance Grants
 97.053 Citizen Corps
 97.067 Homeland Security Grant Program

Finding No.: 05-126

Status: Concur

Agency description:

The Division is in the process of establishing internal control policies and procedures to obligate funds within the required time frames. The Division anticipates completion of this plan by June 30, 2006.

Contact Person: Mark Howard
 (602) 231-6212

Agency: Department of Emergency and Military Affairs

CFDA No.: 16.007 State Domestic Preparedness Equipment Support Program
 97.004 State Domestic Preparedness Equipment Support Program
 97.042 Emergency Management Performance Grants
 97.053 Citizen Corps
 97.067 Homeland Security Grant Program

Finding No.: 05-127

Status: Concur

State of Arizona
Corrective Action Plan
Year Ended June 30, 2005

Federal Award Findings and Questioned Costs

Agency description:

The Division is currently developing recommended policies and procedures to comply with 31 CFR Part 205 and 28 CFR Part 66. The Division anticipates completion of this plan by June 30, 2006.

Contact Person: Lou Trammel
(602) 231-6203

Summary Schedule of Prior Audit Findings

State of Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2005

Status of Federal Award Findings and Questioned Costs

Agency: Department of Education

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

Finding No.: 02-102

Status: Partially Corrected

Agency Description:

The operation of noninstructional services food service-other reporting field was overstated due to incorrect categorization of certain expenditure amounts. These amounts should have been included as property, rather than other. Ultimately, since property is excluded from the determination of total current expenditures, current expenditures were overstated. A revised submission including corrected expenditure data, will be submitted to the National Center for Educational Statistics using the National Public Education Financial Survey (NPEFS) form.

Processes, procedures and automation are being updated to allow for tracking of any and all changes, additions and deletions to the categorization of expenditures and revenues for purposes of the NPEFS. This includes a report of all changes in categorization from one fiscal year to the next.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 02-104

Status: Partially Corrected

Agency Description:

The following steps were implemented during the 2006 state fiscal year:

- The Arizona Department of Education Exceptional Student Services (ESS) programmer developed and implemented a computer application that identifies those school districts and charter schools which do not have expenditures that meet the maintenance-of-effort (MOE) requirements.

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Summary Schedule of Prior Audit Findings
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- The ESS Funding Unit has a full-time employee that reviews the results of the MOE computer application.
- School districts and charter schools that do not have expenditures that meet the MOE requirements are notified and are required to submit an explanation to the ESS Funding Unit.
- A detailed response is required within 60 days of such notification. Failure to provide an adequate and timely response will cause the Department to cease the distribution of Federal funds until the MOE issue is resolved.
- Responses from the school districts and charter schools are reviewed, information verified, additional research is performed and a corrective action plan may be formulated. Corrective actions may include a return of prior year federal funds and/or a reduction in current year allocations.
- The school district and/or charter school is notified of the review results.
- Appropriate action is documented and the school district and/or charter school is advised.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
93.558 Temporary Assistance for Needy Families

Finding No.: 03-101

Status: Partially Corrected

Agency Description:

As of June 30, 2005, the Department of Economic Security had fully implemented the following corrective actions to address compliance with internal controls deficiencies over the process of activating and issuing EBT cards:

- Proper segregation of the responsibilities of authorizing and issuing EBT cards; and
- Discontinuation of the use of devices by applicants to select a PIN.

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Year Ended June 30, 2005

Status of Federal Award Findings and Questioned Costs

To monitor adherence to and enforce compliance with established internal control policies and procedures that require always requesting identification and documenting eligibility determinations; proper reconciliation of EBT cards; adequate destruction of damaged EBT cards; and to help prevent fraud, the following corrective actions are being implemented:

- Completion of EBT training by assigned staff on the procedural responsibilities for card issuance and controls, card security, daily auditing, reconciliation, and reporting requirements (training is scheduled for June 15 – 30, 2006);
- Distribution of flexible wrist key chains or lanyards to control access to the EBT Cards;
- Submission of daily EBT audit results by local office managers to district program managers.
- Revisions in EBT training materials by June 12, 2006, in accordance with changes in the EBT procedures; and
- Communications in the form of data security reminders and Policy Broadcasts to remind staff of data security procedures and advise staff of changes to EBT procedures.

Contact person: Aldona Vaitkus
(602) 542-5637

Agency: Department of Economic Security

CFDA No.: 93.558 Temporary Assistance for Needy Families

Finding No.: 03-102

Status: Not Corrected

Agency Description:

It is critical to the Department of Economic Security that case files are properly maintained. Division of Benefits and Medical Eligibility (DBME) regional program managers reviewed procedures in the local offices for storing, accessing, and accounting for case files. To help ensure adequate space is available to properly file all documents, DBME purchased in June 2004 additional filing units and shelving and made file room reorganization a priority in all local offices. For a long-range solution to the proper maintenance of Temporary Assistance for Needy Families recipients' case files, the Department implemented a Pilot Document Management System for Proof of Concept in the Tempe office, which was completed in November 2004. District I East was fully implemented by March 2006, and all other offices in District I will be implemented by June 2007. The remaining offices in the state will be implemented by June 2008.

Contact person: Aldona Vaitkus
(602) 542-5637

State of Arizona
Summary Schedule of Prior Audit Findings
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Status of Federal Award Findings and Questioned Costs

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps

Finding No.: 03-103

Status: Partially Corrected

Agency Description:

As of June 30, 2005, the Department of Economic Security, Division of Benefits and Medical Eligibility had amended all of the FNS-46 Issuance Reconciliation Reports for fiscal year 2003 to include instances of fraud that had occurred during the award period and submitted the corrected reports to the U.S. Department of Agriculture, Food and Nutrition Service.

Contact person: Aldona Vaitkus
602) 542-5637

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps

Finding No.: 03-104

Status: Fully Corrected

Agency: Department of Economic Security

CFDA No.: 96.001 Social Security—Disability Insurance

Finding No.: 03-105

Status: Partially Corrected

Agency Description:

To help ensure that vendors are paid correctly, the Department of Economic Security, Disability Determination Service Administration will consistently enforce its established procedures for payments, which include:

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- Approval of vendor invoices;
- Segregation of the responsibilities for preparation and approval of payment vouchers;
- Matching of invoices to payment vouchers; and
- Properly voiding warrants with incorrect amounts.

Contact person: Nancy West
(602) 264-2644

Agency: Department of Economic Security

CFDA No.: 96.001 Social Security—Disability Insurance

Finding No.: 03-106

Status: Partially Corrected

Agency Description:

As of June 30, 2005, all medical consultants in the Department of Economic Security, Disability Determination Service Administration were classified as employees instead of independent contractors. On April 27, 2006, a closing agreement between the State of Arizona and the Commissioner of the Internal Revenue Service (IRS) was made and signed that set forth the determination and agreement that beginning July 1, 2006, and for all periods thereafter, the program medical consultants will be treated as employees for all federal employment tax purposes, and that the IRS will not assess any federal employment tax liability the taxpayer may owe from the periods from January 1, 2003 through June 30, 2006, directly or indirectly from its failure to pay and/or withhold income tax and FICA taxes on the payments to these workers.

Contact person: Nancy West
(602) 264-2644

Agency: Department of Economic Security

CFDA No.: 17.245 Trade Adjustment Assistance—Workers

Finding No.: 03-107

Status: Partially Corrected

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Agency Description:

At the time of the audit report, the Department of Economic Security was not able to correct the findings related to fiscal year 2001 and 2002 due to the fiscal years in question being closed in the Department's accounting system. The Department has proposed correcting entries for resolution of this issue. If approved by the Division of Resolution and Appeals, the Department will take the necessary steps to complete the correction process.

Contact person: David Starks
(602) 542-6319

Agency: Department of Education

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

Finding No.: 03-112

Status: Partially Corrected

Agency Description:

The operation of noninstructional services food service-other reporting field was overstated due to incorrect categorization of certain expenditure amounts. These amounts should have been included as property, rather than other. Ultimately, since property is excluded from the determination of total current expenditures, current expenditures were overstated. A revised submission including corrected expenditure data will be submitted to the National Center for Educational Statistics using the National Public Education Financial Survey (NPEFS) form.

Processes, procedures and automation are being updated to allow for tracking of any and all changes, additions and deletions to the categorization of expenditures and revenues for purposes of the NPEFS. This includes a report of all changes in categorization from one fiscal year to the next.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 03-114

State of Arizona
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Status: Partially Corrected

Agency Description:

The following steps were implemented during the 2006 state fiscal year:

- The Arizona Department of Education Exceptional Student Services (ESS) programmer developed and implemented a computer application that identifies those school districts and charter schools which do not have expenditures that meet the maintenance-of-effort (MOE) requirements.
- The ESS Funding Unit has a full-time employee that reviews the results of the MOE computer application.
- School districts and charter schools that do not have expenditures that meet the MOE requirements are notified and are required to submit an explanation to the ESS Funding Unit.
- A detailed response is required within 60 days of such notification. Failure to provide an adequate and timely response will cause the Department to cease the distribution of federal funds until the MOE issue is resolved.
- Responses from the school districts and charter schools are reviewed, information verified, additional research is performed and a corrective action plan may be formulated. Corrective actions may include a return of prior year federal funds and/or a reduction in current year allocations.
- The school district and/or charter school is notified of the review results.
- Appropriate action is documented and the school district and/or charter school is advised.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Economic Security

CFDA No.: 17.258 WIA Adult Program
17.259 WIA Youth Activities
17.260 WIA Dislocated Workers

Finding No.: 03-117

Status: Partially Corrected

State of Arizona
Summary Schedule of Prior Audit Findings
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Status of Federal Award Findings and Questioned Costs

Agency Description:

To help ensure that administrative expenditures for the Workforce Investment Act incurred by State are properly accounted for and accurately reported on the ETA 9076-A, Workforce Investment Act Statewide Activities, Financial Status Report, effective July 1, 2006, administrative and program expenditures will be broken out and separately identified or classified in all contracts entered into between the Department of Economic Security and its pass-through entities.

Contact person: Roderic Webb
(602) 542-2474

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 04-101

Status: Fully Corrected

Agency: Department of Education

CFDA No.: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Finding No.: 04-102

Status: Partially Corrected

Agency Description:

The following steps were implemented during the 2006 state fiscal year:

- The Arizona Department of Education Exceptional Student Services (ESS) programmer developed and implemented a computer application that identifies those school districts and charter schools which do not have expenditures that meet the maintenance-of-effort (MOE) requirements.
- The ESS Funding Unit has a full-time employee that reviews the results of the MOE computer application.

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- School districts and charter schools that do not have expenditures that meet the MOE requirements are notified and are required to submit an explanation to the ESS Funding Unit.
- A detailed response is required within 60 days of such notification. Failure to provide an adequate and timely response will cause the Department to cease the distribution of federal funds until the MOE issue is resolved.
- Responses from the school districts and charter schools are reviewed, information verified, additional research is performed and a corrective action plan may be formulated. Corrective actions may include a return of prior year federal funds and/or a reduction in current year allocations.
- The school district and/or charter school is notified of the review results.
- Appropriate action is documented and the school district and/or charter school is advised.

Contact person: Paul Carolan
(602) 542-3281

Agency: Department of Health Services

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

Finding No.: 04-103

Status: Fully Corrected

Agency: Secretary of State

CFDA No.: 39.011 Election Reform Payments

Finding No.: 04-104

Status: Fully Corrected

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program
93.558 Temporary Assistance for Needy Families

State of Arizona
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Finding No.: 04-105

Status: Partially Corrected

Agency Description:

As of June 30, 2005, the Department of Economic Security had fully implemented the following corrective actions to address compliance with internal controls deficiencies over the process of activating and issuing EBT cards:

- Proper segregation of the responsibilities of authorizing and issuing EBT cards; and
- Discontinuation of the use of devices by applicants to select a PIN.

To monitor adherence to and enforce compliance with established internal control policies and procedures that require always requesting identification and documenting eligibility determinations; proper reconciliation of EBT cards; adequate destruction of damaged EBT cards; and to help prevent fraud, the following corrective actions are being implemented:

- Completion of EBT training by assigned staff on the procedural responsibilities for card issuance and controls, card security, daily auditing, reconciliation, and reporting requirements (training is scheduled for June 15 – 30, 2006);
- Distribution of flexible wrist key chains or lanyards to control access to the EBT Cards;
- Submission of daily EBT audit results by local office managers to district program managers.
- Revisions in EBT training materials by June 12, 2006, in accordance with changes in the EBT procedures; and
- Communications in the form of data security reminders and Policy Broadcasts to remind staff of data security procedures and advise staff of changes to EBT procedures.

Contact person: Aldona Vaitkus
(602) 542-5637

Agency: Department of Economic Security

CFDA No.: 93.558 Temporary Assistance for Needy Families

Finding No.: 04-106

Status: Not Corrected

State of Arizona
Summary Schedule of Prior Audit Findings
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Status of Federal Award Findings and Questioned Costs

Agency description:

It is critical to the Department of Economic Security that case files are properly maintained. Division of Benefits and Medical Eligibility (DBME) regional program managers reviewed procedures in the local offices for storing, accessing, and accounting for case files. To help ensure adequate space is available to properly file all documents, DBME purchased in June 2004 additional filing units and shelving and made file room reorganization a priority in all local offices. In addition, periodic staff training is provided on policy and procedures requiring proper documentation in the AZTECS subsystem and the case files. For a long-range solution to the proper maintenance of Temporary Assistance for Needy Families recipients' case files, the Department implemented a Pilot Document Management System for Proof of Concept in the Tempe office, which was completed in November 2004. District I East will be fully implemented by March 2006 and the remaining offices in District I will be implemented by June 2007. The remaining offices in the state will be implemented by June 2008.

Contact person: Aldona Vaitkus
(602) 542-5637

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program

Finding No.: 04-107

Status: Not Corrected

Agency Description:

It is critical to the Department of Economic Security that case files are properly maintained. All local office managers are currently bringing the file rooms up to standards and ensuring that all files are appropriately maintained. In addition, periodic staff training is provided on policy and procedures requiring proper documentation in AZTECS subsystem and the case files. For a long-range solution to proper file maintenance, a proof of concept study was completed in January 2005. The Department implemented a Pilot Document Management System for Proof of Concept in the Tempe office, which was completed in November 2004. District I East was fully implemented by March 2006, and the remaining offices in District I will be implemented by June 2007. The remaining offices in the state will be implemented by June 2008. To improve accuracy in data entry, the Department will conduct a periodic edit check of case files and provide additional training to those employees making excessive data entry errors.

State of Arizona
Summary Schedule of Prior Audit Findings
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Status of Federal Award Findings and Questioned Costs

Contact person: Aldona Vaitkus
(602) 542-5637

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program

Finding No.: 04-108

Status: Fully Corrected

Agency: Department of Economic Security

CFDA No.: 10.551 Food Stamps
10.561 State Administrative Matching Grants for Food Stamp Program

Finding No.: 04-109

Status: Fully Corrected

Agency: Department of Economic Security

CFDA No.: 17.245 Trade Adjustment Assistance—Workers

Finding No.: 04-110

Status: Partially Corrected

Agency description:

The Department of Economic Security has already corrected the questioned costs for fiscal year 2003. The Department is currently working with the Division of Resolution and Appeals on correction of the fiscal year 2002 questioned costs. Once final resolution is reached with the Division of Resolution and Appeals, the Department will complete the necessary journal entries to correct the charges.

Contact persons: David Starks
(602) 542-6319

State of Arizona
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Status of Federal Award Findings and Questioned Costs

Agency: Department of Economic Security

CFDA No.: 17.258 WIA Adult Program
17.259 WIA Youth Activities
17.260 WIA Dislocated Workers

Finding No.: 04-111

Status: Partially Corrected

Agency description:

To help ensure that administrative expenditures for the Workforce Investment Act incurred by State are properly accounted for and accurately reported on the ETA 9076-A, Workforce Investment Act Statewide Activities, Financial Status Report, effective July 1, 2006, administrative and program expenditures will be broken out and separately identified or classified in all contracts entered into between the Department of Economic Security and its pass-through entities.

Contact persons: Roderic Webb
(602) 542-6319

Agency: Department of Economic Security

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

Finding No.: 04-112

Status: Partially Corrected

Agency description:

The Department of Economic Security, Division of Rehabilitation Services (DERS), Rehabilitation Services Administration (RSA) and the Department's Office of Procurement (OP) have developed and are implementing the following procedures to address the deficiencies noted in the audit finding:

- Payment and purchasing functions within RSA have been separated to more clearly define purchasing procedures, and many of the RSA procurements functions have been transferred to OP.
- Vocational Rehabilitation purchasing technicians' procurement authority has been reduced from \$10,000 to \$1,000.

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- Payment purchasing technicians are required to attend training organized by the State of Arizona, Enterprise Procurement Services to help ensure that they have basic knowledge of proper procurement procedures.
- A review of all purchased services for compliance with procurement regulations was completed in February 2006. Based on the review, RSA will determine the appropriate procurement modes for purchases not covered under state contract and work with OP to expedite these purchases to meet client needs.

RSA will continue with the following efforts to ensure adherence to applicable procurement rules and regulations, while providing needed services to clients:

- Identifying all aggregate purchases over \$10,000 for which there are no contracts and for which RSA plans to offer service agreements to the vendors;
- Verifying that vendors are not suspended, debarred or otherwise excluded by annually checking the *Excluded Parties List System* maintained by U.S. General Services Administration;
- Exploring better utilization of the existing AHCCCS medical fee schedule and AHCCCS approved providers; and
- Soliciting providers for vocational evaluation rather than continuing to pay an established fee for this service.

Contact persons: Lynne Larson
(602) 542-6287

Agency: Department of Economic Security

CFDA No.: 17.225 Unemployment Insurance

Finding No.: 04-113

Status: Partially Corrected

Agency description:

To help ensure compliance with the Unemployment Insurance (UI) program eligibility requirements the UI Policy and Training Unit has implemented review procedures and created a report as of May 2005 to validate the local office review process for compliance with Job Service registration requirements. The report includes a random selection of identified claimants who do not show a Job Service registration. Further investigation and follow up will be performed on all claimants selected in the sample required to be registered with Job Service.

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The automated program that verifies Job Service registration at the issuance of a claimant's first payment was modified on November 6, 2004. Additional modifications were made on July 5, 2005, to enable the Division's General Unemployment Insurance Development Effort (GUIDE) benefits system to update with the correct Job Service registration data. In addition, the Department of Economic Security is in the process of developing an audit file to track changes to the "Job Service Required" indicator in the GUIDE system.

Contact person: Dennis Green
(602) 542-0538

Agency: Department of Economic Security

CFDA No.: 93.558 Temporary Assistance for Needy Families
93.658 Foster Care—Title IV-E
93.667 Social Services Block Grant

Finding No.: 04-114

Status: Not Corrected

Agency description:

To help ensure that payroll expenditures for Foster Care employees on educational leave are charged accurately to the Foster Care Title IV-E program, the Department of Economic Security, Division of Children, Youth and Families:

- Contacted all employees participating in the educational leave programs and provided them with updated instructions on how to fill out their timesheets and the proper codes to use; and
- Ensured that all supervisors of employees participating in the educational leave programs are provided with the updated instructions and reminded of the requirement to ensure that payroll expenditures for Foster Care employees are charged accurately.

Contact person: David Longo
(602) 542-5099

Agency: Department of Economic Security

CFDA No.: 93.563 Child Support Enforcement

State of Arizona
Summary Schedule of Prior Audit Findings
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Status of Federal Award Findings and Questioned Costs

Finding No.: 04-115

Status: Fully Corrected

Agency: Department of Education

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

Finding No.: 04-116

Status: Partially Corrected

Agency Description:

The operation of noninstructional services food service-other reporting field was overstated due to incorrect categorization of certain expenditure amounts. These amounts should have been included as property, rather than other. Ultimately, since property is excluded from the determination of total current expenditures, current expenditures were overstated. A revised submission including corrected expenditure data will be submitted to the National Center for Educational Statistics using the National Public Education Financial Survey (NPEFS) form.

Processes, procedures and automation are being updated to allow for tracking of any and all changes, additions and deletions to the categorization of expenditures and revenues for purposes of the NPEFS. This includes a report of all changes in categorization from one fiscal year to the next.

Contact person: Paul Carolan
(602) 542-3281