



Single Audit Report Year Ended June 30, 2024

State of Arizona



Lindsey A. Perry
Auditor General

Arizona Auditor General's mission

The Arizona Auditor General's mission is to provide independent and impartial information, impactful recommendations, and stakeholder education to improve Arizona government for its citizens. To this end, the Office conducts financial statement audits and provides certain accounting services to the State and political subdivisions, investigates possible criminal violations involving public officials and public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

The Joint Legislative Audit Committee

The Joint Legislative Audit Committee consists of 5 Senate members appointed by the Senate President and 5 House members appointed by the House Speaker. The Committee is responsible for overseeing the Office, including (1) overseeing all audit functions of the Legislature and State agencies, including sunset, performance, special, and financial audits; special research requests; and the preparation and introduction of legislation resulting from audit report findings; (2) requiring State agencies to comply with audit findings and recommendations; (3) receiving status reports regarding the progress of school districts to implement recommendations; and (4) scheduling hearings to review the status of State agencies and school districts.

Senator **Mark Finchem**, Co-chairman

Senator **Flavio Bravo**

Senator **Tim Dunn**

Senator **David C. Farnsworth**

Senator **Catherine Miranda**

Senator **Warren Petersen** (ex officio)

Representative **Matt Gress**, Chairman

Representative **Michael Carbone**

Representative **Michele Peña**

Representative **Stephanie Stahl-Hamilton**

Representative **Betty Villegas**


Representative **Steve Montenegro** (ex officio)

Audit staff

Katherine Edwards Decker, Director

Brian Stutsman, Manager

Contact information

 **(602) 553-0333**

 contact@azauditor.gov

 www.azauditor.gov

2910 N. 44th St., Ste. 410
Phoenix, AZ 85018-7271

TABLE OF CONTENTS

AUDITORS' SECTION

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* 1

INDEPENDENT AUDITORS' REPORT on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 12

SUMMARY OF AUDITORS' RESULTS 12

FINANCIAL STATEMENT FINDINGS

FINANCIAL STATEMENT FINDING: 2024-01 15

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

FINANCIAL STATEMENT FINDING: 2024-02 20

Although the Empowerment Scholarship Account Program's (Program) audit approach considers some elements of risk, it should utilize a comprehensive risk-based audit approach to decrease the likelihood the Program overlooks unallowable expenditures or those missing documentation or noncompliant with regulations, and reduce the risk of misuse of public monies

FINANCIAL STATEMENT FINDING: 2024-03 30

The Department of Education has not addressed discrepancies between reported conflicts of interest (COI) and the Empowerment Scholarship Account Program's (Program) COI log nor ensured Program transactions with reported conflicts were independently reviewed

FINANCIAL STATEMENT FINDING: 2024-04 **39**

The Arizona Department of Education’s Empowerment Scholarship Account Program (Program) did not conduct or timely conduct reviews of transactions that may be indicative of unallowable expenses or fraudulent activity and did not always take further required action, such as issuing a suspension notice or termination letter, which may have resulted in \$86,599 of Program monies we reviewed being misused

FINANCIAL STATEMENT FINDING: 2024-05 **51**

The Department of Economic Security—Division of Employment and Rehabilitation Services did not prepare complete and accurate monthly bank reconciliations for 3 bank accounts holding unemployment insurance monies, resulting in a \$19.9 million difference between the bank records and cash and increasing its risk of fraudulent activity and undetected errors

FINANCIAL STATEMENT FINDING: 2024-06 **56**

The Department of Economic Security did not maintain adequate records to support the classification of \$257.4 million in liabilities as unearned revenues reported in the State’s financial statements, resulting in a qualified financial statement opinion and a risk that the State may be required to return all or a portion of the \$257.4 million to the federal government

FINANCIAL STATEMENT FINDING: 2024-07 **60**

The Department of Economic Security did not accurately record unemployment insurance tax overpayments to support an estimated \$51.3 million of its \$173.8 million in accrued liabilities reported in the State’s financial statements, resulting in a qualified financial statement opinion and an increased risk that it may refund employers for unemployment insurance tax overpayments they are no longer legally entitled to

FINANCIAL STATEMENT FINDING: 2024-08 **64**

The Division of Developmental Disabilities did not separately account for or report to the Social Security Administration (SSA) each developmentally disabled member’s invested social security disability insurance benefit payments, resulting in monies being held for members for whom it was no longer serving as the representative payee that may need to be returned to the SSA or transferred to the appropriate recipient

FINANCIAL STATEMENT FINDING: 2024-09 **69**

The Arizona Department of Administration and Office of the Arizona State Treasurer (ASTO) were unable to support why cash and pooled investments reported in ASTO’s financial statements exceeded the State’s accounting system by \$68 million, resulting in erroneous financial reporting and an increased risk of fraud and misuse of public monies

FINANCIAL STATEMENT FINDING: 2024-10 **72**

The Arizona Department of Corrections, Rehabilitation, and Reentry spent \$50.9 million of opioid settlement monies but lacks records supporting they were spent for approved purposes, increasing the risk of noncompliance with the opioid Settlement Agreement

FINANCIAL STATEMENT FINDING: 2024-11 **75**

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

FINANCIAL STATEMENT FINDING: 2024-12 **77**

The Department of Revenue did not publish \$18.8 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

FINANCIAL STATEMENT FINDING: 2024-13 **79**

The Department of Revenue and General Accounting Office did not properly account for \$212.1 million of income and sales tax overpayments, resulting in the risk that those relying on the State’s financial statements could be misinformed

FINANCIAL STATEMENT FINDING: 2024-14 **81**

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

FINANCIAL STATEMENT FINDING: 2024-15 **84**

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

FINANCIAL STATEMENT FINDING: 2024-16 **88**

One State agency and 2 State boards did not always prepare, approve, and/or retain required documentation supporting payroll costs, resulting in an elevated risk of fraud and misuse of public monies and possible violations of the Arizona Constitution

FINANCIAL STATEMENT FINDING: 2024-17 **93**

Seven State agencies and their employees did not comply with the State's accounting manual for approving and issuing purchasing cards or making purchasing card and employee travel card purchases totaling \$48,357 for food, supplies and materials, and nontravel and travel purposes, of which the State paid at least \$47,344. Additionally, these State agencies did not document how \$13,135 of these purchases were necessary to serve a public purpose and to benefit the State and its residents, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution

FINANCIAL STATEMENT FINDING: 2024-18 **103**

The Board of Occupational Therapy Examiners did not properly record its fixed assets within the State's accounting system, resulting in an increased risk that its fixed assets could be stolen, lost, or misused

FINANCIAL STATEMENT FINDING: 2024-19 **105**

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

FINANCIAL STATEMENT FINDING: 2024-20 **108**

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

FINANCIAL STATEMENT FINDING: 2024-21 **110**

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

FINANCIAL STATEMENT FINDING: 2024-22 **112**

AHCCCS’ previously issued fiscal year 2024 financial statements contained errors, which required the financial statements to be reissued and increased the risk of those relying on the reported financial information could be misinformed with conflicting information

FINANCIAL STATEMENT FINDING: 2024-23 **115**

The Arizona Industrial Development Authority’s initial financial statements required adjustments, thus weakening the internal control environment over financial reporting

FINANCIAL STATEMENT FINDING: 2024-24 **117**

The Arizona Industrial Development Authority did not retain approval documentation for a conduit debt administrative fee adjustment, increasing the risk that the proper fee amount will not be collected

FINANCIAL STATEMENT FINDING: 2024-25 **118**

The Arizona Commerce Authority’s initial financial statements contained errors, which increased the risk that those relying on the reported financial information could be misinformed

FINANCIAL STATEMENT FINDING: 2024-26 **120**

The Arizona Department of Transportation did not record its premium/discount amortization on long-term obligations following the effective interest rate method, resulting in a \$91.9 million adjusting entry

FINANCIAL STATEMENT FINDING: 2024-27 122

The Arizona Property and Casualty Insurance Guaranty Fund did not retain required approval documentation for 1 vendor payment for hospital or medical services totaling nearly \$39,764, increasing the risk that material errors may not be prevented or detected

FINANCIAL STATEMENT FINDING: 2024-28 124

The Rio Nuevo Multipurpose Facilities District did not retain an invoice supporting a disbursement for \$49,399, increasing the risk of a misstatement going undetected or uncorrected

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FEDERAL AWARD FINDING: 2024-101 125

The Arizona Department of Administration submitted the State's June 30, 2024, Single Audit Report to the federal audit clearinghouse nearly 13 months later than allowed by federal regulation, preventing federal agencies that oversee the State's federal programs from having timely information to effectively monitor federal programs and impose corrective actions

FEDERAL AWARD FINDING: 2024-102 127

Four State agencies did not perform required subrecipient monitoring procedures, increasing the risk that program monies may have been misused and not spent in accordance with the award terms

FEDERAL AWARD FINDING: 2024-103 133

The Governor's Office of Strategic Planning and Budgeting inaccurately reported \$33.1 million expenditures to the federal agency and may be required to return excess monies reported

FEDERAL AWARD FINDING: 2024-104 135

The Department of Economic Security made unallowable benefits payments totaling \$64,131, increasing the risk that the program applicants received utility and rental payments for which they were not entitled

FEDERAL AWARD FINDING: 2024-105 140

The Department of Economic Security failed to perform required subrecipient monitoring, increasing the risk that \$9.3 million may have been spent inconsistent with program requirements

FEDERAL AWARD FINDING: 2024-106 143

The Department of Economic Security could not support information reported to the federal agency and we were unable to determine whether the expenditures were appropriate

FEDERAL AWARD FINDING: 2024-107 145

The Department of Economic Security did not retain supporting documentation for its provider’s expenditures and may be required to return nearly \$2.9 million to the federal agency

FEDERAL AWARD FINDING: 2024-108 147

The Department of Economic Security failed to report complete, accurate information on the federal reporting system, risking transparent reporting on CCDF Cluster subawards

FEDERAL AWARD FINDING: 2024-109 150

The Arizona Department of Education’s Health and Nutrition Services Division (Division) did not perform all required monitoring procedures, resulting in an increased risk that \$63.9 million of program monies the Division awarded to subrecipients during fiscal year 2024 may not be spent in accordance with the award terms, program requirements, and federal regulations

FEDERAL AWARD FINDING: 2024-110 153

The Arizona Department of Education did not monitor procedures of charter schools with relationships with charter management organizations, risking funds not being spent in accordance with the award terms and program requirements, and reduced future awards

FEDERAL AWARD FINDING: 2024-111 156

The Arizona Department of Education failed to follow State law for \$30.2 million of goods and services purchases and risks not receiving the most advantageous prices

FEDERAL AWARD FINDING: 2024-112 **159**

The Arizona Department of Education failed to report complete, accurate information on the federal reporting system, risking transparent reporting on its federal programs' subawards

FEDERAL AWARD FINDING: 2024-113 **165**

The Arizona Department of Education's (ADE) control procedures over IT systems and data were not sufficient, which increases the risk that ADE may not adequately protect those systems and data

FEDERAL AWARD FINDING: 2024-114 **167**

The Arizona Department of Administration spent \$12.3 million for unallowable purposes and had to repay the federal agency

FEDERAL AWARD FINDING: 2024-115 **170**

The Department of Health Services failed to report complete, accurate information on the federal reporting system, risking transparent reporting on 2 federal programs' subawards

FEDERAL AWARD FINDING: 2024-116 **176**

The Department of Emergency and Military Affairs' Emergency Management Division did not always retain documentation supporting payroll, increasing the risk that \$103,045 may not have been spent in accordance with award terms and conditions

FEDERAL AWARD FINDING: 2024-117 **179**

The Department of Emergency and Military Affairs' Emergency Management Division (Division) did not retain adequate documentation supporting reimbursement requests, matching requirements, and financial reports, risking the Division receiving monies it was not entitled to

FEDERAL AWARD FINDING: 2024-118 **182**

The University of Arizona did not support salary and employee-related expenses costs of over \$4.8 million that it may be required to repay to the federal agency

FEDERAL AWARD FINDING: 2024-119 **186**

The Arizona Office of Economic Opportunity did not ensure conference meals, graphic design services, and promotional item costs were appropriate, necessary, and managed to minimize charges and may be required to return \$90,015 of WIOA Cluster funds

FEDERAL AWARD FINDING: 2024-120 **190**

AHCCCS' initial findings of credible and willful fraud by sober-living providers across the State resulted in the suspension of more than 300 providers

FEDERAL AWARD FINDING: 2024-121 **194**

AHCCCS did not follow up in a timely manner for certain deferred member investigations, increasing the risk of AHCCCS making unnecessary payments and compromising its ability to investigate cases

FEDERAL AWARD FINDING: 2024-122 **197**

AHCCCS did not timely return nearly \$5.4 million of the federal share of fraud and abuse recoupments

AUDITOR GENERAL'S COMMENTS ON STATE RESPONSE AND CORRECTIVE ACTION PLAN **199**

STATE SECTION **203**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AGENCY CODES

STATE RESPONSE AND CORRECTIVE ACTION PLAN

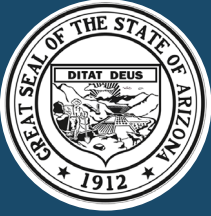
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

REPORTS ISSUED SEPARATELY

State's Annual Comprehensive Financial Report

Arizona State University's Report on Internal Control and on Compliance

University of Arizona’s Report on Internal Control and on Compliance
Northern Arizona University’s Report on Internal Control and on Compliance



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

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

The Honorable Katie Hobbs, Governor
State of Arizona

The Honorable Warren Petersen, President
Arizona State Senate

The Honorable Steve Montenegro, Speaker
Arizona House of Representatives

The Honorable Ann Timmer, Chief Justice
Arizona Supreme Court

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General, the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated April 23, 2026. We qualified our opinion on the governmental activities, business-type activities, General Fund, and Unemployment Compensation Fund because we and the other auditors were unable to obtain sufficient appropriate audit evidence for the activity listed in the table below and the subsequent page.

Opinion unit	Financial statement line items and related disclosures
Governmental activities	Arizona Health Care Cost Containment System's (AHCCCS) activity in other receivables, due to U.S. government, and operating grants and contributions line items
Business-type activities	Department of Economic Security's (DES) activity in unearned revenues, due to U.S. government, accrued liabilities, charges for services revenues, and net position line items, including related disclosures
Major fund— General Fund	AHCCCS' activity in other receivables, due to U.S. government, and intergovernmental revenues line items

Opinion unit	Financial statement line items and related disclosures
Major fund— Unemployment Compensation Fund	DES' activity in unearned revenues, due to U.S. government, accrued liabilities, other operating revenues, and net position line items, including related disclosures

Specifically, AHCCCS and law enforcement agencies continue to investigate findings of credible and willful fraud by sober-living providers across the State and have yet to determine the amount of fraud or improper payments, potential recoveries from the providers, or amount that may be due back to the federal government. Also, DES could not support how its reported \$257.4 million unearned revenues, consisting of cash received from the federal government in prior fiscal years, could be earned in a future period and did not determine whether the financial statements needed to be adjusted and if it would be required to return monies to the federal government. Additionally, DES could not support how an estimated \$51.3 million of its \$173.8 million of reported accrued liabilities for unemployment insurance tax overpayments that were past the 3-year statute of limitations for requesting adjustment or refund were still due and payable to employers. Neither AHCCCS nor DES made any related financial statement adjustments because they lacked evidence. Consequently, we and the other auditors were unable to determine whether any adjustments to these amounts or additional disclosures were necessary.

Our report includes a reference to other auditors who audited the financial statements of the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, the Arizona Early Childhood Development and Health Board, the Arizona Correctional Industries, the Arizona State Lottery, the Arizona State Retirement System, AZ529, the Corrections Officers' Retirement Plan, the Elected Officials' Retirement Plan, the Public Safety Personnel Retirement System, and certain blended and aggregate discretely presented component units, as described in our report on the State's financial statements. The other auditors did not audit, in accordance with *Government Auditing Standards*, the financial statements of the Arizona Power Authority, AZ529, and the Universities-Affiliated Component Units, except for those of the Arizona State University Preparatory Academy, Inc., and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance. For those State agencies and discretely presented component units the other auditors audited in accordance with *Government Auditing Standards*, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Report on internal control over financial reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-01, 2024-02, 2024-03, 2024-04, 2024-05, 2024-06, 2024-07, 2024-15, 2024-19, 2024-20, 2024-21, 2024-22, 2024-23, 2024-25, and 2024-26 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-09, 2024-11, 2024-13, 2024-14, 2024-16, 2024-17, 2024-24, 2024-27, and 2024-28 to be significant deficiencies.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the State's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying schedule of findings and questioned costs as items 2024-02, 2024-03, 2024-04, 2024-07, 2024-08, 2024-10, 2024-12, 2024-16, 2024-17, 2024-18, 2024-19, 2024-20, and 2024-25.

State of Arizona response to findings

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

Purpose of this report

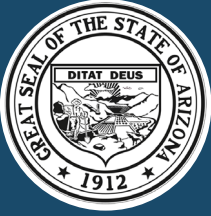
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

April 23, 2026

Arizona Auditor General | 2910 N 44th St., Ste. 410, Phoenix, AZ 85018-7271 | (602) 553-0333 | www.azauditor.gov



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

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

The Honorable Katie Hobbs, Governor
State of Arizona

The Honorable Warren Petersen, President
Arizona State Senate

The Honorable Steve Montenegro, Speaker
Arizona House of Representatives

The Honorable Ann Timmer, Chief Justice
Arizona Supreme Court

Report on compliance for each major federal program

Adverse, qualified, and unmodified opinions

We have audited the State of Arizona's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024, except for a portion of the major federal programs that were audited by other auditors listed in the table below and the subsequent page.

State agency	Program (or cluster) name(s)	Assistance Listings number(s)
Arizona Department of Transportation	Nationally Significant Freight and Highway Projects	20.934
Arizona Early Childhood and Development	Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19
Arizona Early Childhood and Development	Child Care and Development Block Grant part of the CCDF Cluster	93.575 COVID-19
Arizona Health Care Cost Containment System	Coronavirus State and Local Fiscal Recovery Funds	21.027 COVID-19

State agency	Program (or cluster) name(s)	Assistance Listings number(s)
Arizona Health Care Cost Containment System	Medical Assistance Program part of Medicaid Cluster	93.778 / 93.778 COVID-19
Arizona Health Care Cost Containment System	Children’s Health Insurance Program	93.767 / 93.767 COVID-19
Arizona Health Care Cost Containment System	Block Grants for Community Mental Health Services	93.958 / 93.958 COVID-19

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

Adverse opinions on Emergency Rental Assistance Program and Emergency Management Performance Grants

In our opinion, because of the significance of the matter described in the basis for adverse, qualified, and unmodified opinions section of our report, the State did not comply in all material respects with the compliance requirements referred to above that could have a direct and material effect on the Emergency Rental Assistance Program and Emergency Management Performance Grants programs for the year ended June 30, 2024.

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

In our opinion, based on our audit and the reports of the other auditors, except for the noncompliance described in the basis for adverse, qualified, and unmodified opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Funds, Education Stabilization Fund, Immunization Cooperative Agreements, Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), and Medicaid Cluster for the year ended June 30, 2024.

Unmodified opinion on each of the other major federal programs

In our opinion, based on our audit and the reports of the other auditors, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for adverse, qualified, and unmodified opinions

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the U.S. Comptroller General, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors’ responsibilities for the audit of compliance section of our report.

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

Matters giving rise to adverse opinions on Emergency Rental Assistance Program and Emergency Management Performance Grants

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

State administrating agency Program (or cluster) name	Assistance Listings number(s)	Compliance requirement(s)	Finding number(s)
Arizona Department of Economic Security Emergency Rental Assistance Program	21.023 COVID-19	Activities allowed or unallowed, allowable costs/cost principles, and eligibility	2024-104
Arizona Department of Economic Security Emergency Rental Assistance Program	21.023 COVID-19	Reporting	2024-106
Arizona Department of Emergency Military Affairs Emergency Management Performance Grants	97.042	Activities allowed or unallowed and allowable costs/cost principles	2024-116
Arizona Department of Emergency Military Affairs Emergency Management Performance Grants	97.042	Cash management, matching, and reporting	2024-117

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

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

State administrating agency Program (or cluster) name	Assistance Listings number(s)	Compliance requirement(s)	Finding number(s)
<ul style="list-style-type: none"> • Arizona Department of Housing • Arizona Office of Tourism • Industrial Commission of Arizona • Arizona Department of Water Resources • Governor’s Office of Strategic Planning and Budgeting <p>Coronavirus State and Local Fiscal Recovery Funds</p>	21.027 COVID-19	Subrecipient monitoring	2024-102
<p>Arizona Department of Economic Security</p> <p>Coronavirus State and Local Fiscal Recovery Funds</p>	21.027 COVID-19	Subrecipient monitoring	2024-105
<p>Arizona Department of Education</p> <p>Education Stabilization Fund</p>	84.425U COVID-19	Procurement	2024-111
<p>Arizona Department of Education</p> <p>Education Stabilization Fund</p>	84.425U COVID-19 / 84.425D COVID-19	Reporting	2024-112
<p>Arizona Department of Health Services</p> <p>Immunization Cooperative Agreements</p>	93.268 / 93.268 COVID-19	Reporting	2024-115
<p>Arizona Department of Health Services</p> <p>Epidemiology and Laboratory Capacity for Infectious Diseases</p>	93.323 / 93.323 COVID-19	Reporting	2024-115
<p>Arizona Healthcare Cost Containment System</p> <p>Medicaid Cluster</p>	93.778 / 93.778 COVID-19	Special tests and provisions	2024-120

Other matter—Federal expenditures not included in the compliance audit

The State's basic financial statements include the operations of the ASU Preparatory Academy, Inc., which was reported as a discretely presented component unit, and Bermuda Institute of Ocean Sciences (BIOS), Inc. and California College of ASU, which were reported as blended component units of Arizona State University; and the University of Arizona Global Campus (UAGC), which was included in the University of Arizona's basic financial statements. These entities expended \$10,143,533, \$9,370,848, \$1,350,934, and \$52,961,637, respectively, in federal awards that are not included in the State's schedule of expenditures of federal awards during the year ended June 30, 2024. Our compliance audit, described in the adverse, qualified, and unmodified opinions section, does not include the operations of ASU Preparatory Academy, Inc., Bermuda Institute of Ocean Sciences (BIOS), Inc., and California College of ASU because Arizona State University engaged other auditors to perform an audit in accordance with the audit requirements of the Uniform Guidance and does not include the operations of the UAGC because the UAGC is a proprietary institution under the U.S. Department of Education regulations and was not required to obtain an audit in accordance with the audit requirements of Uniform Guidance.

Management's responsibilities for compliance

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

Auditors' responsibilities for the audit of compliance

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

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

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- ▶ Obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, we express no such opinion.

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

Other matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2024-101, 2024-103, 2024-104 only for 21.027 Coronavirus State and Local Fiscal Recovery Funds, 2024-107, 2024-108, 2024-109, 2024-110, 2024-112 only for the 84.010 Title I Grants to Local Education Agencies and 84.367 Supportive Effective Instruction State Grants (formerly Improving Teacher Quality State Grants), 2024-113, 2024-114, 2024-118, 2024-119, 2024-121, and 2024-122. Our opinion on each major federal program is not modified with respect to these matters.

Report on internal control over compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-101, 2024-102, 2024-103, 2024-104, 2024-105, 2024-106, 2024-108, 2024-110, 2024-111, 2024-112, 2024-113, 2024-115, 2024-116, 2024-117, 2024-120, 2024-121, and 2024-122 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-107, 2024-109, 2024-118, and 2024-119 to be significant deficiencies.

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

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

State of Arizona’s response to findings

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

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

We have audited the financial statements of the State’s governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State’s basic financial statements. We issued our report thereon dated April 23, 2026. We qualified our opinion on the governmental activities, business-type activities, General Fund, and Unemployment Compensation Fund because we and the other auditors were unable to obtain sufficient appropriate audit evidence for the activity listed in the table below.

Opinion unit	Financial statement line items and related disclosures
Governmental activities	Arizona Cost Care Containment System’s (AHCCCS) activity in other receivables, due to U.S. government, and operating grants and contributions line items
Business-type activities	Department of Economic Security’s (DES) activity in unearned revenues, due to U.S. government, accrued liabilities, charges for services revenues, and net position line items, including related disclosures
Major fund—General Fund	AHCCCS’ activity in other receivables, due to U.S. government, and intergovernmental revenues line items
Major fund—Unemployment Compensation Fund	DES’ activity in unearned revenues, due to U.S. government, accrued liabilities, other operating revenues, and net position line items, including related disclosures

Specifically, AHCCCS and law enforcement agencies continue to investigate findings of credible and willful fraud by sober-living providers across the State and have yet to determine the amount of fraud or improper payments, potential recoveries from the providers, or amount that may be due back to the federal government. Also, DES did not maintain accurate records to support how its reported \$257.4 million unearned revenues, consisting of cash received from

the federal government in prior fiscal years, could be earned in a future period and did not determine whether the financial statements needed to be adjusted and if it would be required to return monies to the federal government. Additionally, DES could not support how an estimated \$51.3 million of its \$173.8 million of reported accrued liabilities for unemployment insurance tax overpayments that were past the 3-year statute of limitations for requesting adjustment or refund were still due and payable to employers. Neither AHCCCS nor DES made any related financial statement adjustments because they lacked evidence. Consequently, we and the other auditors were unable to determine whether any adjustments to these amounts or additional disclosures were necessary.

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

April 23, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

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

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

Opinion unit	Financial statement line items and related disclosures
Governmental activities	Arizona Health Care Cost Containment System's (AHCCCS) activity in other receivables, due to U.S. government, and operating grants and contributions line items
Business-type activities	Department of Economic Security's (DES) activity in unearned revenues, due to U.S. government, accrued liabilities, charges for services revenues, and net position line items, including related disclosures
Major fund—General Fund	AHCCCS' activity in other receivables, due to U.S. government, and intergovernmental revenues line items
Major fund—Unemployment Compensation Fund	DES' activity in unearned revenues, due to U.S. government, accrued liabilities, other operating revenues, and net position line items, including related disclosures

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

Internal control over financial reporting

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? Yes

Federal awards

















Internal control over major federal program(s)

Material weaknesses identified? Yes










Significant deficiencies identified? Yes

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

Identification of major federal program(s) and types of auditors' reports issued on compliance

Assistance Listings number(s)	Name of federal program or cluster	Auditors' report type
10.542 COVID-19	Pandemic EBT Food Benefits	 Unmodified
10.565 / 10.568 / 10.569	Food Distribution Cluster	 Unmodified
10.558	Child and Adult Care Food Program	 Unmodified
10.646	Summer Electronic Transfer Program for Children	 Unmodified
14.195	Section 8 Project—Based Cluster	 Unmodified
20.934	Nationally Significant Freight and Highway Projects	 Unmodified
21.023 COVID-19	Emergency Rental Assistance Program	 Adverse
21.027 COVID-19	Coronavirus State and Local Fiscal Recovery Funds	 Qualified
84.010	Title I Grants to Local Educational Agencies	 Unmodified
84.027 / 84.027 COVID-19 / 84.173 / 84.173 COVID-19	Special Education Cluster (IDEA)	 Unmodified
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	 Unmodified
84.425 COVID-19	Education Stabilization Fund	 Qualified
93.044 / 93.044 COVID-19 / 93.045 / 93.045 COVID -19 / 93.053	Aging Cluster	 Unmodified
93.268 / 93.268 COVID-19	Immunization Cooperative Agreements	 Qualified
93.323 / 93.323 COVID-19	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	 Qualified
93.575 / 93.575 COVID-19 / 93.596 / 93.596 COVID-19	CCDF Cluster	 Unmodified

Identification of major federal program(s) and types of auditors' reports issued on compliance (continued)

Assistance Listings number(s)	Name of federal program or cluster	Auditors' report type
93.563	Child Support Services	 Unmodified
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	 Unmodified
93.659 / 93.659 COVID-19	Adoption Assistance	 Unmodified
93.775 / 93.777 / 93.777 COVID-19 / 93.778 / 93.778 COVID-19	Medicaid Cluster	 Qualified
93.767 / 93.767 COVID-19	Children's Health Insurance Program	 Unmodified
93.917	HIV Care Formula Grants	 Unmodified
93.958 / 93.958 COVID-19	Block Grants for Community Mental Health Services	 Unmodified
97.042	Emergency Management Performance Grants	 Adverse
R&D	Research and Development Cluster	 Unmodified

Dollar threshold used to distinguish between Type A and Type B programs \$42,876,349
 Auditee qualified as low-risk auditee? No

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

Condition

The Arizona Department of Administration (ADOA), the State agency responsible for preparing and issuing the State’s Annual Comprehensive Financial Report (ACFR) using information provided by other State entities, did not timely receive necessary information and therefore could not prepare and issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline of March 31, 2025. Specifically, despite being required to provide ADOA timely, accurate, and complete financial information so that it can issue the State’s ACFR in time to meet the State’s federally mandated audit requirement deadline, as shown in Table 1 below and page 16, 6 of 22 State agencies that were required to submit their final financial information to ADOA by November 15, 2024—the deadline ADOA established and communicated to them in its annual letter—did not do so. All 3 State universities and 2 retirement systems met the original ADOA deadlines.¹

Table 1

6 of 22 State agencies did not submit their final financial information to ADOA by November 15, 2024—the deadline ADOA established and communicated to them in its annual letter

Fiscal year 2024

State agency	Date final financial information submitted	Days past due ¹
Department of Economic Security (DES)	April 30, 2025	187
Arizona Health Care Cost Containment System (AHCCCS)	April 30, 2025	166
Arizona Commerce Authority	April 18, 2025	154
Arizona Department of Transportation	January 6, 2025	52

¹ The deadline established for retirement plans; universities, including their component units; and agencies that have their agency financial statements audited by an outside CPA firm was November 15, 2024. For several agencies such as DES that do not issue standalone agency financial statements, their financial information is due earlier—by October 25, 2024.

Table 1 (continued)

State agency	Date final financial information submitted	Days past due ¹
Arizona Automobile Theft Authority	December 27, 2024	42
Greater Arizona Development Authority	December 19, 2024	34

¹ Days past due were measured from the original established ADOA deadline of November 15, 2024, for all agencies except DES, which had an initial deadline of October 25, 2024. As reported in finding 2024-05, DES did not prepare complete and accurate monthly bank reconciliations for 3 bank accounts holding unemployment insurance monies and contracted with outside consultants in December 2024 to perform corrective actions related to these bank reconciliations. As a result, ADOA provided DES a new deadline of April 30, 2025, to provide corrected final financial information, which DES met.

Source: Auditor General staff review of ADOA communications to State agencies and final financial information submitted by the State agencies.

In addition, 5 State agencies—AHCCCS, DES, the Arizona Department of Education (ADE), Office of the Arizona State Treasurer (ASTO), and ADOA—failed to provide timely responses to audit requests, which caused additional delays to the State’s audit, as follows:

- ▶ AHCCCS and its auditors reported to us on September 26, 2025, that their previously issued fiscal year 2024 financial statements contained significant errors and required revision. A draft of AHCCCS’ revised financial statement report was not provided until November 21, 2025, and not reissued until January 9, 2026, over 3 months after the significant errors were noted, as described in finding 2024-22.
- ▶ DES, on April 30, 2025, provided us its revised financial statements, including its note disclosure that discusses the correction of an error in previously issued financial statements.² However, after we informed DES of additional errors we identified, DES did not provide documentation to support the restatement of the Unemployment Compensation Fund’s Unearned Revenues financial statement line item until September 5, 2025, along with final financial statements on September 26, 2025.
- ▶ ADE failed to provide us with access to the ClassWallet system until November 11, 2025, nearly 3 months after our initial request. Additionally, ADE described to us different variations of their audit methodology with the number of transactions selected and criteria used to select transactions for audit continually being updated and changed, as reported in finding 2024-02.
- ▶ ASTO and ADOA were unable to provide us with a final fiscal year 2024 cash reconciliation until November 4, 2025, nearly 4 months after our initial inquiry to the 2 agencies on June 11, 2025, as described in finding 2024-09.

² The State of Arizona disclosed in Note 8 within its Annual Comprehensive Financial Report that a \$78.1 million error within DES system reports in fiscal years 2020 through 2023 resulted in an understatement of 2 financial statement line items that required correction. DES provided us with the initial note disclosure on April 30, 2025; however, after many requests to DES, we were not provided documentation to support the correction of this error until nearly 5 months later on September 5, 2025.

Effect

State legislators, federal grantors, creditors, and other stakeholders lacked timely financial information to make important decisions about the State's operations and financial position. The State's delay in meeting its financial reporting and audit requirements may affect those decision-makers' ability to rely on financial information that is not provided timely or may result in the credit-rating agencies lowering the State's credit ratings for its bonds and certificates of participation. Further, the State's delay in issuing its single audit reporting package, which includes the State's ACFR, could result in actions taken by federal grantors on the State's various federal awards, as described in finding 2024-101.

Cause

While ADOA reported that it began providing additional support to DES, AHCCCS, and ASTO in preparing their financial information and responding to audit requests, this alone did not correct the delays.

The following 5 agencies—DES, AHCCCS, ADE, ASTO, and ADOA—were the primary cause of the delay, and each uniquely contributed to the delay, as follows:³

- ▶ DES did not perform separate reconciliations for 3 bank accounts holding Unemployment Insurance (UI) monies and as a result, did not detect significant errors that we identified. Further, a manual process for tracking UI disbursements and reimbursements, along with system limitations preventing access to some supporting documentation, resulted in a \$19.9 million unreconciled difference between the bank records and cash recorded on its financial statements. Because DES management responsible for implementing bank reconciliation internal control procedures lacked the necessary skills, knowledge, and experience necessary to perform these bank reconciliations, DES contracted outside consultants to perform corrective actions relating to these bank reconciliations (see finding 2024-05 for more details). Once these corrective actions were performed, DES submitted corrected financial information to ADOA on April 30, 2025. Subsequently, we found additional errors unrelated to the bank reconciliations, and as a result, further adjustments to DES' financial information were necessary and were not completed by DES until September 26, 2025. See finding 2024-06 for more information.
- ▶ AHCCCS reported that, due to delays in completing its fiscal year 2023 financial reporting process and contract negotiations, its fiscal year 2024 audit process did not begin until November 2024, around ADOA's November 15 deadline. AHCCCS also reported that turnover in key financial positions and subsequent filling of those positions combined with increased workloads and administering new federal programs due to the COVID-19 pandemic resulted in significant delays for preparing and compiling its financial statements.

³ While the Arizona Commerce Authority, Arizona Department of Transportation, Arizona Automobile Theft Authority, and Greater Arizona Development Authority submitted information to ADOA past the deadline, the information these 4 agencies provided was complete and accurate and did not cause further delays.

- ▶ In performing work related to the Empowerment Scholarship Accounts (ESA), we requested read-only access to ADE’s ClassWallet system on August 20, 2025, but we did not receive this access until nearly 3 months later on November 11, 2025. ADE initially reported to us that ASTO was responsible for providing access to the ClassWallet system; however, ASTO declined providing us access, stating that ADE was ultimately responsible for authorizing this access. ADE finally agreed to provide us access on October 15, 2025, and we did not receive full read-only access until November 11, 2025. Additionally, throughout our test work, ESA Program management described to us different variations of their audit methodology with the number of transactions selected and criteria used to select transactions for audit, and sometimes conflicting processes for compiling and disseminating conflict-of-interest information to ClassWallet, which delayed the completion of our test work.
- ▶ ASTO and ADOA reported they had limited resources and competing priorities while completing their respective reconciliations of cash and pooled investments reported in the State’s accounting system to the Treasurer’s financial statements. As a result, the Treasurer’s Office submitted a revised reconciliation to ADOA on or around October 23, 2025, with an unreconciled difference of \$68 million that ADOA accepted as the final version.

Criteria

State law requires State agencies and other organizations included in the State’s financial reports to submit all necessary financial information to ADOA to be used to prepare the State’s ACFR (Arizona Revised Statutes [A.R.S.] §35-131[I]). ADOA’s policies and procedures also direct State agencies and other organizations to submit their financial information to ADOA by a specified date to meet the State’s financial reporting and audit requirement deadlines, which ranged from August 12, 2024 to November 15, 2024, depending on the item. Further, State and federal laws and regulations and the State’s debt covenants and various federal award terms require the State to issue its ACFR and single audit reporting package in a timely manner. Specifically, the State was required to submit its single audit reporting package, which includes the State’s ACFR, to the Federal Audit Clearinghouse by March 31, 2025 (2 CFR §200.512).

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

Recommendations for ADOA

1. Continue to work with the State agencies, including DES, AHCCCS, and ASTO, to provide guidance and support over their financial reporting process and responding to audit requests, as needed, so that it can prepare and issue the State’s ACFR in time to meet financial reporting and audit requirements.

⁴ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 2/12/2026 from <https://www.gao.gov/assets/gao-14-704g.pdf>

Recommendations for DES, AHCCCS, and ASTO

2. Continue to prioritize the preparation of financial information to ADOA, allocate the appropriate resources to the financial reporting process to submit financial information to ADOA by required deadlines, and provide requested documentation and information in a timely manner.
3. Continue to coordinate and communicate directly with ADOA regarding any difficulties encountered and seek guidance and assistance when needed.

Recommendation for ADE

4. Provide requested information, including access to key systems, audit methodologies, and conflict-of-interest information to auditors in a consistent and timely manner.

This finding is similar to prior-year finding 2023-01 and was initially reported in fiscal year 2021.

Views of responsible officials

State management, except for ADE, concurs with this finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy. ADE's response necessitates clarifications. See Auditor General's comments on pages 199 through 202.

Although the Empowerment Scholarship Account Program’s (Program) audit approach considers some elements of risk, it should utilize a comprehensive risk-based audit approach to decrease the likelihood the Program overlooks unallowable expenditures or those missing documentation or noncompliant with regulations, and reduce the risk of misuse of public monies

Condition

Because Program management has been revising Program processes for reviewing automatically processed and other ESA transactions, we extended our test work to include many of these revisions and found that although these revisions have been occurring since December 2024 and consider some elements of risk, the Program does not utilize a comprehensive risk-based audit approach. Throughout our test work, Program management described to us different variations of their audit methodology with varying numbers of transactions selected and criteria used to select transactions for audit, but none of the variations use a comprehensive risk-assessment methodology.

ClassWallet system spend types

ClassWallet Marketplace: Account holders can place orders with various online vendors within the ClassWallet Marketplace. Upon approval, all orders are shipped directly to the address on record.

Direct pay: If private school and educational service providers, such as tutors, are registered with ClassWallet, account holders can pay them directly through the Pay Vendor section on the ClassWallet homepage.

Prepaid (Debit card): ClassWallet-issued debit card draws funds from the account holders’ ClassWallet balance. The cards can be used in the following ways: (1) point of sale, (2) PayPal, and (3) Square/Venmo.

- For all debit card transactions, account holders must submit a complete paid invoice or receipt in the ClassWallet platform. Additionally, when paying a tutor or other applicable educational service provider with a debit card, account holders must also submit a copy of the tutor’s or education service provider’s accreditation or credential for each applicable transaction.¹

ClassWallet system spend types (continued)

Reimbursement: If account holders cannot make a purchase or pay using 1 of the 3 ways on page 20, they may make purchases using their personal money or credit card. They must then submit itemized receipts or payment receipts accompanied by an itemized invoice to the Program for reimbursement from their accounts.²

¹ Paid invoices, receipts, and any accreditation or credential documentation must be submitted by the deadline set forth in AAC R7-2-1508(D).

² When submitting purchases for reimbursement, account holders must submit:

- Receipts only for transactions made after the date they signed their ESA contracts.
- Complete itemized receipts or payment receipts accompanied by itemized invoices.
- All necessary documentation such as curricula, therapist letters recommending supplemental material, educational service provider's credentials, business accreditation, etc.

Source: Auditor General staff review of the Department of Education's *Empowerment Scholarship Account (ESA) Program Parent Handbook - School Year 2025-2026*.

Specifically:

- ▶ Program management reported that, in December 2024, they began choosing some transactions for review based on key word searches for unallowable items listed in the *Empowerment Scholarship Account (ESA) Parent Handbook*.
- ▶ In September 2025, Program management further reported to us that, in addition to the key word searches, around July 2025, they had implemented a transaction audit process that involved weekly reviewing approximately 25% of transactions that were \$2,000 or less that had been automatically processed. They further reported selecting these transactions using a random number generator within an Excel spreadsheet, which is not risk-based and provides each expenditure transaction the equal chance of being selected for audit, despite each expenditure transaction not having equal risk.
- ▶ On January 13, 2026, contrary to its September 2025 assertions, Program management informed us that instead of selecting 25% of transactions that were \$2,000 or less that had been automatically processed since July 2025, they instead selected for review 30% of these transactions using the random number generator within the Excel spreadsheet.
- ▶ On February 19, 2026, Program management informed us that they also identified 1 expense category as a low-risk category and selected 30% of the sampled transactions from this expense category. Program management deemed all other expense categories to be high risk and included them within the remaining 70% of the sample. Program management asserted that this methodology had been in place since July 2025.

Although the Program appears to have classified some lower-risk transactions appropriately and did identify 1 risk factor to consider for its audits, it did not appropriately assess the risk for the remaining factors constituting 70% of the sample, resulting in all factors having an equal opportunity of being selected even though they do not have equal risk. The Program's use of both a random and proportional sample based on 1 risk factor results in a partial risk-based approach.¹

¹ The risk factor remains confidential to reduce the risk that it could be identified and exploited.

In addition to the deficiencies we noted in the Program's risk-based approach, we found that the Program was not adhering to its transaction audit methodology when selecting and performing its weekly audits. Specifically, for the 5 weeks in October 2025 that we tested, we found that the Program did not select for audit 30% of the expenditure transactions that were \$2,000 or less that were automatically processed. As shown in Table 1, page 23, the Program selected for audit as few as 8.2% of the expenditure transactions for 1 of the 5 weeks, contrary to its assertion that it selects 30% of these transactions. Further, for the 5 weeks in October 2025, we found that the Program did not consistently include expenditure transactions from the reimbursement or direct pay spend types in its list of transactions that, according to its reported process, should be subject to and could potentially be selected for an audit. Had the Program appropriately included reimbursement and direct pay spend types in its list of expenditure transactions subject to audit, it would have resulted in an actual amount ranging from 6.5% to 23.9% of expenditure transactions that should be subject to and could potentially be selected for an audit for the 5 periods.

Table 1

Program did not always review 30% of automatically processed transactions as asserted, and not all transactions were subject to review

Period covered ¹	Program transactions assigned for audit				Auditor General staff assessments	
	Spend types included	Total number of transactions (Reported)	Total number of transactions assigned for audit	Percentage of transactions assigned for audit (Reported)	Number of missing transactions not subjected to Program's audit procedures	Percentage of transactions assigned for audit (Actual)
09/29/2025 - 10/5/2025	<ul style="list-style-type: none"> ClassWallet Marketplace Some reimbursements 	24,433	7,323	30.0%	<ul style="list-style-type: none"> Direct pay—6,643 Reimbursement—10,844 	17.5%
10/6/2025 - 10/12/2025	<ul style="list-style-type: none"> ClassWallet Marketplace Some reimbursements 	30,369	9,119	30.0%	<ul style="list-style-type: none"> Direct pay—4,944 Reimbursement—2,831 	23.9%
10/13/2025 - 10/19/2025	<ul style="list-style-type: none"> ClassWallet Marketplace Some reimbursements 	30,132	9,096	30.2%	<ul style="list-style-type: none"> Direct pay—5,181 Reimbursement—2,838 	23.8%
10/20/2025 - 10/26/2025 ²	<ul style="list-style-type: none"> ClassWallet Marketplace Direct pay Some reimbursements 	102,604	17,332	16.9%	<ul style="list-style-type: none"> Reimbursement—2,936 	16.4%
10/27/2025 - 11/2/2025	<ul style="list-style-type: none"> ClassWallet Marketplace All reimbursements 	64,958	5,301	8.2%	<ul style="list-style-type: none"> Direct pay—16,270 	6.5%

¹ Program management generated the reports of its transactions between 1 and 4 days after the period's end.

² We found the report included 221 reimbursement transactions and 863 direct pay transactions that were not automatically processed, despite the reviews being intended specifically for automatically processed transactions. The total number of transactions reflected above appropriately excluded these transactions.

Source: Auditor General staff analysis of Program's weekly audit Excel spreadsheets for the period September 29, 2025 through November 2, 2025, and Auditor General staff analysis of ClassWallet system reports of ESA transactions for the period September 29, 2025 through November 2, 2025.

Further, Program management reported that in September 2025, they worked with the third-party vendor, ClassWallet, to develop an Anomalous Activity Dashboard (dashboard) to assist the Program with identifying the riskier account holders and vendor activity based on specific criteria.² The ClassWallet dashboard considers 13 risk factors, 12 of which provide or could provide meaningful results, and 1 may not have provided meaningful results based on our review.³ Further, although the ClassWallet dashboard considers various factors when analyzing expenditure transactions, certain spend types are included in a limited capacity. Program management initially reported to us on September 24, 2025, that the ClassWallet dashboard included transactions for all spend types: ClassWallet Marketplace, reimbursement, direct pay, and prepaid (debit cards). However, in practice, the ClassWallet dashboard only includes transactions for ClassWallet Marketplace, direct pay, and in a limited capacity, reimbursement and prepaid (debit card) spend types as part of its current scope. As shown in Table 2, page 25, the Program did not subject the reimbursement and prepaid (debit card) expenses to all factors considered in the ClassWallet dashboard, which means the Program did not subject approximately 25.4%, or \$102.1 million, of Program expenses to the majority of the analytical procedures performed by the ClassWallet dashboard and limits the Program's ability to use the ClassWallet dashboard as part of developing and implementing risk-based audit procedures.⁴

Further, because of the ClassWallet dashboard's limited capabilities, Program employees must use a manual process to identify the specific transactions associated with the account holders identified on the dashboard. For example, the dashboard provides a link to the account holder's profile, and then a Program employee must search the account holder's transaction history on the ClassWallet system to locate the specific transactions for the identified risk factor to determine which transactions require further review.

Program management also reported that they have developed a new artificial intelligence (AI) tool to scan individual items purchased through the ClassWallet Marketplace and assert that this AI tool will allow for them to identify and prevent unallowable purchases in real time. However, the Program did not provide us evidence that it is using this new AI tool yet.

² A.R.S. §15-2403(A) authorizes the Arizona State Treasurer's Office to contract with private financial management firms to manage Program accounts. In calendar year 2019, the Arizona State Treasurer's Office procured, selected, and contracted with ClassWallet, a private financial technology company, to assist with the Program's financial management.

³ At that time, Program management presented to us 14 factors the dashboard considered for its analysis. We were later informed by the Program's executive director on February 19, 2026, that the dashboard considered 27 factors in its analysis; however, subsequently on February 24, 2026, we confirmed directly with ClassWallet that the dashboard considers 13 factors. Additionally, the 13 developed risk factors remain confidential to reduce the risk that the factors could be identified and exploited.

⁴ While Program management initially reported to us that all 4 spend types are included and analyzed in its ClassWallet dashboard, we confirmed directly in writing with ClassWallet on January 14, 2026, and through observation on February 24, 2026, that the reimbursement and prepaid (debit cards) spend types are not subject to the majority of analytical procedures performed by the dashboard. While Program management asserts that they conduct full account audits of any account holder flagged by the ClassWallet dashboard, because the Program was still developing its procedures for how it will utilize the results of the ClassWallet dashboard while we were performing test work, we were not able to extend audit procedures to verify this assertion and will review it during our followup procedures performed as part of the State's fiscal year 2025 audits.

Table 2

Program did not subject prepaid and reimbursement expenses totaling \$102.1 million, or 25.4% of total expenses, to all risk-assessment procedures, increasing risk of approving noncompliant purchases

September 2025 to January 2026

Spend type	Number of transactions	Dollar amount of transactions	Percentage of total dollar amount	Included in all risk-assessment procedures?
ClassWallet Marketplace	224,126	\$47,524,716	11.7%	Yes
Direct pay	208,823	\$253,696,955	62.9%	Yes
Prepaid	189,760	\$29,678,958	7.4%	No
Reimbursement	292,511	\$72,421,800	18.0%	No
Total	915,220	\$403,322,429	100.0%	

Source: Auditor General staff analysis of ClassWallet system reports of ESA transactions for the period September 2025 through January 2026.

Effect

By not selecting expenditure transactions for audit based on a comprehensive risk-assessment methodology, the Program may increase the likelihood that it is not detecting purchases that are unallowable or missing documentation, or do not comply with Program regulations, risking the misuse of public monies. As shown in Table 3, page 26, since the Program implemented the automatic processing of transactions \$2,000 and less through January 31, 2026, we found nearly 2.3 million expenditure transactions that were under the threshold, totaling \$654.4 million for all spend types. Because of initial system limitations related to the processing of reimbursement transactions, ClassWallet temporarily provided services to the Program to manually identify reimbursement transactions that were \$2,000 and below and add them to a batch for automatic processing. While the Program asserted that these transactions would be subject to potential future audit, we identified that the Program did not include all transactions that should be subject to audit (see Table 1, page 23). As a result, expenditure transactions for explicitly unallowable items such as amusement park tickets, airline tickets, hotels, meals, and other travel expenditures were purchased using Program monies; however, we were not able to extend audit procedures to determine the extent of all unallowable items purchased using Program monies because the Program and the ClassWallet system was not able to identify which expenditure transactions were included in this process.

Further, as discussed in finding 2024-04, when the Program did identify misuse of program monies, it did not always follow up on these instances to ensure the monies were either repaid by the account holder or referred to the State Board of Education for collection. Finally, the Program's enrollment has continued to increase. Specifically, the Program has reported that,

as of April 2026, 102,532 students were enrolled in the Program for the 2025-2026 school year, which is an increase from the 61,689 students enrolled in the Program as of June 30, 2023.⁵

Table 3

Nearly 2.3 million transactions totaling more than \$654 million were automatically processed

December 17, 2024 through January 31, 2026

Spend type	Number of transactions	Dollar amount of transactions	Percentage of total dollar amount
ClassWallet Marketplace	598,385	\$123,837,155	18.9%
Direct pay	442,436	\$323,917,051	49.5%
Prepaid	523,986	\$64,227,588	9.8%
Reimbursement	724,425	\$142,457,321	21.8%
Total across all spend types	2,289,232	\$654,439,115	100.0%

Source: Auditor General staff analysis of ClassWallet system reports of ESA transactions for the period December 17, 2024 through January 31, 2026.

Cause

Program management did not consult with us as required by statute, which would have provided them additional information to consider when developing risk-based audit procedures for reviewing Program expenditures.

Program management reported that, to address concerns by its constituents over a backlog of unapproved expenditure transactions, they collaborated with an Empowerment Scholarship Account (ESA) Parent Handbook Committee that, according to the Program’s notifications email dated October 28, 2024, consisted of 10 ESA parents to establish a threshold that allowed all expenditure transactions of \$2,000 and less to be automatically processed and subject to a potential future audit by Program staff.⁶ This \$2,000 threshold was informally approved by the Superintendent of Public Instruction and implemented on or around December 17, 2024.⁷ At the time of the implementation of this \$2,000 threshold, the Program reported that it began to conduct audits based on key word searches of a portion of the expenditure transactions automatically processed as they were \$2,000 or less. Program management, however, did not consult with us, as required by statute, to develop risk-based auditing procedures to conduct

⁵ The Program count of students enrolled was obtained from the Program’s website, accessed on April 20, 2026. The Program count of students enrolled was obtained from the Program’s quarter 4 report for the period April 1, 2023 through June 30, 2023, pursuant to AAC R7-2-1503(5-6).

⁶ *Velia Aguirre v. State of Arizona* – Arizona Department of Education – John Ward May 6, 2025.

⁷ Arizona State Board of Education – AZSBE. (2024, December 9). *December 9, 2024 - Arizona State Board of Education Board Meeting* [Video]. YouTube. https://www.youtube.com/watch?v=J2kqXt_mzbY&list=PL-b8VYuT9iXdh2gtZJR-nXUift--5lusu&index=16&t=341s

audits over program expenses, despite our having asked to meet with them since January 2025. Further, on September 24, 2025, the Program notified us of its new dashboard that had been developed and implemented in conjunction with ClassWallet to better assist its review of expenditure transactions. Similarly, Program management did not consult with us when deciding which spend types to include or risk factors to consider when developing its ClassWallet dashboard. Our Office has also previously recommended to the Program the need to implement internal controls to prevent and detect fraud within the program; however, the Program has not implemented this recommendation.⁸

Additionally, the Program has not documented its policies and procedures for obtaining, selecting, and auditing expenditure transactions. Further, Program management reported they have informal training including allowing staff to cross-train with other groups performing different functions for the Program and using PowerPoint presentations to introduce topics such as program enrollment and accountability to Program staff.

Criteria

Effective September 14, 2024, the Program was statutorily required to develop risk-based auditing procedures to conduct audits over program expenditures.⁹ Specifically, Arizona law requires the Program to conduct or contract for annual audits of ESA accounts to ensure compliance and to conduct or contract for random, quarterly, and annual audits of ESA accounts as needed to ensure compliance.¹⁰ The law also requires the Program, in consultation with the Office of the Auditor General, to develop risk-based auditing procedures for audits conducted.

Further, defining, identifying, analyzing, and responding to risks and changes related to achieving defined objectives is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, and integral to developing risk-based auditing procedures as described in the *Global Internal Audit Standards* issued by the Institute of Internal Auditors.^{11,12} Specifically, after defining the program's objectives, management should identify its risks by considering all the types of risk that may impact the program, including those arising from within the program and with external parties. These risks should then be analyzed to estimate their significance and how they may impact previously defined objectives. Once all risks have been determined, management should design a response to these risks, ensuring that the response is appropriate based on the significance of the applicable risk. Designing control activities to prevent and detect improper payments is also another essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States.¹³ Specifically, preventative control activities could include preventive data analytics such as applying data matching to verify key information

⁸ See Auditor General 48-Month Followup of Report 20-103 *Arizona Department of Education – Empowerment Scholarship Accounts Program*.

⁹ Laws 2024, Ch. 218, Sec. 14.

¹⁰ A.R.S §15-2403(B).

¹¹ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 2/17/2026 from <https://www.gao.gov/assets/670/665712.pdf>

¹² The Institute of Internal Auditors. (2024). *Global Internal Audit Standards*. Retrieved 3/11/2026 from https://www.theiia.org/globalassets/site/standards/editable-versions/globalinternalauditstandards_2024january9_editable.pdf

¹³ U.S. Government Accountability Office. (2025). *Standards for internal control in the federal government*. Retrieved 3/12/2026 from <https://www.gao.gov/assets/gao-25-107721.pdf>

to determine identity, eligibility, and validity of transactions, or data validation, which uses instructions programed into an information technology system to help reasonably assure that data meets certain requirements before being accepted for processing. Additionally, detective control activities could include postpayment reviews to determine whether payments were made appropriately to eligible account holders and data matching, which includes verifying information using internal or external sources to confirm eligibility for those who are enrolled in the Program.

Further, other federal agencies, such as the Internal Revenue Service, develop expectations for different types of accounts from audits of a statistically valid sample and compare its data to information obtained from third-party sources in its determination of which accounts to select for audit.¹⁴

Lastly, comprehensive risk-based planning enables the Program to align and focus its limited resources to produce insightful, proactive, and future-focused assurance and advice on the Program's most pressing issues.

Recommendations to the Program

1. Document and perform a risk assessment to identify and analyze which expenditure transactions are higher risk and use this assessment to develop audit procedures to select the higher-risk expenditure transactions for audit. This risk assessment should consider factors such as categories, vendors, or account holders with high rates of misspending; be performed at least annually; and be used to evaluate and revise as necessary the factors considered in its Anomalous Activity Dashboard.
2. Evaluate and document, at least annually, its determination of whether the \$2,000 threshold for automatic expenditure processing and selecting 30% of the expenditure transactions for audit is appropriate and ensures compliance with A.R.S. §15-2402, including that Program monies are being spent to educate qualified students.
3. Revise its procedures for selecting expenditure transactions for audit to ensure that all spend types (i.e., Marketplace, Direct pay, Reimbursement, and Prepaid) are included in the population of expenditure transactions subject to audit sampling.
4. Develop and document formal policies and procedures that outline the factors to be considered when selecting expenditure transactions for audit; the audit procedures to be performed for all transaction spend types; procedures for steps to take when expenditure transactions that are unallowable, missing documentation, or mathematically inaccurate are identified; and other internal control processes to assist in preventing and detecting misuse of program monies. These policies and procedures should be reviewed and updated at least annually to include any updates to its risk assessment or automatic processing threshold.
5. Evaluate the 13 risk factors utilized within the ClassWallet system and determine if those factors meet the Program's needs. This evaluation should be documented and include a determination of whether the 13 risk factors produce substantial instances of misspending of program monies. If additional tools such as machine learning or artificial intelligence

¹⁴ Internal Revenue Service. (2025). The examination process. Retrieved 4/6/2026 from https://www.irs.gov/pub/irs-access/p3498_accessible.pdf

for identifying potentially unallowable transactions are available through ClassWallet or through other vendors, the Program should identify strategies to remove manual processes for obtaining, selecting, and auditing expenditure transactions to create a more efficient, comprehensive, and consistent transaction-evaluation process.

Views of responsible officials

ADE management does not concur with this finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy. ADE's response necessitates clarifications. See Auditor General's comments on pages 199 through 202.

The Department of Education has not addressed discrepancies between reported conflicts of interest (COI) and the Empowerment Scholarship Account Program's (Program) COI log nor ensured Program transactions with reported conflicts were independently reviewed

Condition

We found that the Department of Education (Department) has discrepancies between its employee disclosure statements and Program COI log and did not ensure all transactions relating to account holders for whom Program management and other employees reported personal relationships were independently reviewed.

First, contrary to State law, although the Department has a process to collect employee disclosure statements, which includes a section to report any conflicts such as personal relationships with a Program account holder and any affiliations with vendors who participate in the Program, its process did not always ensure that this information was accurately compiled in its COI log and communicated to its vendor ClassWallet to ensure that all transactions related to these account holders or vendors received an independent review.¹

Specifically, we found the following discrepancies:

- ▶ The COI log contained information for 2 Program account holders reported as conflicts for the Program's executive director; however, the executive director had not disclosed these conflicts in the 3 disclosure forms he submitted between October 2023 and October 2025. After we brought this discrepancy to Program management's attention, the executive director reported that, while he did know of these 2 families from prior encounters, he had directed the Program's former deputy director to add the 2 families to a high-risk/exclusion list that allowed for their transactions to be manually reviewed and receive expedited payment and reimbursement processing, but instead, the former deputy director erroneously added these 2 families to the COI log as conflicts of interest.

¹ The Program utilizes an internal spreadsheet, referred to as the COI log, to compile and track all reported instances of employees with close personal relationships with Program account holders. The Program sends a condensed version of this spreadsheet to its third-party vendor, ClassWallet, to ensure that all transactions related to these account holders or vendors receive an independent review. The Department initially reported to us that its former deputy director was responsible for updating the COI log; however, Program management reported in October 2025 that, after the deputy director's departure from the Program in April 2025, the executive assistant to the executive director (executive assistant) was responsible for updating the COI log and that the purchasing manager subsequently provided updated COI logs to ClassWallet. In January 2026, contrary to its October 2025 assertions, the executive assistant and other Program management reported that the executive assistant did not receive the employee disclosure statements and was not responsible for updating the COI log; however, they hypothesized that the Program's purchasing manager was responsible for this. On March 18, 2026, Program management reported that the purchasing manager receives employee disclosure statements and updates the COI log without the involvement of the executive assistant. However, while we were able to confirm that the purchasing manager, who is not independent of the Program, provided updated COI logs to ClassWallet, the Program was unable to demonstrate through its documentation who ultimately updated this COI log based on the employee disclosure statements.

We reviewed all 266 transactions for these 2 families between July 2023 and October 2025 and found unallowable expenses, expenditure transactions missing documentation, and overpayments, collectively totaling \$4,031, as shown in Table 1 below.

For example, we found:

- 8 of the 28 expenses missing required documentation, totaling \$861, were reimbursements for tutoring services such as music lessons; however, evidence of the tutor’s accreditations was not provided or retained with these transactions, as required by the *Empowerment Scholarship Account (ESA) Parent Handbook*.
- 9 of the 10 unallowable expenses consisted of uniforms totaling approximately \$937 that were not related to a qualified school, as required by the *Empowerment Scholarship Account (ESA) Parent Handbook*.

Table 1

Two families identified on COI log as being conflicts for executive director had their transactions reviewed quickly and had missing documentation, unallowable expenses, and overpayments totaling \$4,031

July 2023 through October 2025

Issue identified	Number of transactions	Dollar amount of transactions
Missing documentation	28	\$2,951
Unallowable expense	10	\$967
Overpayment	9	\$113
Total	47	\$4,031

Source: Auditor General staff analysis of ClassWallet system reports of ESA transactions for the period July 2023 through October 2025.

- ▶ The COI log contained information for an additional 2 account holders with 4 students reported as conflicts; however, it did not include the specific Program employee these families were associated with. After we brought this to Program management’s attention, they reported 1 of the account holders was a Department employee’s son but not a Program employee, and the other account holder was a contractor assisting with the Department’s procurement process and not affiliated with the Program.
- ▶ The COI log contained information for 1 account holder with 7 students who were reported as conflicts in the COI log under the Program’s former deputy director, but she had not included that account holder in her employee disclosure forms submitted between October 2023 and March 2024. For the period July 2023 through October 2025, we found 138 transactions totaling \$90,077 associated with this account holder.

- ▶ The COI log contained 2 students reported as conflicts under the Program’s purchasing manager, but she had not included these students in her employee disclosure forms she submitted between October 2023 and December 2025. The purchasing manager reported that, while she applied for ESA accounts for these 2 students, a contract was never signed, and therefore, she never included them in her employee disclosure form. We did not identify any transactions for these 2 students during our test work.

Second, as shown in Table 2 below, contrary to Program requirements, Program management did not ensure \$44,120 of transactions for account holders whom Program management and other Program employees had identified as having personal relationships within their employee disclosure statements received an independent review and approval to ensure they were allowable and followed program regulations. Specifically, for the period July 2023 through October 2025, we reviewed all 260 transactions for account holders whom Program management identified as having a personal relationship within their employee disclosure statements and a sample of 25 transactions for account holders whom other Program employees identified as having a personal relationship within their employee disclosure statements and found:

- ▶ 25 transactions totaling \$25,025 were auto-processed in the ClassWallet system.
- ▶ 64 transactions totaling \$18,430 were added by ClassWallet to a queue intended for the Program’s further review; however, at the time of our audit, the Program had not reviewed these transactions.
- ▶ 1 transaction where the Program purchasing manager approved her own child’s tuition reimbursement totaling \$665.

Table 2

Program management did not ensure that 90 transactions totaling \$44,120 associated with Program employees’ disclosed conflicts were independently reviewed and approved

July 2023 through October 2025

Program employees with disclosed personal relationships relating to ESA account holders	Number of transactions by identified issue			Dollar amount of transactions with issues
	Auto processed	ClassWallet put in queue for Program review	Self approved	
Enrollment manager	3	60	0	\$15,284
Executive director	12	0	0	\$14,745
Other Program employees	10	4	0	\$13,426
Purchasing manager	0	0	1	\$665
Total	25	64	1	\$44,120

Source: Auditor General staff analysis of the ClassWallet system reports of ESA transactions for the period July 2023 through October 2025.

We also noted 20 transactions, including 8 of the 90 transactions discussed in Table 2, page 32, totaling \$8,166 from these account holders that were unallowable, missing required documentation, or overpaid as shown in Table 3, page 34.

Specifically, we found:

▶ **10 potentially unallowable expenses**

8 transactions for account holders relating to the Program enrollment manager consisting of adult romance books and an Amazon Echo Show 5 device and 2 transactions for other Program employees consisting of Nintendo Switch accessories.

▶ **8 purchases missing required documentation. For example:**

- 1 transaction relating to the Program's executive director's child for music lessons that did not include required evidence of instructor accreditation.
- 4 transactions relating to 3 other Program employees, most notably 1 of which a Program employee used a prepaid card to pay their child's tuition totaling \$5,000 but failed to submit a detailed receipt or invoice to support the expense.

▶ **2 purchases for which they were overpaid. Specifically:**

- 1 transaction for an account holder relating to the Program's purchasing manager for which the vendor was paid \$44 more than the amount indicated on the invoice.
- 1 transaction for an account holder relating to the Program's enrollment manager's child for which an invoice was submitted for tuition reimbursement that covered the same period as a previously submitted invoice that had already been reimbursed \$500.

Table 3**Program’s review of transactions for ESA account holders for which Program management and other Program employees had disclosed personal relationships did not always identify issues including unallowable expenses, missing documentation, and overpayments**

July 2023 through October 2025

Program employees with disclosed personal relationships relating to ESA account holders	Number of transactions by identified issue			Dollar amount of transactions with issues
	Unallowable expense	Missing documentation	Overpayment	
Other Program employees	2	4	0	\$6,279
Enrollment manager	8	3	1	\$988
Executive director	0	1	0	\$855
Purchasing manager	0	0	1	\$44
Total	10	8	2	\$8,166

Source: Auditor General staff analysis of the ClassWallet system reports of ESA transactions for the period July 2023 through October 2025.

Effect

By not ensuring that the process used to track all employees’ personal relationships is working as intended, Program management is unable to ensure that the related Program transactions receive an independent review to ensure they comply with Program rules and guidelines, thereby increasing the risk that public monies were misused. While the Program reported that their processes were designed only to ensure that an employee did not review their own transaction, the Program is at risk that other Program employees’ judgment could be impaired when reviewing the transactions of their fellow coworkers. Also, by not ensuring that transactions for ESA account holders for whom Program management reported having a personal relationship with adhere to Program rules and guidelines, Program management risks not setting an ethical tone at the top environment for the Program in general.

Further, the Program’s adding 2 families to a high-risk/exclusion list that allowed for their transactions to be manually reviewed, receive expedited payment and reimbursement processing, and by them having unallowable expenses, transactions missing documentation, and overpayments from July 2023 through October 2025 that we identified the Program has not reviewed puts the Program at risk of not being able to recover any monies spent inappropriately. Specifically, 26 of the 47 transactions totaling \$2,190 occurred during fiscal year 2024, and these expenses are now past the time limitation in which the Department is able to review these

transactions for recovery pursuant to administrative rule.² Of the remaining 21 transactions, 18 transactions totaling \$1,571 occurred during fiscal year 2025 and are close to this time limitation, and therefore, the Program is at risk of not being able to audit these transactions and subsequently collect any monies for unallowable purchases.

Finally, similarly, the Program is at risk of not being able to recover any monies spent inappropriately, having processed 20 transactions from July 2023 through October 2025 that we reviewed and identified as unallowable purchases, missing documentation, and overpayments for account holders for whom Program management and other Program employees reported a personal relationship without ensuring they were allowable or followed Program regulations. Specifically, 13 of the 20 transactions totaling \$1,307 occurred during fiscal year 2024, and these expenses are now past the time limitation in which the Department can review these transactions for recovery pursuant to administrative rule. The remaining 7 of 20 transactions totaling \$6,859 occurred during fiscal year 2025 and are close to this time limitation, and therefore the Program is at risk of not being able to audit these transactions and subsequently collect any repayment for unallowable purchases.

Cause

Program management reported that they do not have documented policies and procedures for analyzing and disseminating information obtained from employee conflict-of-interest disclosure statements about ESA account holders and ESA vendors for which Program employees have personal relationships. Also, the Program used an informal COI log to record the various conflicts when updated employee disclosure statements were received; however, when the former deputy director left the Program in April 2025, Program employees were unsure who was responsible for updating and ensuring the accuracy of the COI log based on the updated employee disclosure statements.

Further, Program management reported that the 2 families added to a high-risk/exclusion list that allowed for their transactions to be manually reviewed and receive expedited payment and reimbursement processing were families who expressed concerns that the slow processing time for their reimbursement transactions was impacting their financial situation. In order to assist these families, the executive director gave these families preferential treatment to ensure their transactions were reviewed quickly during a time when the Program was experiencing long transaction-approval times.

Finally, Program management initially reported to us in June 2025 that all transactions related to ESA account holders or vendors for which Program management or other Program employees had an identified conflict of interest were automatically assigned in ClassWallet to its purchase review specialist to ensure they were allowable and complied with Program regulations, regardless of the dollar amount of the transaction. However, our review found that not all conflict-of-interest transactions were being independently reviewed to ensure they were allowable and compliant. For example, beginning on or around December 2024, only the transactions that were greater than \$2,000 were routed to the purchase review specialist, while the transactions of \$2,000 and less were subject to automatic processing without an independent review. This practice,

² Arizona Administrative Code R7-2-1508(A) obtained from https://apps.azsos.gov/public_services/Title_07/7-02.pdf

however, was also not consistently followed. For instance, we noted that prepaid transactions for account holders for whom Program management or other Program employees had an identified conflict of interest were not assigned to the purchase review specialist but were reviewed by the ClassWallet validation services team and escalated to the Program for review if there was a concern with the allowability of the expense or the documentation provided. As discussed in Finding 2024-04, the Program has not reviewed all transactions ClassWallet escalated to it.

However, the Program reported to us in February 2026 that, contrary to its prior assertions, this process was intended to only prevent an employee from reviewing their own transactions. While this is an appropriate risk to consider, the Program should also consider the risk that Program employees' judgment could be impaired when reviewing transactions that relate to reported conflicts of interest associated with their peer coworkers, and that under the Program's current process, there is still a risk that a transaction could be assigned for review to the employee with the related conflict of interest.

Criteria

Arizona law requires employees of public agencies and public officers to avoid conflicts of interest that might influence or affect their official conduct.³ In addition, pursuant to the *State of Arizona Accounting Manual* (SAAM), management at each agency is responsible for monitoring in the normal course of business, at least annually, any transactions that occur between the agency, agency management, and/or agency staff with individuals or organizations in or with which agency management or agency employees have a substantial or remote interest.⁴ To help ensure compliance with these requirements, the Arizona Department of Administration's *State Personnel System Employee Handbook* and the Department's employee disclosure statement require Department employees to assert if they are an ESA account holder, have children enrolled in the Program, or have a personal relationship or affiliation with anyone or entity involved with the Program, including parents, children, or vendors tied to the Program. The form also requires Department employees to attest that they do not have any of these potential conflicts, if applicable, also known as an "affirmative no." In addition, Department management is also responsible for retaining documentation relating to any conflict-of-interest situations and how they were resolved.

Additionally, the *Empowerment Scholarship Account (ESA) Parent Handbook* and State law include the following requirements for Program expenses:

- ▶ Uniforms for extracurricular activities, physical education, and educational camps not related to a qualified school are not allowable.⁵
- ▶ Account holders must submit tutor's credentials when submitting an expense through the ESA portal when using the reimbursement method, even if the provider or vendor is registered in the ClassWallet platform.⁶

³ A.R.S §38-503.

⁴ SAAM 0535, Related Party Transactions, 2. Retrieved 2/16/26 from <https://gao.az.gov/sites/default/files/2022-05/0535%2520Related%2520Part%2520Transactions%2520201109.pdf>

⁵ Extracurricular Activities, Physical Education & Educational Camps – ESA 2023-2024 Handbook page 15.

⁶ Tutoring or Teaching Services – ESA 2023-2024 Handbook page 12 and Chapter 4: Expense Submissions – ESA 2023-2024 Handbook page 48.

- ▶ Expenses related to video game consoles and accessories and inappropriate material are prohibited.⁷
- ▶ Complete and detailed invoices must be provided for all expenses. Private school invoices must include what the ESA funds are paying for. The total amount charged must be reflected on the invoice. Further, appropriate steps must be taken to prevent duplicate payment of an invoice.^{8,9}

Additionally, it is important that management sets an ethical tone at the top and throughout the Program, which is fundamental to an effective internal control system.¹⁰ Further, as part of analyzing fraud risks, management should also assess the risk of management override of controls, such as adding families to a high-risk/exclusion list to inappropriately expedite processing time for their reimbursement requests, and develop appropriate responses to address the risk.¹⁰

Recommendations to the Program

1. Complete an independent review of the current conflict-of-interest log to ensure it is complete, accurate, and includes all previously reported conflicts of interest by both Program management and other employees as well as all Department employees. If new, unrecorded conflicts are discovered, the Program should communicate this information to ClassWallet to ensure all transactions receive an independent review.
2. Conduct and document a review of all prior transactions, including those we identified, associated with identified conflicts of interest for a parent, child, or vendor associated with the Program that were automatically processed or escalated by ClassWallet and subsequently not reviewed by the Program to ensure the transaction is allowable and complies with all applicable Program regulations. This review should be performed by someone completely independent and who does not have a personal relationship or affiliation with any parents, children, or vendors related to the Program. If any unallowable expenses are identified as part of this review, take the required further action, including up to issuing a suspension notice or termination letter and reporting the account to the State Board of Education for collection.
3. Review the accounts for the 2 families inappropriately added to the high-risk/exclusion list for the purpose of expediting their reimbursement requests to determine if their accounts should still be included on the high-risk/exclusion list, and take any necessary actions.
4. Develop, document, and implement written policies and procedures to review all transactions associated with identified conflicts of interest for a parent, child, or vendor associated with the Program that were automatically processed or escalated by ClassWallet to ensure the

⁷ ESA Disallowed Expenses – ESA 2023-2024 Handbook page 38.

⁸ Required Documents for all Expenses in the ClassWallet Platform – ESA 2023-2024 Handbook page 49.

⁹ SAAM 0510, Internal Controls by Process, 1.7. Retrieved 2/16/26 from <https://gao.az.gov/sites/default/files/2022-04/0510%2520Internal%2520Controls%2520by%2520Process%2520-%2520220404.pdf>

¹⁰ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 2/17/2026 from <https://www.gao.gov/assets/670/665712.pdf>

transaction is allowable and complies with all applicable Program regulations. This review should be performed by someone completely independent and who does not have a personal relationship, conflict, or affiliation with any parents, children, or vendors related to the Program.

5. Develop, document, and implement written policies and procedures to collect, analyze, and disseminate to the appropriate individuals information reported by employees for parents, children, or vendors related to the Program for which they have a personal relationship or affiliation. This information should be collected, analyzed, and disseminated at least annually by someone who is completely independent of the Program and who does not have a personal relationship or affiliation with any employees, parents, children, or vendors related to the Program.
6. Perform a risk assessment of management override of controls and develop appropriate procedures to mitigate and detect instances of this risk.

Views of responsible officials

ADE management does not concur with this finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy. ADE's response necessitates clarifications. See Auditor General's comments on pages 199 through 202.

The Arizona Department of Education’s Empowerment Scholarship Account Program (Program) did not conduct or timely conduct reviews of transactions that may be indicative of unallowable expenses or fraudulent activity and did not always take further required action, such as issuing a suspension notice or termination letter, which may have resulted in \$86,599 of Program monies we reviewed being misused

Condition

Contrary to State law, the Program did not always conduct or timely conduct reviews of transactions that were identified as unallowable or missing required documentation between March 2025 and October 2025.¹ As shown in Table 1, page 40, our review of 15 transactions the Program identified as needing Program management review during 3 of its weekly audits from March 2025 through October 2025—4 identified as unallowable expenses and 11 identified as missing required documentation—found that Program management did not timely review the audit results or take timely action for 14 of the transactions.²

¹ A.R.S. §15-2403(B-C).

² We judgmentally selected 15 of 8,891 expenditure transactions totaling \$1,083,113 that Program management identified as having concerns with the allowability of the expenditure transaction or the documentation provided by the account holder. We selected our audit sample(s) to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

Table 1**Program management did not always review or timely review and take action on Program audit results that identified unallowable expenses and missing documentation**

March 2025 through October 2025

Program audit results	Number of transactions	Dollar amount of transactions	Program management reviewed audit results and took action?
Unallowable expenses			
Planter boxes	1	\$1,666	No
Refrigerator	1	\$1,648	Yes
Gym equipment	1	\$1,400	No
Generator	1	\$1,099	No
Subtotal	4	\$5,813	
Missing documentation			
Tuition	9	\$17,535	No
Telescope	1	\$1,699	No
Raised garden bed	1	\$720	No
Subtotal	11	\$19,954	
Total	15	\$25,767	

Source: Auditor General staff analysis of the Program's weekly audit Excel spreadsheets from audits conducted for the weeks of March 3, 2025; June 16, 2025; and October 27, 2025.

Specifically, we found:

- ▶ For 3 of 4 unallowable expenses identified totaling \$4,165, the Program did not verify that the transactions were unallowable and timely take appropriate action, such as account suspension when necessary. For example, an account holder with a qualifying disability purchased a generator totaling \$1,099 on October 18, 2025, through the ClassWallet Marketplace.³ Although the Program auditor noted the expense as unallowable on October 30, 2025, Program management initially reported to us on January 13, 2026, that the transaction had not yet been reviewed by management, and therefore, no action had been taken. On February 19, 2026, Program management asserted that this account was

³ The Arizona ClassWallet Marketplace is the financial management platform for the Program where parents can make tuition payments, purchase educational items, and pay for other education-related expenses. More information about this platform can be obtained at <https://www.azed.gov/esa/classwallet>

unable to submit new orders as of January 14, 2026; however, a suspension letter had not yet been issued to the account holder. This account holder has spent \$129,787 of Program monies between the period July 2023 through October 2025.

- ▶ For the remaining 1 of 4 unallowable expenses, an account holder with a qualifying disability purchased a refrigerator totaling \$1,648 on May 18, 2025, through the ClassWallet Marketplace. The Program initially noted the expense as unallowable on June 16, 2025, and, after conducting a full account audit, issued a suspension notice on August 29, 2025.⁴ However, on January 13, 2026, Program management initially reported that they had not taken any further required action pursuant to administrative rules, such as issuing a termination letter and reporting the account to the Arizona State Board of Education (SBE) for collection, since the account was suspended nearly 6 months earlier. However, on February 19, 2026, Program management asserted that they had followed up with this account holder in September 2025 by resending its previously issued suspension notice, and as of February 19, 2026, the account holder was pending Program management approval for termination from the Program, nearly 8 months after the Program initially identified the expense as unallowable. This account holder has spent \$29,445 of Program monies between the period July 2023 through October 2025.
- ▶ For the 11 of 15 transactions reviewed, Program management did not verify the Program auditor's determination that sufficient documentation was not provided. In addition, Program management did not notify the account holders of the missing documentation or require them to submit the documentation, as necessary.

For example:

- One account holder, under universal eligibility, requested tuition reimbursement totaling \$2,000 on January 14, 2025. The Program auditor noted on March 7, 2025, or nearly 11 months prior to our review on January 13, 2026, that the expense was missing documentation because the invoice was inadequate. However, we found that the documentation did not contain an invoice at all but rather a handwritten bank transfer payment receipt for \$1,000. In addition, the same documentation was uploaded to the account holder's ClassWallet account twice for the same purchase, and the account holder was improperly reimbursed \$2,000 instead of \$1,000. We found this transaction was automatically processed because it met the Program's \$2,000 or less threshold. This account holder has spent \$21,763 of Program monies between the period July 2023 through October 2025. After we brought this matter to the attention of Program management, the transaction was forwarded to the ESA & Empower Hotline Investigator on February 11, 2026.
- An account holder, under universal eligibility, requested tuition reimbursement totaling \$1,918 on April 21, 2025. The Program auditor noted on June 17, 2025, or nearly 8 months prior to our review on January 13, 2026, that the expense was missing documentation because the invoice was inadequate. We found the documentation

⁴ During our review of the transactions for this account holder, we noted that the Program suspended this specific account in May 2025 as a result of prior Program audits. However, the expenditure transactions we identified were determined to be unallowable in June 2025, and an updated suspension notice was issued in August 2025, indicating that the account holder owed \$23,162.42.

contained a screenshot of upcoming payments due; however, since the expense was submitted as a reimbursement, proof of payment was required pursuant to the *Empowerment Scholarship Account (ESA) Parent Handbook* but had not been provided by the account holder. We found this transaction was automatically processed because it met the Program's \$2,000 or less threshold. This account holder has spent \$16,204 of Program monies between July 2023 through October 2025. After we brought this matter to the attention of Program management, they reported that this account holder was forwarded for a full account audit on February 23, 2026.

During our review, we also judgmentally selected 63 expenditure transactions for review occurring between July 2023 and October 2025 totaling \$251,446 to evaluate the effectiveness of the Program's processes for reviewing expenditure transactions to ensure they comply with Program rules and guidelines.⁵ For 12 of the 63 transactions, which totaled \$28,340, we found that ClassWallet escalated these transactions to the Program through the ClassWallet system for an additional manual review by Program staff, but at the time of our audit, Program staff did not document whether they conducted a manual review of these transactions.⁶ Program management reported that these transactions are subject to their weekly audits and may be selected for manual review later; however, we were unable to determine if any of these items were reviewed during the Program's weekly audits because the Program does not document its review in the ClassWallet system, but rather through a series of Excel files that do not consistently include all automatically processed transactions for the applicable week (see Finding 2024-02, Table 1, page 23, for more details). As a result, we were unable to perform auditing procedures to trace and agree these items to the transactions reviewed during the weekly audits and determine whether Program management addressed any misspending or documentation issues. Despite the Program not documenting its performance of this subsequent review, the account holders have spent and, in some cases, continue to spend Program money and receive purchased goods or services.

Additionally, as shown in Table 2, page 43, we found that for 25 of the 63 expenditure transactions, the Program's review did not identify overpayments or other issues that we identified, such as missing documentation, that may be indicative of misuse of Program monies.

⁵ We selected our audit sample(s) to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

⁶ Around May 2023, the Program entered into an agreement with ClassWallet to provide validation services to assist in the manual review of certain transactions. Any expenses that were not specifically allowable by the *Empowerment Scholarship Account (ESA) Parent Handbook* were automatically added by the system to a queue for the Program staff to subsequently manually review and ensure the expenditure transaction was for an allowable expense and included all required documentation.

Table 2

Program’s review did not identify 25 of 63 transactions we found had issues, including missing documentation, indicators of possible misuse, overpayments, and unallowable expenses¹

July 2023 through October 2025

Program expenditure transactions with:	Number of transactions	Dollar amount of transactions	Percentage based on dollar amount of transactions
Identified issues			
Missing documentation	11	\$42,760	17.0%
Indicators of possible misuse	2	\$17,531	6.9%
Missing accreditation	7	\$14,175	5.6%
Overpayment	3	\$9,977	4.0%
Unallowable expense	2	\$2,155	0.9%
Subtotal	25	\$86,599	34.4%
No identified issues			
No reportable transactions noted	38	\$164,847	65.6%
Subtotal	38	\$164,847	65.6%
Total	63	\$251,446	100.0%

¹ We selected our audit sample(s) to provide sufficient evidence to support our findings, conclusions, and recommendations. Unless otherwise noted, the results of our testing using these samples were not intended to be projected to the entire population.

Source: Auditor General staff analysis of ClassWallet system reports of ESA transactions for the period July 2023 through October 2025.

For example, we found:

- ▶ \$8,906 for 3 months of tuition for an account holder, enrolled with a qualified disability, that was sent to a PayPal account with the same name as the account holder. ClassWallet performed a validation review of the transaction and escalated it for Program management review; however, the Program lacked documentation that demonstrated Program management reviewed this purchase to ensure it was allowable and complied with Program rules. After we brought this matter to Program management’s attention, they reported forwarding it to their ESA & Empower Hotline Investigator on February 19, 2026, and referred it to the Arizona Attorney General’s Office on March 6, 2026. This account holder spent \$95,401 of Program monies between July 2023 through October 2025.

- ▶ \$8,625 for 3 months of tutoring where the invoice did not include details required by the *Empowerment Scholarship Account (ESA) Parent Handbook* such as a breakdown of the dates of services and the services provided, and it was also sent by the same email address associated with the account holder, with a qualified disability. A Program employee initially rejected the transaction because of the insufficient documentation; however, after the account holder resubmitted the transaction with the original documentation, a different Program employee did not identify the previously identified insufficient documentation, despite the previously rejected transaction, and approved the transaction for payment.
- ▶ \$3,600 for an account holder's functional neurology therapy that did not include documentation of the required accreditation demonstrating the provider was skilled and licensed in their field for this account holder's qualified disability. ClassWallet performed a validation review of the transaction and escalated it for Program management review; however, the Program lacked documentation that demonstrated Program management reviewed this purchase and requested additional documentation to ensure it was allowable and complied with Program rules. This account holder spent \$29,818 of Program monies between July 2023 through October 2025.
- ▶ \$1,981 for unallowable items such as food and drinks, curtain rod brackets, a dashboard camera, home security cameras, and bathroom accessories. The Program did not manually review these expenditure transactions because they were under the \$2,000 automatic processing threshold at the time (see Finding 2024-02 for more details about the automatic processing threshold). This account holder, with a qualified disability, spent \$81,291 of Program monies between July 2023 through October 2025.
- ▶ \$1,227 for tutoring services that were not supported by payment documentation such as an invoice or receipt. Although the account holder, with a qualified disability, requested and received \$7,217 in total, the documentation provided by the account holder only supported \$5,990, leaving \$1,227 unsupported. This transaction was manually reviewed and approved by a Program employee; however, their review did not detect this error. This account holder spent \$86,280 of Program monies between July 2023 through October 2025.

Finally, based on Program records, in November 2024, the Program authorized ClassWallet to complete a batch approval of 47,198 transactions totaling \$6.36 million prior to the Program's implementing its \$2,000 automatic processing threshold in December 2024. These transactions consisted of direct pay, ClassWallet Marketplace, and reimbursement expense types that did not exceed \$1,000 per order and met the 97% rate of account holder approval history.⁷ The Program reported that although these transactions may have been subjected to manual review through its weekly audit process, because the Program only utilized key word searches to determine which expenditure transactions to review, neither we nor Program administrators could determine if the Program subsequently reviewed any of these transactions for appropriateness.

⁷ Program management reported to us that, among other criteria, the Program required the account holder to have had at least 97% of their transactions approved (i.e., not denied) to be eligible to be included in this batch-approval process.

Effect

By not conducting or timely conducting reviews of transactions that were identified as unallowable or missing required documentation, the Program's public monies may be at risk of being misused since potentially unallowable purchases have already been made and automatically processed by the Program, and the Program has reimbursed the account holder or vendor for the goods or services. For example, ClassWallet identifies certain transactions as being higher risk for unallowable expenses or are missing required documentation to support the expenditures' purposes and escalates these transactions for the Program's subsequent manual review. Our review of ClassWallet transaction records for the period July 2023 through October 2025 found 581,487 transactions totaling \$99.7 million that ClassWallet escalated to the Program's queue, but the Program lacks support to show it has reviewed or taken action on these high-risk expenditure transactions.⁸

In addition, because administrative rule only allows for the Program to audit account activity from the last 2 fiscal years, including the current fiscal year, untimely reviews may result in monies for unallowable purchases not being recoverable.⁹ For example, 4 of 25 transactions that may be indicative of misuse of program monies totaling \$23,955 that we reviewed and discussed earlier occurred during fiscal year 2024 and are now past the time frame for recovery. This extends to any additional transactions the Program may have determined unallowable had it performed full audits of the entirety of the 4 account holders' transactions during the 2-year timeframe. An additional 9 of 25 transactions totaling \$43,187 occurred during fiscal year 2025 and, because they are close to this time limit, are at risk of not being recoverable. Again, this extends to any additional potential transactions the Program could identify as unallowable if it were to perform full audits of the entirety of the 9 account holders' transactions during the 2-year timeframe.

Lastly, because the Program does not always obtain the documentation that demonstrates vendors providing specialized services are licensed or skilled in their field as required, students receiving services from these vendors are at an increased risk of receiving inadequate or improper services.

Cause

Several factors have led to the problems we identified with Program employees not conducting timely reviews of expenditure transactions and not always taking further required action. First, Program management initially reported to us in September 2025 that they manually review 25% of the expenditure transactions that are automatically processed totaling \$2,000 or less on a weekly basis; however, in subsequent meetings in January 2026, Program management asserted that they now manually review 30% of these expenditure transactions. However, we did not see this practice consistently being applied, and we identified several issues with Program audit methodology, including some high-risk transactions being excluded from these manual reviews. Additionally, the Program's automatic processing procedure allowed expenditure transactions to be paid first to the account holder or vendor before later being subject to potential audit by Program staff. See Finding 2024-02 for additional information about this process and our findings and recommendations.

⁸ Program management reported that these transactions are subject to their weekly audits and may be selected for manual review later; however, it is not possible for us nor Program management to determine if any of these items were reviewed during the Program's weekly audits because the Program does not document its review in the ClassWallet system, but rather through a series of Excel files that cannot be matched to the transactions reviewed during the weekly audits.

⁹ Arizona Administrative Code R7-2-1508(A) obtained from https://apps.azsos.gov/public_services/Title_07/7-02.pdf

Second, in September 2025, the Program unveiled its development and use of a new ClassWallet tool to identify transactions that could be indicative of unallowable purchases. Although the Program began manually reviewing more transactions, Program management reported that, due to resource constraints, they initially focused their efforts on transactions that are explicitly unallowable according to the *Empowerment Scholarship Account (ESA) Parent Handbook* and anticipate investigating the remaining transactions at a later date. For instances where the transaction may be allowable, pending the receipt of required supporting documentation, Program management initially indicated that they are only able to pursue transactions that are explicitly unallowable due to statutory limitations; however, the Program’s contract with parents and the ESA Parent Handbook give the Program the ability to review all transactions to ensure they are allowable and comply with Program rules.¹⁰

Third, Program management also reported to us that resource constraints prevented them from being able to review these transactions for allowability and compliance with Program regulations in a timely manner. As shown in Table 3, page 47, although the Program has received appropriations to fund its operations, the resources provided may not have been enough based on Program growth. Program management reported that consistent resource constraints have reduced the Program’s ability to keep up with the demand as Program enrollment has increased from 61,689 to 102,532 (see Finding 2024-02, footnote 5).¹¹

¹⁰ The Program’s ESA contract states “Holder shall spend his or her Student’s Empowerment Scholarship in accordance with A.R.S. §5-2402 and the current ESA Parent Handbook.” (Mutual promise #5) Further, the Program’s *Empowerment Scholarship Account (ESA) Parent Handbook* states “If ESA staff identify unallowable purchases during purchase reviews or audits, they will suspend the applicable accounts and notify Account Holders of suspension and possible termination.” (Chapter 5, Page 53)

¹¹ Pursuant to an October 10, 2019, resolution by the Joint Legislative Audit Committee, we reviewed the Program’s caseload and conducted a workload analysis. We issued a special audit report in April 2020 where we recommended that the Arizona Department of Education allocate 21 FTE positions to the Program in fiscal year 2021, which was an increase from the 13 FTE at the time of the report. At the time we conducted the workload analysis, the Program had 7,634 students enrolled, as compared to its current enrollment of 102,532. See Auditor General report 20-103 Arizona Department of Education—Empowerment Scholarship Accounts Program. During the February 11, 2026, House Committee on Appropriations meeting to discuss proposed increased funding for Program administration (House Bills 2499 and 2500), the Program submitted a workload analysis that indicated it had 42 employees and was requesting funding for an additional 27 employees, which would primarily consist of 10 additional purchase reviewers and 8 additional accountability specialists, comprising call center specialists, enrollment specialists, and a data scientist.

Table 3**Program received separate line-item appropriations for its operating expenses during fiscal years 2022 and 2023; Program’s operating expenses shifted to Department’s operating lump sum appropriations in subsequent fiscal years**

Fiscal years 2022 through 2026

Fiscal year	Program operational appropriations	Program award appropriations	Department’s operating lump sum appropriations	Source
2022	\$2,176,400	\$155,538,000	\$13,010,600	Laws 2021, Ch. 408, Sec. 30
2023 ¹	\$4,426,800	\$475,000,000	\$10,348,400	Laws 2022, Ch. 313, Sec. 31, as amended by Laws 2023, Ch. 133, Sec. 105; Laws 2022, Ch. 388, Sec. 5
2024 ^{2,3}	\$0	\$625,155,700	\$25,633,100	Laws 2023, Ch. 133, Sec. 31
2025 ²	\$0	\$872,156,000	\$15,626,800	Laws 2024, Ch. 209, Sec. 39, as amended by Laws 2025, Ch. 233, Sec. 103
2026 ²	\$0	\$1,001,720,000	\$15,362,500	Laws 2025, Ch. 233, Sec. 31

¹ In fiscal year 2023, in addition to all other appropriations made, the Department was appropriated \$2.2 million and 26 full-time equivalent positions from the State General Fund for administering Empowerment Scholarship Accounts.

² In fiscal year 2024, the Program’s separate line-item appropriation shifted to the Department’s operating lump sum appropriation. As a result, there is no specified amount for the Program’s operational appropriations for fiscal years 2024 through 2026.

³ In fiscal year 2024, the Department received a \$10 million appropriation as a one-time increase from the State General Fund for operating expenses. The increase is exempt from the provisions of A.R.S. §35-190 relating to lapsing of appropriations until June 30, 2026. The Department reported that this 1-time appropriation was provided primarily to market the Program and for advertising.

Source: Auditor General staff analysis of the Department’s appropriations for fiscal years 2022 through 2026.

Fourth, the Program has not documented internal policies and procedures to provide guidance to Program employees for manually reviewing and approving expenditure transactions, other than what is included within the publicly available *Empowerment Scholarship Account (ESA) Parent Handbook*, which is insufficient for providing clear guidance and procedures to Program employees on how to do their jobs. Further, the Program has not provided formal training to Program employees to ensure they are aware of Program documentation requirements or ongoing training when a new *Empowerment Scholarship Account (ESA) Parent Handbook* is developed. Program management stated that they do not have the resources available to fully document policies and procedures for all aspects of the Program as they are focused on day-to-day operations.

Finally, Program management reported to us on February 19, 2026, that to address a backlog of pending transactions needing approval, they determined the best course of action was to submit a large batch of transactions they viewed as lower risk for a batch approval. However, Program management did not have a plan to subsequently review these transactions to ensure they were allowable and complied with Program rules and guidelines.

Criteria

In accordance with A.R.S. §15-2402(B), to enroll a qualified student for an Arizona empowerment scholarship account, the parent of the qualified student must sign an Empowerment Scholarship Account Contract (Contract). By signing the Contract, the account holders agree to use their student's ESA funds in accordance with A.R.S. §15-2402 and the current *Empowerment Scholarship Account (ESA) Parent Handbook*, which includes the following requirements:

- ▶ Expenses related to categories such as home furnishing and fixtures, home improvement items, large appliances, and food are prohibited.^{12,13}
- ▶ Invoices are required when paying a qualified school, vendor, facility, or therapist. Handwritten receipts, screenshots of carts, credit card slips, or summary statements from vendors and/or providers will not be accepted.¹⁴
- ▶ For reimbursements, proof of payment method is required.¹⁵
- ▶ ESA account holders cannot receive any funding from their ESA account.¹⁶
- ▶ Invoices for tutors must include the rate amounts and type of service(s). The total amount charged must be reflected on the invoice.¹⁵
- ▶ To receive purchase approval for educational therapies, account holders must provide a copy of the valid license or accreditation of the individual providing the therapy or therapeutic service.¹⁷

The Program is required by A.R.S. §15-2403(B-C) to conduct or contract for random, quarterly, and annual audits of Arizona empowerment scholarship accounts to ensure compliance with other Program rules and regulations.

Account holders also agree to the termination procedure described in the Contract and A.R.S. §15-2403(C-F) if the Program determines the account holder has violated the terms of the Contract or taken action that fails to comply with the requirements of the Program. The Program must notify the parent or qualified student in writing that the account has been suspended, specify the reason for the suspension, and state that the parent or qualified student has 15 business days

¹² ESA unallowable purchases – ESA 2025-2026 Handbook pages 40-41.

¹³ Disallowed Spending Categories – ESA 2023-2024 Handbook pages 38-39 (In effect for 2024-2025).

¹⁴ Required Documents for all Expenses in the ClassWallet Platform – ESA 2023-2024 Handbook page 10 and 49 (In effect for 2024-2025).

¹⁵ Required Documents for all Expenses in the ClassWallet Platform – ESA 2023-2024 Handbook page 49 (In effect for 2024-2025).

¹⁶ Spending and Program Requirements – ESA 2023-2024 Handbook page 6 (In effect for 2024-2025).

¹⁷ Educational therapies and services – ESA 2025-2026 Handbook page 30.

to respond and take corrective action. If no action is taken within the 15-day period, the Arizona Department of Education may remove the parent or qualified student, and the SBE may refer cases to the Attorney General for the purpose of collection or criminal investigation.

Further, periodically reviewing policies, procedures, and related activities for continued relevance and effectiveness is necessary to achieve the State's financial reporting objectives and an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States.¹⁸

Recommendations to the Program

1. Within the 2-year administrative rule time frame, conduct and document a review of all expenditure transactions identified by the Program in its internal audits as either unallowable or missing required documentation and take the required further action, including up to issuing a suspension notice or termination letter and reporting the account to the Arizona State Board of Education for collection.
2. Within the 2-year administrative rule time frame, conduct and document a review of all expenditure transactions ClassWallet escalated to the Program for further review and take the required further action, including up to issuing a suspension notice or termination letter and reporting the account to the Arizona State Board of Education for collection.
3. Within the 2-year administrative rule time frame, conduct and document a review of expenditure transactions subject to the Program's automatic processing procedure, including searching for key items that are explicitly unallowable by program regulations, and take the required further action, including up to issuing a suspension notice or termination letter and reporting the account to the Arizona State Board of Education for collection.
4. For any batch approvals, within the 2-year administrative rule time frame, perform and document a separate risk-based review of expenditure transactions to ensure they were allowable and complied with Program rules and guidelines. This review should consider factors such as categories, vendors, and account holders with high rates of misspending or not submitting complete documents.
5. In conjunction with recommendation 5 in finding 2024-02 to assess whether additional tools such as machine learning or artificial intelligence can enhance the Program's processes, and based off that determination, continue to work with the Legislature to identify additional staff or other resources/tools needed to automate manual processes for obtaining, selecting, and auditing expenditure transactions to be more efficient and effective in preventing and detecting potentially unallowable transactions.

¹⁸ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 3/2/2026 from <https://www.gao.gov/assets/670/665712.pdf>

6. Develop and document internal policies and procedures to provide guidance to Program staff for processing, reviewing, and approving expenditure transactions, and provide training to Program staff on them. These policies should specify, among other topics, the documentation required to be retained by expenditure transaction category, the specific level of management approval required by each expenditure transaction category, and how management's approval should be documented.
7. Provide training to Program staff on the changes in the *Empowerment Scholarship Account (ESA) Parent Handbook* each time it is updated.

Views of responsible officials

ADE management does not concur with this finding. The State's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy. ADE's response necessitates clarifications. See Auditor General's comments on pages 199 through 202.

The Department of Economic Security—Division of Employment and Rehabilitation Services did not prepare complete and accurate monthly bank reconciliations for 3 bank accounts holding unemployment insurance monies, resulting in a \$19.9 million difference between the bank records and cash and increasing its risk of fraudulent activity and undetected errors

Condition

Contrary to the *State of Arizona Accounting Manual (SAAM)*, the Department of Economic Security—Division of Employment and Rehabilitation Services (Division) did not prepare complete and accurate monthly bank reconciliations for 3 bank accounts holding unemployment insurance (UI) monies, resulting in a \$19.9 million difference between the bank records and its cash balances as of June 30, 2024. Specifically, the Division identified, but did not investigate and resolve, a \$19.9 million difference between the \$281.5 million cash balance reported in the Unemployment Compensation (UC) Fund financial statements and the \$301.4 million reported in the bank records as of June 30, 2024.

Effect

The Division's not preparing complete and accurate monthly bank reconciliations resulted in an increased risk that it will not detect fraudulent activity and embezzlements such as unauthorized transactions, stolen monies, or duplicate payments, or that undetected errors in the bank accounts and/or UI benefits ledger will lead to monetary losses.¹ Also, there is an increased risk that the State's financial statements and required federal financial reports, including the ETA 2112 report, contain significant errors and misinform those who are relying on the information.

In addition, allowing unresolved differences to accumulate over time can lead to reconciliation backlogs, which increase the likelihood for additional costs and resources needed for remediation. In fact, the State spent approximately \$739,000 on a contract with outside consultants in December 2024 to perform corrective actions related to a similar prior year finding where we found that the Department of Economic Security (DES) did not maintain accurate records to support \$231.1 million unemployment insurance cash balances as of June 30, 2023.²

¹ The UI benefits ledger is a spreadsheet used to track total daily UI cash deposits and withdrawals and is the Division's book of accounts used to report the cash balance in the UC Fund financial statements.

² The outside consultant's scope of work included assisting the Division with a cash reconciliation for the outside UI bank accounts from July 2019 through June 2024. The outside consultants assisted Division management with drafting benefit ledger postings for reconciled cash transactions, and the Department adjusted its UC Fund July 1, 2023, beginning cash balances by \$227.9 million based on the benefits ledger adjustments/revised posting.

Further, DES may be required to return all or a portion of the unreconciled difference of \$19.9 million to the federal government if the unreconciled cash consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies as reported by DES management.³

Cause

The Division (1) did not perform separate reconciliations for each bank account, (2) lacked comprehensive bank reconciliation policies and procedures, (3) used unreliable manual processes, (4) had system limitations preventing access to supporting documentation, and (5) lacked necessary skills, knowledge, and experience, as described below and on page 53:⁴

1. Did not perform separate reconciliations for each bank account.

The Division did not perform separate reconciliations for each bank account and instead prepared a combined bank reconciliation to reconcile 3 bank accounts holding UI monies to its UI benefits ledger during fiscal year 2024, which was insufficient to detect the errors we found. Specifically, the Division compared the bank statement balance for 1 of the accounts to the combined book balance of the 3 bank accounts and then recorded transfer amounts as reconciling items for the other 2 bank accounts. However, the transfer amounts did not match bank statement amounts, and the Division did not investigate and resolve the differences.

2. Lacked comprehensive bank reconciliation policies and procedures.

The Division did not have comprehensive bank reconciliation policies and procedures, including detailed procedures to:⁵

- Reconcile each bank account to the UI benefits ledger at least monthly.
- Document reconciliations in sufficient detail to show the comparisons made and reconciling items identified.
- Maintain source documents to support reconciling items.
- Specify a reasonable period, such as 2 weeks, to research and resolve discrepancies between the bank and book balances.
- Require bank reconciliations to be reviewed and approved.
- Periodically review and update reconciliation procedures.

³ As noted in finding 2024-06, the Department may also be required to return all or a portion of its \$257.4 million unearned revenues balance to the federal government if the underlying cash cannot be earned in future periods through disbursement to eligible claimants.

⁴ The outside consultants reported they could not reconcile all the prior year variances due to a lack of supporting documentation, errors in the benefits ledger, and benefit subsystems limitations or miscalculations (Arizona Department of Administration. [2025]. *Reconciliation Report for UI, PUA, and Trade Accounts*).

⁵ The Department distributed unemployment assistance and compensation for 4 COVID-19 pandemic federal programs: Pandemic Unemployment Assistance (PUA), Federal Pandemic Unemployment Compensation (FPUC), Pandemic Emergency Unemployment Compensation (PEUC), and Mixed Earners Unemployment Compensation (MEUC).

3. Used unreliable manual processes.

The Division's manual tracking process resulted in input errors of daily total disbursements and reimbursements recorded in the UI benefits ledger due to the large volume of cash transactions.

4. System limitations prevented access to supporting documentation.

Division management reported that they did not have access to supporting documentation including the detailed transactional data needed to investigate bank-to-book variances because of the following limitations to its benefits subsystem:

- The subsystem created for the COVID-19 pandemic federal programs could not always report on daily disbursements without the benefit subsystem timing out at the firewall level when it attempted to run such reports.
- The subsystem created for the UI program regularly archived information, making it unavailable until 2023, when DES personnel realized that they needed to keep disbursement data. DES management reported it can access the data through a new benefits subsystem, which it implemented in September 2025.

5. Lacked necessary skills, knowledge, and experience.

Division management responsible for implementing bank reconciliation internal control procedures lacked the necessary skills, knowledge, and experience necessary to prepare complete and accurate bank reconciliations for bank accounts holding large cash balances.

Criteria

Bank reconciliations are a critical financial control that ensures the accuracy and appropriateness of the accounting records supporting financial statement cash balances. As such, the State's accounting manual requires the Division to reconcile all bank accounts monthly to the Division's records and to retain these bank reconciliations for 7 years.⁶

State law requires DES to submit all necessary financial information to the Arizona Department of Administration (ADOA) to be used to prepare the State's Annual Comprehensive Financial Report consistent with Generally Accepted Accounting Principles and in accordance with ADOA's policies and procedures (A.R.S. §35-131 [I]) Accurate financial statements provide valuable information to those charged with the State's governance and management, and others who are relying on the reported financial information to make important decisions about the State's financial operations. State agencies have a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information and ensure individuals responsible for implementing these controls have the relevant skills, knowledge, and experience, which are gained largely from professional experience, training, and certifications. Complete and accurate information and ensuring competence in employees responsible for

⁶ SAAM requires the Division to perform monthly bank reconciliations and maintain financial records for 7 years, as prescribed by the Arizona State Library, Archives and Public Records Division of the Office of the Secretary of State (State of Arizona. [2022]. *State of Arizona Accounting Manual* 0510-3.2: Internal Controls by Process. Retrieved 2/5/2026 from <https://gao.az.gov/sites/default/files/2022-04/0510%2520Internal%2520Controls%2520by%2520Process%2520-%2520220404.pdf>).

implementing controls is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, and integral to ensuring financial information is accurately reported.⁷

Recommendations to DES

1. Prepare complete and accurate monthly bank reconciliations for each bank account holding UI monies and timely investigate and resolve any differences.
2. Investigate and resolve the \$19.9 million unreconciled cash as of June 30, 2024, and if necessary, post adjusting journal entries to correct errors identified in accounting records and return any required monies to the federal government, as directed by the federal agency.

Develop and implement bank reconciliation policies and procedures to include comprehensive, detailed procedures to:

3. Reconcile each bank account to the UI benefits ledger at least monthly.
4. Document reconciliations in sufficient detail to show the comparisons made and reconciling items identified.
5. Maintain source documents to support reconciling items.
6. Specify a reasonable period, such as 2 weeks, to research and resolve discrepancies between the bank and book balances.
7. Require bank reconciliations to be reviewed and approved by an employee independent of the preparation process.
8. Periodically review and update reconciliation procedures.
9. Train staff performing bank reconciliations on what to look for and on the purpose of a reconciliation, such as understanding the transactions and types of activity in each account, how they are recorded, and how to resolve discrepancies between the bank and book balances.⁸
10. Automate benefit ledger input to reduce manual input errors.
11. Work with benefits subsystem programmers to extract underlying accounting records supporting differences between the bank and book balances, including archived records.

⁷ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 1/26/2026 from <https://www.gao.gov/assets/gao-14-704g.pdf>

⁸ Office of Washington State Auditor. (2020). *Best Practices for Bank Reconciliations*. Retrieved 1/26/2026 from <https://sao.wa.gov/sites/default/files/2023-05/Best-Practices-for-Bank-Reconciliations.pdf>

12. Ensure Division management responsible for implementing bank reconciliation internal control procedures have the necessary skills, knowledge, and experience.

This finding is similar to prior-year finding 2023-05 and was initially reported in fiscal year 2023.

Views of responsible officials

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

The Department of Economic Security did not maintain adequate records to support the classification of \$257.4 million in liabilities as unearned revenues reported in the State’s financial statements, resulting in a qualified financial statement opinion and a risk that the State may be required to return all or a portion of the \$257.4 million to the federal government

Condition

Contrary to U.S. generally accepted accounting principles (GAAP) and State law, the Department of Economic Security (DES) did not maintain adequate records to support the classification of \$257.4 million in liabilities as unearned revenues reported in the Unemployment Compensation Fund (UC Fund) financial statements and submitted to the Arizona Department of Administration (ADOA) for presentation in the State of Arizona’s Annual Comprehensive Financial Report (ACFR) as of June 30, 2024.¹ Specifically, DES did not maintain detailed records to support how cash received from the federal government in prior fiscal years for COVID-19 pandemic federal unemployment compensation and assistance programs (pandemic federal programs), as summarized in Table 1, page 57, can be earned in a future period.

These pandemic federal programs ended prior to the start of the current fiscal year on July 1, 2023, and DES has been holding pandemic federal programs’ cash in outside bank accounts. DES management reported that cash could still be earned through benefit payments associated with pandemic federal programs’ appeals.² However, despite multiple requests made during the months of June through September 2025 to provide support for its position, DES did not provide us with evidence of outstanding appeals cases, including the total number and amounts of appeals outstanding as of June 30, 2024.

¹ We found that DES misclassified federal grant receivables as unearned revenues in prior year previously issued UC Fund financial statements, resulting in \$87.1 million understatements of the State’s July 1, 2023, beginning balances for due to U.S. government and unearned revenues. Once we informed DES of these errors during our fiscal year 2024 audit, DES submitted revised financial information to ADOA for presentation in the State of Arizona’s ACFR as of June 30, 2024, as described in Note 8 to the State’s financial statements. This correction of error had no effect on the June 30, 2024, unearned revenues ending balance of \$257.4 million.

² DES distributed unemployment assistance and compensation for 5 pandemic federal programs, including 1 Federal Emergency Management Agency (FEMA) program—Lost Wages Assistance Program (LWAP)—and the following 4 Department of Labor (DOL) unemployment insurance programs:

- Pandemic Unemployment Assistance.
- Federal Pandemic Unemployment Compensation.
- Pandemic Emergency Unemployment Compensation.
- Mixed Earners Unemployment Compensation.

For these 4 DOL pandemic federal programs, no payment could be made with respect to weeks of unemployment ending after September 6, 2021. However, claimants may appeal decisions made regarding disbursements, and those appeals may be paid out in future years, including fiscal year 2024 (U.S. Department of Labor. [2021]. Unemployment Insurance Program Letter No. 16-20 Change 4 and 6. Retrieved 12/10/2025 from <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-16-20>). The FEMA program LWAP provided supplemental lost wages payments through the week of unemployment ending September 5, 2020. Claimants may appeal decisions through the State’s UI appeals process (U.S. Department of Labor. [2020]. Unemployment Insurance Program Letter No. 27-20 Change 1 and 2. Retrieved 12/29/2025 from <https://www.dol.gov/agencies/eta/advisories/unemployment-insurance-program-letter-no-27-20>).

Table 1

Auditors' review of pandemic federal programs' cash transactions for the months of May 2020 through June 2024 found cash balances included activity in 5 categories for which DES did not maintain detailed records

As of June 30, 2024

Transaction type	Amount
Cash card disbursements rejected by banks	\$123,585,339
Fraud and overpayment recoveries	56,566,720
Direct deposit disbursements rejected by banks	53,382,946
Other unresolved recoveries	22,782,300
Unreconciled amounts	1,065,875
Total	\$257,383,180

Source: Auditor General staff review of June 30, 2024, benefits ledger spreadsheets provided by DES on April 29, 2025. DES used these spreadsheets to track the pandemic federal programs' cash transactions for the months of May 2020 through June 2024.

Effect

DES' not maintaining adequate records to support its unearned revenues reported in the UC Fund financial statements increases the risk that the State's financial statements contain significant errors and misinform those relying on that information. Consequently, we issued a qualified opinion on the financial statements as we were unable to determine whether the unearned revenues and due to U.S. government balances included in the State's UC Fund and business-type activities' financial statements were reported in accordance with GAAP.

Further, DES may be required to return all or a portion of the \$257.4 million unearned revenues balance to the federal government if the underlying cash cannot be earned in future periods through disbursement to eligible claimants.³

Cause

DES management reported they did not maintain adequate records because they do not have access to the detailed transactional data needed to investigate the exact amount of monies that can be either earned in a future period through disbursement to eligible claimants or returned to the various pandemic federal programs due to the following limitations to its benefits subsystems:

- ▶ The subsystem created for the COVID-19 pandemic federal programs subsystem could not always report on daily disbursements without the benefit subsystem timing out at the firewall level when it attempted to run such reports.

³ As noted in finding 2024-05, DES may also be required to return all or a portion of the unreconciled difference of \$19.9 million between bank records and its cash balances reported in the UC Fund financial statements to the federal government if the unreconciled cash consisted of recovered overpayments and/or fraudulent payments of federal unemployment insurance monies as reported by DES management.

- ▶ The subsystem created for the UI program regularly archived information until 2023, when DES personnel realized that they needed to keep disbursement data. DES management reported it can access the data through a new benefits subsystem, which it implemented in September 2025.

In addition, DES' financial statement compilation process does not include procedures to review accounting records, reconcile them to reported financial statement amounts, and ensure the records are consistent with GAAP.

Finally, DES staff responsible for preparing financial statements do not possess the skills, knowledge, and experience necessary to prepare financial statements in accordance with GAAP. Specifically, DES staff reported that they did not evaluate if the accounting guidance used since 2020 to report unearned revenues was appropriate to use in the current fiscal year and relevant to its underlying accounting records.

Criteria

The Governmental Accounting Standards Board (GASB) sets the accounting and financial reporting standards that require the State to prepare its financial statements in accordance with GAAP, which requires cash and other assets provided in advance to be reported as liabilities by recipients until allowable costs have been incurred and any other eligibility requirements have been met (GASB Statement No. 33, ¶15, as amended by GASB Statement No. 65, ¶131). State law requires DES to submit all necessary financial information to ADOA to be used to prepare the State's ACFR consistent with GAAP and in accordance with ADOA's policies and procedures (A.R.S. §35-131[I]).

Accurate financial statements provide valuable information to those charged with the State's governance and management, and others who are relying on the reported financial information to make important decisions about the State's financial operations. The State agencies have a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information and ensure individuals responsible for preparing the financial statements have the relevant skills, knowledge, and experience, which are gained largely from professional experience, training, and certifications. Complete and accurate information and ensuring competence in employees responsible for preparing the financial statements is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring financial information is accurately reported.⁴

⁴ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 10/9/2025 from <https://www.gao.gov/assets/gao-14-704g.pdf>

Recommendations to DES

1. Ensure unearned revenues reported in the UC Fund financial statements are supported by detailed accounting records that demonstrate how cash received from the federal government in prior fiscal years can be earned in a future period through disbursement to eligible claimants before submitting unearned revenue balances to ADOA for presentation in the State's financial statements.
2. Review outstanding pandemic federal program appeals cases to verify the amount of unearned revenues that could be used to pay claimants for unpaid benefits.
3. Work with its benefits subsystem programmers to extract underlying accounting records supporting unearned revenues balances, including archived records.
4. Review the underlying accounting records to determine if cash received from the federal government in prior years can be used to pay eligible claimants. Promptly return any monies to the federal government that cannot be earned in future periods through disbursement to eligible claimants, and make the necessary financial statement adjustments for any amounts that need to be returned to the U.S. government.
5. Improve financial statement compilation policies and procedures to include comprehensive, detailed procedures to review accounting records, reconcile them to reported financial statement amounts, and ensure the records are consistent with GAAP.
6. Ensure employees responsible for preparing the financial statements possess the required skills, knowledge, and experience to prepare financial statements in accordance with GAAP.

Views of responsible officials

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

The Department of Economic Security did not accurately record unemployment insurance tax overpayments to support an estimated \$51.3 million of its \$173.8 million in accrued liabilities reported in the State’s financial statements, resulting in a qualified financial statement opinion and an increased risk that it may refund employers for unemployment insurance tax overpayments they are no longer legally entitled to

Condition

Contrary to State law, the Department of Economic Security (DES) did not accurately record unemployment insurance tax overpayments in its benefits subsystem to support an estimated \$51.3 million of its \$173.8 million in accrued liabilities balances submitted to the Arizona Department of Administration (ADOA) and included in the Unemployment Compensation (UC) Fund financial statements, which are presented in the State of Arizona’s Annual Comprehensive Financial Report (ACFR) as of June 30, 2024. Specifically, DES did not update its benefits subsystem when the 3-year statute of limitations for requesting adjustment or refund of unemployment insurance taxes had passed and any tax overpayment amounts not in appeal reverted to DES.¹

We performed an analysis of DES’ \$173.8 million in unemployment insurance tax overpayments reported as accrued liabilities in the State’s financial statements as of June 30, 2024, and found that \$51.3 million of the overpayments were more than 3 years past the date received, as shown in Table 1, page 61. However, we and DES were unable to determine the exact amount of accrued liabilities that may have been inappropriately recorded because DES did not configure its benefits system to record the payment due. Although DES tracked the date the overpayments were received from employers, it was unknown whether that date was prior to or after the payment due date. DES did not make any related financial statement adjustments to its accrued liabilities balance as of June 30, 2024.

¹ For 23 of 36 transactions we tested, or 64% of transactions, we found that DES may have inappropriately reported \$1,516 of accrued liabilities for unemployment insurance tax overpayments that DES received from employers past the 3-year statute of limitations. We found that DES received these 23 transactions from employers between 3 and 21 years ago.

Table 1

DES did not accurately record unemployment insurance tax overpayments to support an estimated \$51.3 million of its \$173.8 million in accrued liabilities, or nearly 30% of the balance reported in the State’s financial statements

As of June 30, 2024

Accrued liability analysis description	Amount
Estimate of inappropriately recorded accrued liabilities	\$51,268,222
Total accrued liabilities reported in the State’s financial statements	\$173,798,768
Percent of estimate of inappropriately recorded accrued liabilities reported in the State’s financial statements	29.5%

Source: Auditor General staff review of data provided by DES on June 17, 2025.

Effect

DES’ inaccurate recording of unemployment insurance overpayments reported as accrued liabilities increases the risk of public monies being misused. DES may have misspent public monies in violation of the Arizona Constitution’s ban on gifts of public monies by refunding employers for monies they were no longer legally entitled to. When public monies are misused, less monies are available for uses that benefit the State and its residents, such as for employment programs. Further, the State’s financial statements contain significant errors and misinform those who are relying on that information. Consequently, we issued a qualified opinion on the financial statements as we were unable to determine whether the UC Fund activity included in the State’s business-type activities and UC Fund financial statements for accrued liabilities, charges for services revenues (business-type activities), other operating revenues (UC Fund), and net position line items were reported in accordance with generally accepted accounting principles (GAAP).

Cause

DES lacked policies and procedures for tracking and evaluating overpayments of unemployment insurance taxes made by employers in accordance with State laws. Specifically, DES did not separately track (1) overpayments within the 3-year statute of limitations that were recorded as accrued liabilities, (2) all adjustments and refunds DES made to employers, and (3) overpayments not in appeal that exceeded the 3-year statute of limitations that should have been recorded as revenue in the State’s financial statements.

DES management reported that because the benefits subsystem used to record unemployment insurance tax overpayments is more than 30 years old, system limitations prevent them from extracting accurate data for prior year dates. For example, a report generated on June 30, 2024, would have different information from a report generated on October 1, 2025, for data as of the

same date (June 30, 2024) because the latter report would include any data changes made after June 30, 2024. Thus, DES management asserted they cannot make accurate adjustments to the current financial statements.

Finally, DES, financial statement compilation policies and procedures lacked sufficient details to ensure unemployment insurance tax overpayments in the UC Fund's financial statements were accurately presented in the State's financial statements as DES did not have processes to request and review underlying accounting records to verify the accuracy of accrued liabilities.

Criteria

State law requires employers to request adjustments or refunds from DES for overpayments of unemployment insurance contributions (taxes) within 3 years from the payment due date (A.R.S. §23-742). Also, State law allows an exception to the 3-year statute of limitations for any payment of contributions, payment in lieu of contributions, interest, or penalties subsequently determined not due as a result of an appeal to the notice issued by DES, such as an appeal by an employer concerning the tax rate paid (A.R.S. §23-741).

State law bans gifts of public monies by the State to individuals and organizations (Arizona Constitution, Art. IX, §7).

State law requires DES to submit all necessary financial information to ADOA to be used to prepare the State's ACFR consistent with GAAP and in accordance with ADOA's policies and procedures (A.R.S. §35-131 [I]). Accurate financial statements provide valuable information to those charged with the State's governance and management and others who are relying on the reported financial information to make important decisions about the State's financial operations. The State agencies have a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information. Complete and accurate information is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring financial information is accurately reported.²

Recommendations to DES

1. Accurately record unemployment insurance tax overpayments to support the UC Fund's accrued liabilities submitted to ADOA to ensure the State's financial statements are accurate and prepared in accordance with GAAP and State laws. Specifically, DES should work with its benefits subsystem programmers to determine whether they can extract accurate unemployment tax overpayment data to ensure that accrued liabilities include only overpayments in accordance with State law, particularly related to using the payment due date instead of the payment received date and to pull the information from the benefits subsystem on the last day of the fiscal year.

² U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 10/9/25 from <https://www.gao.gov/assets/gao-14-704g.pdf>

2. Investigate the \$173.8 million in accrued liabilities reported in the State's financial statements as of June 30, 2024, and update its benefits subsystem as appropriate to ensure the State's financial statements are accurate and prepared in accordance with GAAP and State laws.

Develop and implement written policies and procedures to track and evaluate overpayments of unemployment insurance taxes made by employers to ensure they are properly recorded in the benefits subsystem and the State's financial statements, including requirements to:

3. Separately track (1) overpayments within the 3-year statute of limitations that should be recorded as accrued liabilities, (2) all adjustments and refunds DES has made to employers, and (3) overpayments not in appeal that exceed the 3-year statute of limitations that should be reported as revenue in the State's financial statements.
4. Address the appropriateness of using the payment received date to record activity related to these overpayments if it is not possible to extract the payment due date as described in recommendation 1.
5. Improve its financial statement compilation policies and procedures to include comprehensive, detailed procedures to request and review underlying accounting records to verify accrued liabilities and charges for services (business-type activities) or other operating revenues (UC Fund) are reported in the financial statements in accordance with the policies and procedures developed as described in recommendations 3 and 4.
6. Investigate its statutory authority for allowable uses of unemployment insurance tax overpayments that revert to DES and establish policies and procedures for the spending of these monies in accordance with its statutory authority.

Views of responsible officials

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

The Division of Developmental Disabilities did not separately account for or report to the Social Security Administration (SSA) each developmentally disabled member’s invested social security disability insurance benefit payments, resulting in monies being held for members for whom it was no longer serving as the representative payee that may need to be returned to the SSA or transferred to the appropriate recipient

Condition

Contrary to federal regulations, Social Security Administration (SSA) guidelines, and its policies, the Department of Economic Security—Division of Developmental Disabilities’ (Division) did not separately account for or annually report to SSA each developmentally disabled member’s invested social security disability insurance (SSDI) benefit payments held in 4 Arizona State Treasurer’s investment pool accounts totaling \$1.7 million, which are presented in the State of Arizona’s Annual Comprehensive Financial Report (ACFR) as of June 30, 2024.

Specifically, we analyzed the State’s financial system from July 1, 2015 to June 30, 2024, and the results are shown in Table 1, page 65.¹

¹ The State’s financial system was placed into service on July 1, 2015. As a result, no financial information is available prior to this date.

Table 1

The Division did not maintain detailed records of investments in Arizona State Treasurer’s investment pools to support financial statement amounts or separately account for each developmentally disabled (DD) member’s share of invested SSDI benefit payment

June 30, 2024

Investment balances, transfers, earnings, and withdrawals	Amount	Calculation	Additional information
Investment pool balance as of February 18, 2016	\$623,692	<i>a</i>	The Division did not maintain detailed records of the investment pool balance prior to February 18, 2016. ¹
Transfer in of DD members’ SSDI benefits on February 18, 2016	1,000,000	<i>b</i>	The Division invested \$1.0 million of members’ SSDI benefit payments into Arizona State Treasurer’s investment pool accounts without preparing supporting records to identify the share each individual member held. Division management reported that the intent of investing the monies was to pay bank fees incurred while managing the members’ monies in a separate shared bank account.
Net of investment earnings and withdrawals	62,008	<i>c - a - b</i>	The Division did not track each member’s portion of investment earnings or withdrawals to ensure the activity was properly allocated and allowable or whether the Division was still serving as the member’s representative payee.
Investment pool balance as of June 30, 2024	\$1,685,700	c	

¹ The Division created the 4 State Treasurer’s investment pool accounts in 1997 as developmental disabilities funds for the Arizona Training Program in accordance with A.R.S. §36-571 and later repurposed these accounts to invest members’ SSDI benefit payments.

Source: Auditor General staff review of the State’s financial system from July 1, 2015 through June 30, 2024.

Further, the Division did not annually report to SSA each member’s invested SSDI benefit payments in the shared investment accounts, as required.

Effect

The Division's failure to separately account for and report to SSA each member's invested SSDI benefit payments may have resulted in members being deprived of needed goods or services since they were unaware these monies were available to spend and also increased the risk that these monies were being misspent or misused. If members' invested SSDI benefit payments are misspent or misused, members would not have all the monies available to them that were rightfully theirs, which could create a burden for those members who rely on the invested SSDI benefit payments to cover their expenses.

Further, using a Division-prepared schedule provided to us on August 8, 2025, pursuant to our July 11, 2025, request, we found the Division allocated the \$1.0 million transfer on February 18, 2016, to individuals for whom it is no longer serving as the representative payee.² The Division may be required to return all amounts being held for members for whom it is no longer serving as the representative payee to SSA or transfer the amounts to the appropriate recipient in accordance with SSA guidelines. Also, there is an increased risk that the investment pool balance as of February 18, 2016, including any subsequent investment earnings and/or withdrawals associated with those monies are not being held for fiduciary purposes and the State of Arizona's Fiduciary Fund financial statements are misstated.

Cause

The Division's management reported that the employees who invested the members' SSDI benefit payments in prior years no longer work for the Division. Current Division management had not prepared detailed records until after we requested them on July 11, 2025. Further, the current employee responsible for reporting to SSA became aware of these investments as the result of our audit and, therefore, was unaware and did not previously perform the same procedures for these accounts as she did for the members' SSDI benefit payments held in the shared bank account.

Further, the Division's policies and procedures lacked sufficient details, including procedures to:

- ▶ Allocate monthly investment earnings and withdrawals to each member's investment balance.
- ▶ Review each member's investment balances periodically.
- ▶ Track when the Division stops serving as the member's representative payee or if the member is deceased, as applicable.
- ▶ Notify SSA immediately when the Division is no longer serving as the member's representative payee.
- ▶ Return any benefits, including investments and any cash, to SSA or to the legal representative of the estate if the beneficiary dies.

² The Division allocated the \$1.0 million transfer to 2,780 individuals, 1,469 of whom the Division was not the representative payee for as of June 30, 2024.

Criteria

State law authorizes the Division to serve as the member's representative payee if requested by the member or the member's guardian and approved by the payer (A.R.S. §36-557 [O][4]). Federal regulation allows the Division to invest any remaining benefits on behalf of the beneficiary when serving as the member's representative payee.

Federal regulations, SSA guidelines, and/or Division policies further require the Division to (20 CFR §404.2045 and 20 CFR §404.2065[a]):³

- ▶ Account for each member's invested SSDI benefit payments. For example, when investing members' benefits in an investment pool, the Division should prepare supporting records that show the share each individual has in the account, including investment earnings, which belong to the beneficiary.⁴
- ▶ Report on the use of each member's SSDI benefits annually to SSA. As part of this reporting, SSA may require the Division to provide documentation supporting how much of each member's benefit payments were invested.
- ▶ Notify SSA immediately when the Division is no longer serving as the member's representative payee.
- ▶ Return any benefits, including investment earnings and any cash to SSA, which will then reissue the funds to the beneficiary or new representative payee or to the legal representative of the estate if the beneficiary is deceased.

Also, the Governmental Accounting Standards Board sets the accounting and financial reporting standards that require the State of Arizona to prepare its financial statements in accordance with GAAP. Accurate financial statements provide valuable information to those charged with the State of Arizona's governance and management, and others who rely on the reported financial information to make important decisions about the State of Arizona's financial operations.

Further, designing, implementing, and maintaining effective policies for tracking and reporting developmentally disabled members' invested SSDI benefit payments is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States.⁵

³ Social Security Administration. (2022). Publication No. 05-10076, A Guide for Representative Payees. Retrieved 9/25/2025 from <https://www.ssa.gov/pubs/EN-05-10076.pdf>

⁴ Department of Economic Security. (2022). Division of Developmental Disabilities Operations Manual, 1005-D Representative Payee, Section B: Division Representative Payee Responsibilities. Retrieved 9/25/2025 from https://des.az.gov/sites/default/files/media/Division_Operations_Policy_Manual_1005D_Representative_Payee.pdf

⁵ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Washington, DC. Retrieved 9/25/2025 from <https://www.gao.gov/assets/670/665712.pdf>

Recommendations to the Division

1. Follow its existing policies and procedures for members' invested benefit payments to maintain accurate supporting records to separately account for and annually report to SSA each member's invested SSDI benefit payments while serving as their representative payee.

Update existing policies and procedures for members' invested benefit payments and train responsible employees on step-by-step procedures to:

2. Allocate monthly earnings and withdrawals to each member's investment balance.
3. Review each member's investment balances periodically.
4. Track when the Division stops serving as the member's representative payee or if the member is deceased, as applicable.
5. Notify SSA immediately when the Division is no longer serving as the member's representative payee.
6. Return any benefits, including investments and any cash, to SSA or to the legal representative of the estate if the beneficiary dies.
7. Investigate and resolve the unsupported investment balances to determine who the monies belong to and if they need to be returned to SSA. If the monies are not being held in a fiduciary nature in accordance with GAAP, consider necessary adjustments to the State's Fiduciary Fund financial statements.
8. Work with SSA to return all amounts being held for members for whom the Division is no longer serving as the representative payee.

Views of responsible officials

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

The Arizona Department of Administration and Office of the Arizona State Treasurer (ASTO) were unable to support why cash and pooled investments reported in ASTO's financial statements exceeded the State's accounting system by \$68 million, resulting in erroneous financial reporting and an increased risk of fraud and misuse of public monies

Condition

The Arizona Department of Administration (ADOA) and ASTO were unable to support why ASTO's balances were \$68 million more than the State of Arizona's accounting system's cash and pooled investments balance that were reported in the State's fiscal year 2024 financial statements.¹ ADOA relies on ASTO's reconciliation so that it can accurately record cash and investment balances pooled with ASTO balances on the State's financial statements. Specifically, for the fiscal year ended June 30, 2024, ASTO initially submitted its reconciliation that showed its balance having an unreconciled difference of \$55 million more than the State's balance to ADOA in January 2025, 4 months after ADOA's requested September 20, 2024, deadline.² ASTO submitted a revised reconciliation to ADOA on or around October 23, 2025, that showed its balance having an unreconciled difference of \$68 million more than the State's balance that ADOA accepted as the final version. At that time, ASTO and ADOA reported that it exhausted all resources to reconcile the fiscal year ended June 30, 2024, difference and did not plan to reevaluate the reconciliation process because it considered the \$68 million, which was 0.22% of ASTO's cash and investment balances, to be immaterial to the State's financial report.

After our repeated requests, and discussions regarding the accuracy and validity of the reconciliations and things it should consider to ensure its reconciliations are accurate and valid, ASTO modified its reconciliation process and was able to reconcile the cash and investment balances for fiscal year 2024 with a difference of \$31,000.³ However, ADOA management reported to us that they had exhausted all resources and would not review the revised reconciliation ASTO provided.

¹ ASTO is responsible for banking and investment management for the State and providing investment services to local governments within Arizona. As of June 30, 2024, ASTO managed over \$31.6 billion in cash and investments for the State (internal participants) and local governments (external participants) held by the ASTO in external investment pools, an individual investment account, and internal investment pools that became part of the State of Arizona's governmental, proprietary, and fiduciary fund categories at the combined State-wide level in the State's ACFR. The investment pools are created from multiple internal and external balances that combine its capital to invest in diversified security portfolios. The ASTO and State use separate accounting systems to record cash and investment balances

² On May 31, 2024, ADOA sent a letter to the ASTO requesting information for inclusion in the State of Arizona's Annual Comprehensive Financial Report. As part of this request, ADOA asked ASTO to provide a cash reconciliation by September 20, 2024. ASTO did not provide this reconciliation until January 24, 2025, or 4 months later, with a \$55 million unreconciled difference.

³ ASTO subsequently submitted the modified reconciliation with a \$31,000 difference to ADOA on October 29, 2025. However, ADOA management reported to us that they did not plan on reviewing the revised June 30, 2024, reconciliation provided by ASTO and will rely on the reconciliation with the \$68 million unreconciled difference.

Effect

ADOA's and ASTO's inability to support why ASTO's balances were \$68 million more than the State of Arizona's accounting system's cash and pooled investments balance that were reported in the State's fiscal year 2024 financial statements resulted in an increased risk that the State's financial statements could contain significant errors, misinform those who are relying on the information, and result in fraud or misuse of public monies.

Cause

ADOA's and ASTO's management reported that they relied on a reconciling method used in previous years and did not ensure personnel responsible for performing the reconciliation were knowledgeable of, trained on, and fully understood the reconciliation method or recognized that the original reconciliation method included inaccurate and invalid data. In addition, ASTO management reported that new personnel at ASTO were responsible for performing the reconciliations and did not understand how the inaccurate and invalid data impacts the State's financial reporting.

Criteria

State laws require ASTO to safeguard public monies and ADOA to maintain complete, accurate, and current financial records over State and public monies held by ASTO (Arizona Revised Statutes [A.R.S.] §§35-131[B] and 35-317). State law also requires ASTO to submit all necessary financial information to ADOA to be used to prepare the State's financial report consistent with Generally Accepted Accounting Principles (GAAP) and in accordance with ADOA's policies and procedures (A.R.S. §35-131[I]). ADOA directs ASTO and other organizations to submit their financial information to ADOA by a specified date to meet the State's financial reporting and audit requirement deadlines. ADOA's policies and procedures also require each agency to reconcile all relevant activities, including cash and investment bank balances to book balances, accounting records in the State's system to those in a system other than the State's system, and all other internal accounting records to the State's system, and requires agencies to retain supporting documentation.⁴

The State agencies have a responsibility to implement internal controls to provide reasonable assurance over the reliability of the State's reported financial information. Complete and accurate information is an essential part of internal control standards, such as *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, and integral to ensuring monies are not fraudulently or mistakenly misused.⁵

⁴ State of Arizona's Department of Administration, General Accounting Office. (2019). *State of Arizona Accounting Manual: 0505*, General Internal Controls. Retrieved 10/14/2025 from <https://gao.az.gov/sites/default/files/2022-05/0505%2520General%2520Internal%2520Controls%2520190311.pdf>

⁵ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 10/14/2025 from <https://www.gao.gov/assets/670/665712.pdf>

Recommendations to ADOA and ASTO

1. Maintain accurate records to support cash and pooled investments with ASTO presented in the State's financial report to ensure the State's and ASTO's financial statements are accurate and prepared in accordance with GAAP.
2. Investigate and reconcile the unreconciled cash and investments at June 30, 2024, and if necessary, post adjusting journal entries to correct errors identified in accounting records.
3. Review adjustments to the financial statement balances and verify entries are proper.

Develop and implement policies and procedures and train responsible individuals on detailed procedures to:

4. Clearly describe the methodology used to reconcile ASTO's and State's accounting records for cash and pooled investment balances, including describing what ASTO and State financial activity and level of detail should be included.
5. Perform a reconciliation of ASTO's and ADOA's accounting records for cash and pooled investment balances to ensure accurate information is recorded in both the State's and ASTO's financial statements. Investigate and resolve unreconciled differences prior to issuing ASTO's financial statement and by the established ADOA deadline.
6. Perform a detailed supervisory review of the reconciliation to ensure it is accurate, complete, and properly supported, and to detect and correct errors in ASTO's and State's accounting records. Require an independent individual not involved in the reconciliation process to review and approve the reconciliation. This reviewer should also be knowledgeable of GAAP reporting requirements.

Views of responsible officials

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

The Arizona Department of Corrections, Rehabilitation, and Reentry spent \$50.9 million of opioid settlement monies but lacks records supporting they were spent for approved purposes, increasing the risk of noncompliance with the opioid Settlement Agreement

Condition

Contrary to the One Arizona Distribution of Opioid Settlement Funds Agreement (Agreement), the Arizona Department of Corrections, Rehabilitation, and Reentry (DCRR) spent \$50.9 million of opioid settlement monies on opioid abatement strategies for which it lacks records to support they were consistent with the Agreement. Specifically, between April and June 2024, DCRR spent \$50.9 million of opioid settlement monies to provide medication to treat inmates for hepatitis C without documenting that the infectious disease was a result of intravenous opioid use as outlined in the Agreement.¹

Effect

DCRR's spending \$50.9 million of opioid settlement monies without documentation to support their use was appropriate increased the risks of noncompliance with the Agreement. Consequently, DCRR may be required to return these monies and could have future distributions suspended. When Agreement monies are not spent as intended, less monies are available for uses that benefit the State and its residents, such as for approved opioid abatement strategies outlined in the Agreement.

Cause

DCRR's Financial Services Division (Division) reported that, in consultation with its former chief medical officer, it estimated that at least 99% of its inmates had a history of a substance abuse disorder and as a result, used opioid settlement monies to account for 95% of its expenditures incurred between April and June 2024 to provide medication to treat inmates for Hepatitis C. However, the Division reported that due to turnover in the chief medical officer position and difficulty in retrieving the applicable data from its internal system, it was unable to locate and provide to us documentation that demonstrates the criteria used in preparing this estimate. Without this documentation, DCRR cannot support its use of Agreement monies to treat inmates with hepatitis C. Finally, DCRR lacked policies and procedures requiring its divisions to maintain detailed documentation to demonstrate the criteria used to support opioid settlement monies' abatement expenditures.

¹ In August 2024, the Department retroactively transferred \$50.9 million of opioid settlement funds' expenditures from its General Fund to its Opioid Remediation Fund to account for 95% of its expenditures incurred between April and June 2024 to provide medication to treat hepatitis C for inmates. The Department's Financial Services Division reported that it considered appropriations from the State's General Fund for inmate contracted healthcare services, noncontract medication, and substance abuse treatment to be an allowable use of the funds.

Criteria

The Agreement requires the State to use opioid settlement monies for opioid abatement strategies related to treatment, prevention, and other strategies, including 1 prevention abatement strategy to treat infectious diseases such as hepatitis C resulting from intravenous opioid use (section C.6. and Exhibit A, section H.9.).² Further, the Agreement requires the State to maintain records of opioid settlement monies' abatement expenditures and documents underlying those expenditures for at least 5 years to verify that monies were spent only for approved purposes (section F.4.).

Further, the State's accounting manual requires all State agencies to have internal controls to provide reasonable assurance of compliance with all relevant laws, policies, grant requirements, and contract provisions.³ Finally, maintaining records of opioid settlement monies' abatement expenditures to support compliance with the Agreement is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring monies are not fraudulently or mistakenly misused.⁴

Recommendations to DCRR

1. Ensure opioid settlement fund monies are spent only on approved purposes for which it has documentation as outlined in the Agreement.
2. Maintain detailed records and documentation underlying the opioid settlement monies' abatement expenditures for at least 5 years to verify that monies are spent only for approved purposes as outlined in the Agreement.
3. Develop and implement policies and procedures requiring DCRR's divisions to maintain detailed documentation that demonstrates the criteria used to support opioid settlement monies' abatement expenditures.
4. Obtain the data and other information that was used to support the original assessment of inmates with a substance abuse disorder.

² Beginning in fiscal year 2022, the State and participating local governments entered into the Agreement to establish binding terms for the distribution and spending of funds from settlements with the pharmaceutical supply chain participants (Agreement retrieved 10/27/2025 from <https://static1.squarespace.com/static/6462aca0912c6c433ed7b5cd/t/6462ba690168bd590874048c/1684191882395/One+AZ+Agmt.pdf>).

³ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: 0506, Internal Control Principles and Practices*. Retrieved 10/27/2025 from <https://gao.az.gov/sites/default/files/2022-08/0506%20Internal%20Control%20Principles%20and%20Practices%20220523.pdf>

⁴ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Retrieved 10/27/25 from <https://www.gao.gov/assets/gao-14-704g.pdf>

5. After obtaining the necessary data and information to support the original assessment, assign an individual(s) to review and analyze DCRR records to determine whether the \$50.9 million of opioid settlement monies spent to treat inmates for hepatitis C were accurately allocated and were for approved purposes as outlined in the Agreement.

Views of responsible officials

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

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

Condition

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

Effect

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

Cause

Since at least fiscal year 2006, the Department's tax administration system lacked the functionality to perform certain automatic reconciliations. In December 2020, while a general withholding electronic filing waiver was in place for 2020 and 2021 tax years, the Department reported that it implemented an alternative manual process to reconcile calendar years 2020 and 2021 income tax withholdings from employers to individual income; however, that alternative process did not include all income tax accounts.

Further, in August 2023, the Department reported that it had implemented a new electronic filing method in place of the manual process starting with the calendar year 2022 income taxes, which allows software vendors and payroll service providers to transmit withholdings and the associated W-2 and 1099 forms directly to the Department to help eliminate its risk of not collecting income tax withholdings. However, the Department reported that it does not expect to fully correct this deficiency until it implements its new tax system during fiscal years 2025 through 2030.

Criteria

State law requires that the Department administer and enforce Arizona income tax laws, which includes collecting all income taxes due from taxpayers (A.R.S. §42-1004). The State's accounting manual requires that State agencies reconcile relevant activity, such as income tax revenues, to ensure they were collected and recorded.¹

¹ State of Arizona. (2019). *State of Arizona Accounting Manual* 0505: Internal Controls - General Internal Controls. Retrieved 12/3/2025 from <https://gao.az.gov/sites/default/files/2022-05/0505%2520General%2520Internal%2520Controls%2520190311.pdf>

Recommendations to the Department

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

This finding is similar to prior-year finding 2023-02 and was initially reported in fiscal year 2006.

Views of responsible officials

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

The Department of Revenue did not publish \$18.8 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

Condition

Contrary to State law, the Department of Revenue (Department) did not include \$18.8 million of income tax overpayments in its unclaimed property system that is used to publish abandoned property on its website for taxpayers to search and claim. These overpayments from 39,550 accounts ranged from \$50 to \$207,175 and dated back as far as fiscal year 2007. Taxpayers have approximately 35 years to file a claim for abandoned property (A.R.S. §44-317[E]).

Effect

Abandoned income tax overpayments totaling \$18.8 million were not published on the Department's website and therefore were not readily available for individual taxpayers to search and claim, resulting in the risk that most taxpayers may not be aware of an overpayment for the current year and possibly future years. Information regarding these overpayments is accessible by taxpayers who call the Department, but only for those who knew they had an overpayment and called the Department to request a refund or called the Department for another reason and by chance, a Department employee identified there was an overpayment during an account review.

Cause

The Department's tax administration system lacked the functionality to automatically transfer income tax overpayments from the system to its unclaimed property system. Despite unclaimed overpayments dating as far back as fiscal year 2007, the Department has not implemented an alternative process to publish abandoned individual income tax overpayments as they are developing a new integrated tax system, which the Department recently reported they plan to implement in 2030 to allow for overpayments to be accurately reflected and searchable in its unclaimed property system.¹

Criteria

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

¹ State of Arizona Joint Legislative Budget Committee (11/10/2025). Retrieved 11/19/2025 from <https://www.azjlb.com/meetings/jlbcbag111025.pdf>

Recommendations to the Department

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

This finding is similar to prior-year finding 2023-03 and was initially reported in fiscal year 2019.

Views of responsible officials

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

The Department of Revenue and General Accounting Office did not properly account for \$212.1 million of income and sales tax overpayments, resulting in the risk that those relying on the State’s financial statements could be misinformed

Condition

Contrary to U.S. generally accepted accounting principles (GAAP), the State’s initial financial statements contained errors we identified and recommended the State correct so that the State’s financial statements would contain accurate information. Specifically, the General Fund’s taxes receivable and due to others financial statement line items were both understated by \$212.1 million as of June 30, 2024. The State subsequently corrected these errors after we brought this issue to management’s attention.

Effect

Although the State corrected the errors we identified before issuing the State’s final financial statements, there is an increased risk that the State’s financial statements could contain significant errors and misinform those who are relying on the information.

Cause

The Arizona Department of Revenue’s Financial Services Unit (Department) incorrectly included income and sales tax overpayments owed to taxpayers in its calculation of taxes receivable, thereby improperly reducing taxes receivable instead of reporting a separate liability for those overpayments. Further, the Arizona Department of Administration’s General Accounting Office (Office), which is responsible for the State’s financial statement preparation, did not identify the error during its preparation of the State’s initial financial statements. The Department also did not have accurate and sufficiently detailed policies and procedures to follow for preparing its taxes receivable information in accordance with GAAP. Instead, the Department’s policies and procedures incorrectly require the total taxes receivable balance to be reduced by income and sales tax overpayments instead of recording a separate liability for these overpayments.¹ The Office subsequently used this information to prepare journal entries to inaccurately record the Department’s taxes receivable, along with the associated liability, and did not identify these errors during its journal entry preparation. Finally, the Office’s policies and procedures for preparing journal entries did not require an independent review or analysis of the Department’s taxes receivable documentation to ensure information included in the financial statements was accurate and presented in accordance with GAAP.²

¹ Arizona Department of Revenue (DOR). (2025). Preparing the June AR Summary Policy. Retrieved on 11/21/2025.

² Arizona General Accounting Office (GAO). (2024). Taxes Procedures. Retrieved on 11/21/2025.

Criteria

The Governmental Accounting Standards Board sets the accounting and financial reporting standards that require the State to prepare its financial statements in accordance with GAAP. State law also requires State agencies to submit all necessary financial statements or information to the Department of Administration consistent with GAAP (A.R.S. §35-131[I]). Accurate financial statements provide valuable information to those charged with the State's governance and management, and others who rely on the reported financial information to make important decisions about the State's financial operations. In addition, designing, implementing, and maintaining effective policies and procedures is necessary to achieve the State's financial reporting objectives and an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States.³

Recommendations to the Department

1. Prepare and provide the Office with taxes receivable information that is both accurate and in accordance with GAAP.
2. Revise and implement policies and procedures to properly calculate taxes receivable and record income and sales tax overpayments as separate liabilities on the schedules it provides to the Office.
3. Train responsible employees on revised policies and procedures for preparing taxes receivable information.

Recommendations to the Office

4. Ensure the financial statements are accurate and prepared in accordance with GAAP prior to providing these statements to auditors.
5. Develop and implement policies and procedures to review and analyze taxes receivable information provided by the Department prior to preparing and posting journal entries.
6. Train responsible employees on revised policies and procedures for preparing and posting journal entries.

Views of responsible officials

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

³ U.S. Government Accountability Office (GAO). (2014). *Standards for internal control in the federal government*. Washington, DC. Retrieved 12/5/2025 from <https://www.gao.gov/assets/gao-14-704g.pdf>

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

Condition

We reviewed the risk-assessment process for 7 State agencies including the Departments of Administration (ADOA), Homeland Security (HLA), Child Safety (DCS), Economic Security (DES), and Revenue; the Land Department (LDA); and Office of the Arizona State Treasurer and identified deficiencies in 5 agencies' processes for managing and documenting IT risks. Specifically:

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

Effect

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

Cause

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

Criteria

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

Recommendations to the State agencies

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

This finding is similar to prior-year finding 2023-07 and was initially reported in fiscal year 2015.

Views of responsible officials

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

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

Condition

We reviewed controls associated with the information technology (IT) systems and data at the Departments of Administration (ADOA), Child Safety (DCS), Economic Security (DES), Revenue (DOR), and Education (ADE); the Land Department (LDA); and the Office of the Arizona State Treasurer (ASTO) and found that these agencies' control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with their IT systems and data.

The agencies lacked sufficient procedures over the following:

▶ **Restricting access**

Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data. (ADOA, DCS, DES, DOR, ADE, and LDA)

▶ **Managing system configurations and changes**

Procedures did not ensure configuration settings were securely maintained and all IT system changes were adequately managed. (ADOA, LDA, ASTO)

▶ **Securing systems and data**

IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss. (ADOA, DES, ADE, DOR, LDA)

▶ **Ensuring operations continue**

Contingency plans lacked key elements related to restoring operations in the event of a disaster or other system interruption. (DES, DOR, LDA, ASTO)

Effect

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

Cause

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

Criteria

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

▶ **Restrict access through logical controls**

Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed. (ADOA, DCS, DES, ADE, LDA, DOR)

▶ **Manage system configurations and changes through well-defined, documented configuration management process**

Ensures the agencies' IT system configurations are documented and that changes to the systems are identified, documented, evaluated for security implications, tested, and approved prior to implementation. This helps limit the possibility of an adverse impact on the system's security or operation. Separating responsibilities is an important control for system changes; the same person who has authority to make system changes should not put the change into production. If those responsibilities cannot be separated, a post-implementation review should be performed to ensure the change was implemented as designed and approved. (ADOA, ASTO, LDA)

▶ **Secure systems and data through IT security internal control policies and procedures**

Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data. (ADOA, DES, ADE, LDA, DOR)

▶ **Ensure operations continue through a comprehensive, documented, and tested contingency plan**

Provides the preparation necessary to place the plan in operation and helps to ensure business operations continue and systems and data can be recovered in the event of a disaster, system or equipment failure, or other interruption. (DES, ASTO, LDA, DOR)

Recommendations to the State agencies

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

Restrict access

To restrict access to its IT systems and data, develop, document, and implement processes to:

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

Manage system configurations and changes

To configure IT systems securely and manage system changes, develop, document, and implement processes to:

11. Establish and follow a documented change-management process. (LDA, ASTO)
12. Review proposed changes for appropriateness, justification, and security impact. (ASTO)
13. Document changes, testing procedures, and results. (ASTO)
14. Test changes prior to implementation. (ASTO)

15. Separate responsibilities for the change-management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved. (ADOA)
16. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes. (ADOA, LDA, ASTO)

Secure systems and data

To secure IT systems and data, develop, document, and implement processes to:

17. Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges. (ADOA, LDA)
18. Provide all employees ongoing training on IT security risks and their responsibilities to ensure systems and data are protected. (ADOA, DES, DOR, LDA)
19. Ensure monitoring of IT vendor contracts is adequately conducted to ensure adherence to the vendor contract. (LDA, ADE, ADOA)

Ensure operations continue

To ensure operations continue, develop, document, and implement processes to:

20. Develop and implement a contingency plan, and ensure it includes all critical elements to restore critical operations, including being prepared to move critical operations to a separate alternative site if necessary. (DOR)
21. Test the contingency plan. (DES, DOR, LDA, ASTO)
22. Train staff responsible for implementing the contingency plan. (DOR)
23. Back up and securely maintain and test backups of systems and data. (DOR)

This finding is similar to prior-year finding 2023-08 and was initially reported in fiscal year 2015.

Views of responsible officials

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

One State agency and 2 State boards did not always prepare, approve, and/or retain required documentation supporting payroll costs, resulting in an elevated risk of fraud and misuse of public monies and possible violations of the Arizona Constitution

Condition

Contrary to State policy, the Department of Emergency and Military Affairs (DEMA), Board of Athletic Training (BAT), and the Board of Occupational Therapy Examiners (OTE) did not always prepare, approve, and/or retain required documentation supporting payroll costs during fiscal year 2024.

Regarding DEMA, for 20 of our random sample of 40 stipend or discretionary pay increase transactions tested totaling \$22,160, it did not prepare, approve, and/or retain the required personnel action forms (PAF) or other allowable documentation prior to paying \$1,753 to employees for stipends, as follows:¹

- ▶ \$1,464 for 17 stipend payments to 17 employees that were not supported by a required PAF at the time of payment or otherwise documented and approved. For 8 of these stipend payments, DEMA subsequently prepared the required PAFs between 5 and 99 days after DEMA paid the 8 employees. DEMA did not complete PAFs for the other 9 employees and during fiscal year 2024 paid \$12,165 of undocumented and unapproved stipend payments to them.
- ▶ \$289 for 3 stipend payments to 3 employees that were not approved by a designated supervisor. During fiscal year 2024, DEMA paid these 3 employees \$7,100 for unapproved stipend payments.

Regarding BAT and OTE, for 3 of 3 expense reimbursement and discretionary incentive pay transactions tested totaling \$6,030, they did not prepare, approve, or retain required employee expense reimbursement forms or other documentation prior to paying the \$6,030 to its executive director, as follows:

- ▶ \$4,375 for 1 OTE Board discretionary spot incentive payment in April 2024 for a 5% salary increase that was not approved by the OTE Board during a meeting open to the public even though it would likely be considered legal action and subject to State law requiring such approval. Rather, the OTE Board Chair prepared a letter stating that the OTE Board, with the approval of the OTE Board Chair, had approved this discretionary incentive

¹ The discretionary pay increases paid by DEMA include discretionary merit incentive payments, geographical stipends of an additional \$1.25 per hour to supplement regular pay for emergency response assignments, and certification stipends ranging between an additional \$0.45 - \$2.40 per hour or between 6 – 8 percent of base regular pay to individuals possessing specific certifications.

payment. However, neither the OTE Board Chair nor the executive director were able to demonstrate if or when the discretionary incentive payment was approved during an OTE Board meeting and our review of OTE Board meeting minutes from January 2024 through June 2024 did not identify any such approval. Further, the Central Services Bureau (CSB) inaccurately recorded \$2,188 from this discretionary incentive payment to BAT, rather than to OTE.

- ▶ \$1,655 for 2 BAT expense reimbursements for a Lenovo tablet, Sonos computer speakers, and other office supplies that were not approved by BAT's deputy or assistant agency head or the BAT president on the required expense reimbursement forms. Further, CSB inaccurately recorded \$202 from 1 expense reimbursement to OTE, rather than to BAT.

Effect

DEMA's, BAT's, and OTE's failures to prepare, approve, and/or retain required documentation supporting payroll costs increased the risk of fraud and misuse of public monies for DEMA's \$601,471 of stipends and discretionary pay increases and OTE's \$4,375 of discretionary incentive payments and BAT's \$1,655 of employee expense reimbursements paid during fiscal year 2024. Also, by taking actions contrary to State open meeting laws, OTE limits the public's ability to review its actions and transparency into OTE's operations.

Further, DEMA, BAT, and OTE are at an increased risk of paying employees more than they are entitled to, which could result in violating the Arizona Constitution Art. IX, §7, which prohibits gifts or loans of public monies. When public monies are misused, less monies are available for uses that benefit the State and its residents, such as for public safety and health licensing programs.

Cause

Regarding DEMA, its human resources director reported that, due to supervisor unavailability, it was unable to coordinate with other departments to ensure that PAFs were approved and processed prior to the payments' effective date. Also, DEMA's payroll policies and procedures lacked detailed requirements for documenting and approving stipends. Further, DEMA did not retain personnel files for 2 employees we tested who left employment during the year as DEMA's human resources director reported they were unaware that all employee personnel records were required to be retained for 5 years after an employee's termination. Instead, DEMA interpreted the policy to only require these documents to be retained for 5 years after the documents were originally created.

Additionally, contrary to State law, DEMA's internal audit group reported that, because of limitations imposed by management, it had not conducted an annual audit of 32 of DEMA's 47 funding appropriation accounts since at least fiscal year 2019.² Had DEMA's internal audit group performed these audits, DEMA may have become aware of the missing or untimely documentation prior to our audit.

² DEMA's internal audit group reported that, since at least 2010, they have reported directly to the Department's chief financial officer instead of the adjutant general, as required by DEMA Internal Audit Policy (https://dema.az.gov/sites/default/files/2022-10/10.3_Internal_Audit_19950802.pdf). This change in reporting has contributed to a decrease in the breadth of appropriation accounts subjected to internal audit review.

Regarding the OTE, they lacked policies and procedures outlining requirements to document and approve both reimbursement requests and 1-time incentives, including following State open meeting laws for legal actions. Further, the OTE's executive director reported that she believed that the discretionary incentive payment was handled under the guidance of CSB as there was an interagency service agreement in place between OTE and CSB during fiscal year 2024. However, the agreement requires that documents OTE provides to CSB are to be properly approved and certified by an authorized individual at OTE and comply with all applicable statutes, laws, rules, and policies.

Further, contrary to the agreement, CSB processed BAT's and OTE's transactions without obtaining appropriate documentation and certification from BAT and OTE. CSB management reported that it began using the State's new human resources management system during the fiscal year and did not update its policies and procedures to ensure that transactions were accurately recorded in the new system and posted to the correct State agency.

Criteria

The *State of Arizona Accounting Manual (SAAM)* requires each agency to develop and maintain an appropriate system of internal controls, including requirements to:

- ▶ Ensure all payroll transactions and personnel actions, such as incentive pay, bonus, or stipend, are approved by a person designated by the agency head. It is preferable for these approvals to be made in the payroll system; however, when not practicable, the agency's deputy or assistant agency head or the president of the agency's governing board may grant approval through a document, letter, or other appropriate form.^{3,4}
- ▶ Submit reimbursement requests using the Employee Expense Reimbursement Form (GAO 502) within 180 calendar days of the expense being incurred.⁵

Also, DEMA's policies require documenting all additions or deductions to payroll or merit increase recommendations in the employee's official personnel file and to maintain all employee's payroll records for 5 years after an employee's termination in accordance with the State's retention schedule.^{6,7} State law also requires DEMA's adjutant general to appoint an auditor for DEMA to conduct periodic financial and compliance audits of funding appropriation accounts that are open for more than 12 months (A.R.S. §26-102[C][4]).

³ State of Arizona. (2019). *State of Arizona Accounting Manual* 0505: Internal Controls - General Internal Controls. Retrieved 9/2/2025 from <https://gao.az.gov/sites/default/files/2022-05/0505%2520General%2520Internal%2520Controls%2520190311.pdf>

⁴ State of Arizona. (2017). *State of Arizona Accounting Manual* 5510: Payroll and Personnel - Self-Entry and/or Approval of Certain Transactions Relating to Compensation. Retrieved 9/2/2025 from <https://gao.az.gov/sites/default/files/2022-05/5510%2520Self-Entry%2520and-or%2520Approval%2520of%2520Certain%2520Transactions%2520Relating%2520to%2520Compensation.pdf>

⁵ State of Arizona. (2017). *State of Arizona Accounting Manual* 5536: Payroll and Personnel – Miscellaneous Employee Reimbursements. Retrieved 9/2/2025 from <https://gao.az.gov/sites/default/files/2022-05/5536%2520Miscellaneous%2520Employee%2520Reimbursements%2520170807a.pdf>

⁶ Arizona Department of Emergency and Military Affairs. (2007). DEMA Directive 20.1: Human Resources – State Human Resources Administration. 1.3 Section 3. Retrieved 9/2/2025 from https://dema.az.gov/sites/default/files/2023-08/20.1_State_Human_Resources_Administration_20071001.pdf

⁷ Arizona State Library, Archives and Public Records. (2025). General Retention Schedule created for All Public Bodies: Human Resources/ Personnel Records. Retrieved 9/2/2025 from <https://azlibrary.gov/sites/default/files/docs/General-Retention-Schedule-2025-1015.pdf>

In addition, State open meeting laws require that all legal action of public bodies must occur during a public meeting and that any legal actions taken by a governing board during a meeting that does not comply with the open meeting laws are null and void (A.R.S. §§38-431.01[A] and 38-431.05[A]). Also, the interagency service agreement in place between the OTE and CSB states that CSB will not process OTE transactions without obtaining appropriate documentation and certification from the Board.

Further, DEMA and OTE developing, documenting, and implementing effective policies and procedures over documenting and approving payroll costs is an essential part of internal control standards, such as the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, and integral to ensuring public monies are not fraudulently or mistakenly misused.⁸ Finally, the Arizona Constitution, Art. IX, §7, bans gifts or loans of public monies, which would include State agencies' overpayments to individuals.

Recommendations to DEMA

1. Prepare and approve required PAFs or other allowable documentation prior to paying employees for stipends.
2. Retain payroll records for 5 years after an employee's termination in accordance with the State's retention schedule.
3. Update and implement its policies and procedures to specify the documentation and approval requirements for stipends and discretionary pay increases, including identifying individuals with approval authority for these transactions and designating backups in the event the designated approver is unavailable.
4. Train its Administrative Services Office and DEMA employees who are responsible for processing and retaining employee PAFs on its policies and procedures.
5. Identify and review recent stipend payments to employees that were not properly documented and approved to determine if they were appropriate. Any questionable or unsupported payments should be investigated and resolved, which may include recovery of funds as necessary.
6. Require its internal audit group to report to DEMA's adjutant general and to conduct periodic financial and compliance audits of funding appropriation accounts that are open for more than 12 months.

Recommendations to OTE

7. Consult with its legal counsel to address and resolve any invalid action taken regarding the executive director's discretionary incentive payment made in April 2024.

⁸ U.S. Government Accountability Office. (2014). *Standards for internal control in the federal government*. Retrieved 9/2/25 from <https://www.gao.gov/assets/670/665712.pdf>

8. Develop, document, and implement policies and procedures and train responsible staff and Board members, as applicable, to require documenting and obtaining appropriate approval for both reimbursement requests and 1-time incentives, including requiring all of OTE's legal actions to occur during a public meeting to comply with State open meeting laws.
9. Retain payroll records for 5 years after an employee's termination in accordance with the State's retention schedule.

Recommendations to BAT and OTE

10. Prepare and approve required employee expense reimbursement forms prior to paying employees for employee reimbursement requests.
11. Identify and review recent employee expense reimbursements that were not properly documented and approved to determine if they were appropriate. Any questionable or unsupported payments should be investigated and resolved, which may include recovery of funds as necessary.

Recommendations to CSB

12. Follow the interagency service agreement in place between OTE and CSB to only process OTE transactions after obtaining appropriate documentation and certification from OTE.
13. Update policies and procedures to align with the new human resources management system's processes to ensure transactions are accurately recorded in the new system and posted to the correct State agency.

Views of responsible officials

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

Seven State agencies and their employees did not comply with the State’s accounting manual for approving and issuing purchasing cards or making purchasing card and employee travel card purchases totaling \$48,357 for food, supplies and materials, and nontravel and travel purposes, of which the State paid at least \$47,344. Additionally, these State agencies did not document how \$13,135 of these purchases were necessary to serve a public purpose and to benefit the State and its residents, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution

Condition

In fiscal year 2024, 5 State agencies and their employees failed to comply with the *State of Arizona Accounting Manual* (SAAM) for 34 of 35 purchasing card and employee travel card purchases we tested totaling \$48,357 for food, supplies and rental charges, and nontravel and travel purposes, of which the State paid at least \$47,344, as summarized in Table 1, page 94 and further described in Tables 2 through 4, pages 95 through 97.¹ Additionally, 4 State agencies, including 2 additional agencies, failed to comply with SAAM for approving and issuing purchasing cards to their employees. The 7 State agencies include the Department of Forestry and Fire Management (DFFM); Department of Corrections, Rehabilitation, and Reentry (DCRR); Department of Emergency and Military Affairs (DEMA); Board of Occupational Therapy Examiners (OTE); Department of Game and Fish (DGF); Arizona Attorney General (AAG); and Arizona State School for the Deaf and the Blind (ASDB).

¹ Employee travel cards are a personal liability, non-credit-building, charge card that may be issued to State employees to pay for expenses incurred in connection with authorized travel for the State. While the cardholder is primarily liable for any amount due to the card issuer, the State is contingently liable for balances due to the card issuer.

Table 1**Five State agencies and their employees failed to comply with SAAM for \$48,357 of purchasing or employee travel card purchases and did not document the public purpose and benefit to the State and its residents for \$13,135 of those purchases**

Fiscal year June 30, 2024

Purchase type	Number of tested transactions	Number of noncompliant transactions	Purchase amount associated with noncompliant transactions
Food	14	14	\$25,288
Supplies and rentals	15	14	21,966
Nontravel	6	6	1,053
Travel	1	1	50
Total	36	35	\$48,357

Source: Auditor General staff review of State purchasing card and employee travel card activity, bank statements, invoices, and other miscellaneous documentation.

As shown in Table 2, page 95, all 14 State agency food transactions that we tested totaling \$25,288 were noncompliant with SAAM. Specifically, for 9 of 9 DFFM food purchase transactions we tested, DFFM did not perform required manager or supervisor reviews and certifications of these purchasing card transactions to verify the validity and appropriateness of all charges.

In addition, for 4 of 4 DCRR food purchase transactions we tested totaling \$2,169, DCRR did not perform required manager or supervisor reviews and certifications of these purchasing card transactions to verify the validity and appropriateness of all charges. Additionally, DCRR did not retain documentation to support the number of employees who attended the event. Finally, for 1 of 4 DCRR food purchase transactions we tested totaling \$502, DCRR purchased food using funding from their employee recognition fund for an employee recognition event for between 12 and 19 anticipated attendees for an average estimated cost between \$33 and \$42 per attendee, which exceeded the \$15 allowable lunch reimbursement rate by between \$217 and \$322.

Further, for the 1 DEMA meal purchase transaction we tested totaling \$1,794, DEMA purchased food using funding from the State's General Fund for a Department-hosted "All Hands" meeting to discuss various statewide emergency planning updates with other local government entities for 83 anticipated attendees for an average estimated attendee cost of \$22 per meal, which exceeded the \$15 allowable lunch reimbursement rate by a total of \$549. DEMA also did not document its determination that providing food served a public purpose prior to the event.

Table 2

Three State agencies used purchasing cards for food or meals without complying with policies and procedures

Fiscal year June 30, 2024

State agencies with noncompliance issues	Number of tested transactions	Number of noncompliant transactions	Purchase amount associated with noncompliant transactions
Department of Forestry and Fire Management (DFFM)	9	9	\$21,325
Department of Corrections, Rehabilitation and Reentry (DCRR)	4	4	2,169
Department of Emergency and Military Affairs (DEMA)	1	1	1,794
Subtotal	14	14	\$25,288

Source: Auditor General staff review of State purchasing card and employee travel card activity, bank statements, invoices, and other miscellaneous documentation.

As shown in Table 3, page 96, 14 of 15 State agency supplies and rental charges purchases that we tested totaling \$21,966 were noncompliant with SAAM. Specifically, for 2 of 3 DCRR supplies purchase transactions we tested totaling \$10,900, DCRR used a purchasing card to circumvent purchase limits by dividing the total purchase for box fans and air movers into 2 transactions (\$5,000 and \$5,900). DCRR also temporarily increased the cardholder's credit limit for these purchases without obtaining required approval from the State Comptroller.

In addition, for 9 of 10 OTE supplies purchase transactions we tested totaling \$10,238, OTE's executive director did not document how the online purchase of iPads, MacBooks, and air purifiers were necessary to serve a public purpose and to benefit the State, and the supporting documentation retained and provided by OTE did not include delivery addresses, as required by SAAM.

Finally, for 2 of 2 DFFM supplies and rental purchase transactions we tested totaling \$568, DFFM purchased a portable air conditioner and paid rental costs for a meeting room; however, DFFM did not ensure the required manager or supervisor reviews and certifications were performed to verify the validity and appropriateness of these purchases.

Table 3**Three State agencies did not ensure required manager or supervisor reviews and certifications of purchasing card transactions were performed to verify the validity and appropriateness of all supplies and rental charges purchases**

Fiscal year June 30, 2024

State agencies with noncompliance issues	Number of tested transactions	Number of noncompliant transactions	Purchase amount associated with noncompliant transactions
Department of Corrections, Rehabilitation and Reentry (DCRR)	3	2	\$10,900
Board of Occupational Therapy Examiners (OTE)	10	10	10,498
Department of Forestry and Fire Management (DFFM)	2	2	568
Subtotal	15	14	\$21,966

Source: Auditor General staff review of State purchasing card and employee travel card activity, bank statements, invoices, and other miscellaneous documentation.

As shown in Table 4, page 97, 7 of 7 State agency travel card transactions that we tested totaling \$1,103 were noncompliant with SAAM. Specifically, for 3 of 4 DGF travel card transactions totaling \$278 and 3 of 3 DFFM travel card transactions totaling \$775, DGF and DFFM employees used their employee travel card while not in travel status to make purchases that were either personal in nature and did not serve a public purpose or should have been made using a DGF or DFFM purchasing card rather than a travel card as required by SAAM. Because of this noncompliance, we conducted further analysis and identified 113 additional DGF nontravel purchase transactions, totaling \$6,392, for charges such as clothing, retail stores, and utilities and 16 additional DFFM nontravel purchase transactions, totaling \$1,618, for charges such as entertainment, retail, and utilities that were likely not in connection with authorized State travel. We were unable to extend auditing procedures to determine whether the State denied reimbursement to the employees for these additional 129 transactions totaling \$8,010 or whether they were necessary to serve a public purpose and to benefit the State.

Additionally, for the remaining DGF travel card transaction that we tested totaling \$50, DGF was noncompliant with SAAM. Specifically, DGF paid for a \$50 priority boarding airline upgrade charged to their State travel card without having obtained prior approval and did not ensure it was necessary to serve a public purpose and benefit the State as required by SAAM.

Table 4

Two State agencies and its employees used their employee travel cards for unallowable purchases not in connection with authorized State travel or for an airline upgrade for priority boarding without obtaining the required approval and did not document they were necessary to serve a public purpose and to benefit the State

June 30, 2024

State agencies with noncompliance issues	Number of tested transactions	Number of noncompliant transactions	Purchase amount associated with noncompliant transactions
Department of Game and Fish (DGF)	4	4	\$328
Department of Forestry and Fire Management (DFFM)	3	3	775
Subtotal	7	7	\$1,103

Source: Auditor General staff review of State purchasing card and employee travel card activity, bank statements, invoices, and other miscellaneous documentation.

In addition, we found that ASDB's executive director self-approved their purchasing card cardholder application form rather than obtaining required approval from either ASDB's Board of Directors or ASDB's purchasing card administrator. We also found that the Arizona Attorney General's (AAG) purchasing card administrator, who also has the authority to approve the disbursements of AAG funds, obtained a purchasing card without required approvals from the State's General Accounting Office (GAO) and the State Comptroller. Further, DEMA and the DFFM allowed 3 employees to use purchasing and/or employee travel cards for various purchases without retaining approved cardholder applications.²

Effect

The 7 State agencies put public monies at risk of abuse, misuse, and fraud and may have misspent \$13,135 of public monies in violation of the Arizona Constitution. Further, when public monies are misspent or misused, fewer monies are available for uses that benefit the State and its residents.

² We identified the missing purchasing and travel card cardholder applications while examining the State agency records; however, we did not perform test work on these purchasing and travel card purchases other than examining the cardholder applications. For DEMA, we found that 1 of 2 purchasing and 1 of 2 employee travel cardholders' applications we tested were not retained and provided to the GAO. Further, for the DFFM, we found that 1 of 5 travel cardholder applications we tested were not retained and provided to GAO.

Cause

Two of the 7 State agencies—OTE and DGF—did not follow the SAAM requirement to develop and implement their own agency-level policies and procedures to align with State policies, including requirements to document the review and approval of transactions, ensure all transactions have a documented public purpose, and require employee travel cards to be used for expenditures directly involved in arranging or paying for State travel. The remaining 5 State agencies—AAG, ASDB, DEMA, DFFM, and DCRR—failed to implement their agency-level policies. For 3 of these 5 agencies—AAG, ASDB, and DFFM—their internal policies did not comply with requirements outlined in SAAM. The remaining 2 agencies—DEMA and DCRR—did not adhere to guidance outlined in their agency-level policies. Had these agencies developed and implemented agency-specific policies that complied with the requirements outlined in SAAM, many of these deficiencies may not have occurred.

Additionally, GAO Internal Audit management reported that, due to recent staffing turnover and its inability to fill vacant positions, it was unable to conduct proactive reviews of the purchasing and travel card transactions and ensure agencies complied with SAAM. If the Internal Audit group had been sufficiently staffed to perform these reviews, State agencies may have become aware of the nonconformity prior to our audit.

Criteria

SAAM, which State agencies must follow, provides State employee cardholders and State agency supervisors, who are responsible for reviewing and approving card transactions, guidance on allowable card uses and purposes, including the following requirements:

- ▶ Purchasing and employee travel card purchases must be for a valid public purpose, and employee travel cards must be for an allowable travel expense.^{3,4}
- ▶ The manager or supervisor is required to review and document a written certification of the monthly purchasing card statements to verify the validity and appropriateness of all charges and/or payments made by cardholders who are their direct reports. It is essential that this review, to the extent practicable, be conducted by a noncardholder.⁵

³ State of Arizona's Department of Administration, General Accounting Office. (2020). *State of Arizona Accounting Manual: SAAM 4535-1.1, P-Card General Policies and Procedures*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/4535%2520P-Card%2520General%2520Policies%2520and%2520Procedures%2520200218.pdf>

⁴ State of Arizona's Department of Administration, General Accounting Office. (2019). *State of Arizona Accounting Manual: SAAM 5054-4, Employee Travel Card (ETC) Employee Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/5054%2520Employee%2520Travel%2520Card%2520Emplyoyee%2520Responsibilities%2520190624a.pdf>

⁵ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 4536-5.1.6.6, P-Card Agency Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-10/4536%20P-Card%20Agency%20Responsibilities%20221001.pdf>

- ▶ Maintain all original receipts and submit to the agency either the original receipts or scanned copies that document charges, credits, or adjustments incurred on the purchasing card.⁶
- ▶ All purchasing or employee travel cardholders are required to sign an application form approved by the agency purchasing or travel card administrators who are required to retain the form, along with all documentation related to the approval or denial of a request for a purchasing or travel card.^{7,8}
- ▶ Dividing purchase transactions to circumvent purchase limits is prohibited.⁹
- ▶ The spending limit for any single purchase transaction shall not exceed \$10,000 for monies expended out of nonappropriated funds unless approved in writing by the State Comptroller.¹⁰
- ▶ Employee travel cards shall not be used for any purchases that are unrelated to official State of Arizona travel, such as personal bills for travel, entertainment, home utilities, etc.¹¹
- ▶ Cost of meals and refreshments served at an employee recognition event must not collectively exceed the amount allowable for lunch reimbursement appropriate to the location and reasonable anticipated participants.¹²
- ▶ Food or beverages provided at State-hosted events require an analysis and determination of the public purpose prior to providing food and beverages and shall not exceed the amount allowable for lunch reimbursement.¹³ Additionally, DEMA's internal policies prohibit food purchases for employees, including at group meetings (DEMA Directives 40.3, Article 8.4 and 40.2, Article 8.0).

⁶ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: 6SAAM 4537-4.1, P-Card Cardholder Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-06/4537%2520P-Card%2520Cardholder%2520Responsibilities%2520150701.pdf>

⁷ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 4536-5.1.6.4, P-Card Agency Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-10/4536%20P-Card%20Agency%20Responsibilities%20221001.pdf>

⁸ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 5051-18.1 through 18.3, Employee Travel Card (ETC) Agency Responsibilities and General Policies*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-08/5051%20Employee%20Travel%20Card%20Agency%20Responsibilities%20220701.pdf>

⁹ State of Arizona's Department of Administration, General Accounting Office. (2020). *State of Arizona Accounting Manual: SAAM 4535-1.11, P-Card General Policies and Procedures*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/4535%2520P-Card%2520General%2520Policies%2520and%2520Procedures%2520200218.pdf>

¹⁰ State of Arizona's Department of Administration, General Accounting Office. (2020). *State of Arizona Accounting Manual: SAAM 4535-2, P-Card General Policies and Procedures*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/4535%2520P-Card%2520General%2520Policies%2520and%2520Procedures%2520200218.pdf>

¹¹ State of Arizona's Department of Administration, General Accounting Office. (2019). *State of Arizona Accounting Manual: SAAM 5054-4, Employee Travel Card (ETC) Employee Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/5054%2520Employee%2520Travel%2520Card%2520Employee%2520Responsibilities%2520190624a.pdf>

¹² State of Arizona's Department of Administration, General Accounting Office. (2018). *State of Arizona Accounting Manual: SAAM 5557-3.15, Employee Recognition Activities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2024-10/5557%20Employee%20Recognition%20Activities%20180409a.pdf>

¹³ State of Arizona's Department of Administration, General Accounting Office. (2018). *State of Arizona Accounting Manual: SAAM 8010-3 and 4, Food and Beverages at State-sponsored Events*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-06/8010%2520Food%2520and%2520Beverages%2520at%2520State-sponsored%2520Events%2520180618.pdf>

- ▶ Agency heads shall act as or appoint 1 or more agency employees as a purchasing card administrator who shall not obtain a purchasing card unless GAO grants an exception in advance.¹⁴
- ▶ A cardholder cannot have the authority to approve the disbursement of agency funds, or both purchasing and payment authority, unless approved in writing by the State Comptroller. Further, GAO must approve any exceptions to these provisions regarding segregation of duties.¹⁵
- ▶ Airline priority boarding charges are not to be reimbursed unless specifically allowed, and all such determinations/approvals must be properly documented and retained for audit and inspection.¹⁶
- ▶ Agency heads, or their delegate, must issue agency-specific purchasing card policies and procedures. These policies must be in writing, kept on file, available for review, and conform to the policies identified in SAAM.¹⁷

In addition, State law bans gifts of public monies by State agencies to individuals, which could potentially include purchasing and employee travel card expenditures that are not authorized by SAAM (Arizona Constitution, Art. IX, §7).

Recommendations to the State agencies

Follow SAAM for purchasing and/or employee travel cards, including requirements to:

1. Ensure all purchasing and employee travel card purchases and payments are for a valid public purpose and/or for an allowable travel expense necessary to serve a public purpose and to benefit the State and its residents or deny reimbursement and take appropriate action to ensure the employee uses their travel card appropriately. (OTE, DEMA, DFFM, DCRR, and DGF)
2. Ensure a manager or supervisor reviews and retains a written certification of the monthly purchasing card statements to verify the validity and appropriateness of all charges and/or payments made by cardholders who are their direct reports, including verifying compliance with the State's accounting manual and ensuring the public purpose is documented. (DFFM, OTE, DCRR)

¹⁴ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 4536-4, P-Card Agency Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-10/4536%20P-Card%20Agency%20Responsibilities%20221001.pdf>

¹⁵ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 4536-6.1 through 6.1.3, P-Card Agency Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-10/4536%20P-Card%20Agency%20Responsibilities%20221001.pdf>

¹⁶ State of Arizona's Department of Administration, General Accounting Office. (2020). *State of Arizona Accounting Manual: SAAM 5010-3.2 and 6.1, Travel by Way of Common Carrier*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-05/5010%2520Travel%2520by%2520Way%2520of%2520Common%2520Carrier%2520200210.pdf>

¹⁷ State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: SAAM 4536-4.5.1 through 5.1.6.6, P-Card Agency Responsibilities*. Retrieved 1/21/2026 from <https://gao.az.gov/sites/default/files/2022-10/4536%20P-Card%20Agency%20Responsibilities%20221001.pdf>

- 3.** Ensure cardholders upload itemized receipts that support the purchase or deny reimbursement. (OTE)
- 4.** Review all employee travel card purchases identified above to ensure they were for purchases while in travel-status. If employees were reimbursed for expenses made while not in travel status, determine if the agency should seek repayment from the employee. (DGF, DFFM)
- 5.** Not divide purchase transactions to circumvent purchase limits. (DCRR)
- 6.** Obtain approval from the State Comptroller to increase the purchasing cardholder credit limit. (DCRR)
- 7.** Perform an analysis prior to providing food for a recognition event or conference that demonstrates and substantiates savings for the State. (DCRR)
- 8.** Require organizers of all events where food is provided to verify and document that it serves a public purpose and is allowable according to agency-specific policies. If food is determined to both serve a public purpose and comply with agency-specific policies, ensure attendees sign in to ensure the agency is complying with allowable meal reimbursement rates. (DCRR, DEMA)
- 9.** Ensure charges such as priority boarding are properly approved and documented or deny reimbursement for the charge. (DGF)
- 10.** Ensure purchasing card administrators obtain approval from the State Comptroller and GAO to obtain a purchasing card and self-approve purchases. Without such approvals, either revoke the purchasing card administrator's purchasing card or appoint a new purchasing card administrator who does not require a purchasing card. (AAG)
- 11.** Retain all purchasing and employee travel card application forms, ensuring they have been signed by an approving official and submitted to GAO. (OTE, ASDB, DEMA, DFFM)
- 12.** Develop and/or implement policies and procedures that conform to those policies outlined in SAAM, including requirements to document the review and approval of transactions and ensure all transactions have a documented public purpose. After developing and/or implementing policies and procedures, the agencies should train their employees on these new or revised policies (AAG, OTE, ASDB, DCRR, DEMA, DFFM, DGF)

Recommendation to GAO

13. Allocate sufficient resources, such as staffing, to GAO's Internal Audit unit to conduct proactive reviews of purchasing and employee travel card purchases to ensure State agencies and their employees' purchases comply with SAAM.

Views of responsible officials

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

The Board of Occupational Therapy Examiners did not properly record its fixed assets within the State’s accounting system, resulting in an increased risk that its fixed assets could be stolen, lost, or misused

Condition

Contrary to the *State of Arizona Accounting Manual (SAAM)*, the Board of Occupational Therapy Examiners (OTE) did not ensure that all fixed assets were recorded in the State accounting system’s fixed asset module (FAM). Specifically, we found that OTE did not record 34 of its 35 fixed assets identified in its internal inventory listing in FAM, including various IT resources like printers, monitors, laptops, a check machine, and phones. Based on our review of the FAM, OTE has not recorded fixed assets in FAM since May 2019. Further, OTE’s internal inventory listing did not include required information regarding its fixed assets, such as method of acquisition, funding source, date of acquisition, purchase document number, and cost.

Effect

OTE’s failure to perform required recordkeeping of its fixed assets results in them not being appropriately safeguarded, increasing the risk of theft, loss, and misuse. Further, there is an increased risk that the State’s capital assets and associated depreciation expenses are understated on its financial statements and increases the risk that those relying on the reported financial information could be misinformed.

Cause

OTE’s management reported to us that it was unaware of its requirements to record fixed assets within FAM. Additionally, OTE did not have documented policies or procedures to record and track its capital assets. Further, although OTE entered into an Interagency Service Agreement (ISA) with the Arizona Department of Administration’s Central Services Bureau (CSB) in fiscal year 2024 to provide some essential accounting services to OTE for a predetermined fee, the ISA between OTE and CSB did not include fixed assets recordkeeping services.

Criteria

SAAM requires all fixed assets, including IT resources, to be entered into FAM within 1 calendar month of the acquisition date.^{1,2} Additionally, SAAM requires all agencies to maintain lists of all tangible capital assets, which include, at a minimum, the property identification number, description and location of the asset, method of acquisition, funding source, date of acquisition, date of disposal, purchase document number, and cost.¹

Recommendations to OTE

1. Record all fixed assets, including IT resources, in FAM within 1 calendar month of the acquisition date.
2. Update its internal inventory listing to include all required information, such as method of acquisition, funding source, date of acquisition, purchase document number, and cost.
3. Review all fixed asset purchases since at least May 2019, including IT resources, and update its internal inventory listing and FAM, as necessary.
4. Develop and document policies and procedures for recording and tracking capital assets and train responsible employees to ensure timely and accurate recording of fixed asset purchases in both FAM and its internal inventory listing.
5. Designate an individual to record fixed assets within FAM and its internal inventory listing or revise its ISA with CSB to include fixed assets recordkeeping services, if available.

Views of responsible officials

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

¹ State of Arizona's Department of Administration, General Accounting Office. (2019). *State of Arizona Accounting Manual 2505-2.1 and 8 Long-lived Resources: General Policies*. Retrieved 11/7/2025 from <https://gao.az.gov/sites/default/files/2022-05/2505%2520General%2520Policies%2520190304.pdf>

² State of Arizona's Department of Administration, General Accounting Office. (2024). *State of Arizona Accounting Manual 2515-1.1 and 1.2: Long-lived Resources: Information Technology Resources*. Retrieved 11/7/2025 from <https://gao.az.gov/sites/default/files/2024-09/2515%20Information%20Technology%20Resources%20240930.pdf>

Other auditors' financial statement findings

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

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

Condition

The AHCCCS Office of Inspector General and the Arizona Attorney General's Office became aware of potential fraudulent billing practices including significant increases in billing for outpatient behavioral health services in its Medical Assistance Program (noncompliance in a federal program as described in finding 2024-120 that had a direct and material effect on the determination of financial statements amounts). These circumstances triggered a multi-agency review and investigation of potential fraud, waste, and abuse. Ultimately, this led AHCCCS to connect the irregular billing of these services with alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans. In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the State. Since then, AHCCCS has suspended more than 300 providers. These provider suspensions are known as Credible Allegations of Fraud (CAF) suspensions.

The CAF payment suspensions noted above are associated with wide-ranging investigations into fraudulent Medicaid billing by the named providers. The investigations are ongoing. However, AHCCCS believes that credible evidence has been established that individuals were targeted and aggressively recruited with false promises of food, treatment, and housing, only to be taken to locations where providers billed for services that were not provided or were not appropriate or necessary. See also federal compliance finding at 2024-120.

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

Effect

As a result of this matter, we were unable to obtain sufficient appropriate audit evidence for AHCCCS' receivables and other, federal revenue, and due to the federal government line items and have issued a qualified opinion on the basic financial statements as of and for the year ended June 30, 2024. Material unrecorded receivables, federal revenue, and due to the federal government may exist.

Cause

AHCCCS did not make any financial statement adjustments for potential repayment or recoveries because it lacked evidence to complete the determinations necessary to support the amount of monies it would be required to return to the U.S. government. The fraud was a result of several bad actors colluding against the program. AHCCCS did not have complementary controls in place to detect unnecessary utilization of care services in a timely manner. Additionally, AHCCCS did not have sufficient procedures for the ongoing pre- and post-payment review of behavioral health claims, as noted in the compliance finding at 2024-120.

Criteria

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

Recommendations to AHCCCS

1. Continue its investigations and refer CAF cases to law enforcement officials.
2. Continue to work with the Centers for Medicare & Medicaid Services (CMS) to determine what, if any, amounts may be required to be remitted to CMS.
3. Record the balances within the financial statements in accordance with GAAP once amounts are known.
4. Review their internal controls to ensure the controls in place are sufficient to timely detect unnecessary utilization and care of service.

This finding is similar to prior-year finding 2023-09 and was initially reported in fiscal year 2023.

Views of responsible officials

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

Other auditors' financial statement findings

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

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

Condition

For the year ended June 30, 2024, AHCCCS encountered delays in the close and financial reporting process. Additionally, AHCCCS experienced delays in certain required quarterly reporting and required extensions from various funding agencies, most notably the Centers for Medicare & Medicaid Services ("CMS"). For fiscal year 2024, AHCCCS' financial reporting and federal award information was due to ADOA by November 15, 2024, and was not submitted to ADOA until March 14, 2025.

Effect

The State was not able to meet its financial reporting and audit requirements and deadlines. This also impacted decision-makers' ability to rely on financial information that was not provided in a timely manner. Additionally, the delay in the federal award reporting resulted in the State's delay in issuing its single audit reporting package, which was due March 31, 2025, and could result in actions being taken by federal grantors on various federal awards. This is deemed to be a material weakness in internal control over financial reporting.

Cause

The delays in AHCCCS' close and financial reporting process were caused by the delays in the fiscal year 2023 audit, which was not finalized and issued until September 2024. As a result, the fiscal year 2024 audit did not begin until November 2024. Additionally, AHCCCS' Division of Business and Finance continued to experience employee turnover into fiscal year 2024. These matters were exacerbated as a result of the COVID-19 pandemic, the end of the Public Health Emergency and related disenrollment, and the myriad of federal and State responses that continue to impact the Medicaid program. This continues to increase the volume and complexity of accounting activity within AHCCCS.

Criteria

AHCCCS' close and financial reporting processes involve a significant volume of complex accounting transactions and estimates that require sufficient personnel with the requisite skills, knowledge, and expertise to ensure the accuracy and timeliness of the year-end close and financial reporting process as well as the accuracy and timeliness of other quarterly financial reporting. Additionally, State law requires State agencies to submit their financial and federal award information to the Arizona Department of Administration ("ADOA") by a specified date to meet the State's financial reporting and single audit deadlines. For fiscal year 2024, AHCCCS' financial reporting and federal award information was due to ADOA by November 15, 2024.

Recommendations to AHCCCS

1. Submit financial reporting and federal award information to ADOA within the required timelines.
2. Continue to review the overall size of the finance and accounting department within the Division of Budget and Finance and consider adding additional resources such that the complement of finance and accounting professionals is sufficient to timely close the books and complete year-end and quarterly reporting timely.
3. Assess the skills, knowledge and experience of the accounting department to ensure that resources are sufficient to facilitate timely financial reporting, given the growth of the program and as a result of turnover.

This finding is similar to prior-year finding 2023-10 and was initially reported in fiscal year 2022.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Arizona Health Care Cost Containment System (AHCCCS) reported this finding. AHCCCS' activity is reported in the State's General Fund and Other Governmental Funds financial statements. AHCCCS' and the State's financial statements were adjusted for the misstatements noted.

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

Condition

In connection with our audit, we encountered several audit adjustments to present the financial statements and schedule of expenditures of federal awards of AHCCCS in accordance with GAAP. For the year ended June 30, 2024, several audit adjustments were made to properly adjust accruals, reconcile balances, correct errors and properly present financial information in the financial statements and schedule of expenditures of federal awards. We noted 7 adjusting entries, which resulted in a decrease of approximately \$20.1 million to assets, a decrease of approximately \$13.4 million to liabilities, and a decrease of approximately \$6.7 million to net income. Additionally, we noted the adjusting entries resulted in a net decrease in the total expenditures of federal awards of approximately \$24.6 million, as presented on the schedule of expenditures of federal awards.

Effect

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

Cause

The audit adjustments were caused largely by turnover within AHCCCS' Division of Budget and Finance, poor or nonexistent process documentation, an extensive learning curve of the newly assembled AHCCCS audit team responsible for the coordination and administration of the audit, and financial/accounting system challenges. Specifically, the financial/accounting system challenges stemmed from a shift in the methodology used to compile financial statements. In

fiscal year 2022 and prior, AHCCCS relied on a data warehouse to compile financial statements, which followed a defined-data process. However, due to the absence of process documentation, the new audit team was unable to replicate or effectively utilize the data warehouse processes in the past 2 audit cycles. As a result, AHCCCS pivoted to a manual process for compiling financial statements.

Criteria

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

Recommendations to AHCCCS

1. Continue to review the overall size of the finance and accounting department within the Division of Budget and Finance and consider adding additional resources such that the compliment of finance and accounting professionals is sufficient to timely close the books and complete year-end and quarterly reporting timely.
2. Assess the skills, knowledge, and experience of the accounting department to ensure that resources are sufficient to facilitate timely financial reporting, given the growth of the program and as a result of turnover.
3. Ensure its Division of Business and Finance enhances their existing documentation of accounting policies, procedures, and processes to ensure that any future impact on the year-end close and financial reporting processes is minimal.
4. Establish a year-end close manual and checklist to ensure accruals, financial statement, and the schedule of expenditures of federal awards are complete and accurate.

This finding is similar to prior-year finding 2023-11 and was initially reported in fiscal year 2023.

Views of responsible officials

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

Other auditors' financial statement findings

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

AHCCCS' previously issued fiscal year 2024 financial statements contained errors, which required the financial statements to be reissued and increased the risk of those relying on the reported financial information could be misinformed with conflicting information

Condition

Subsequent to the issuance of AHCCCS' fiscal 2024 financial statements, management identified certain errors related to the recognition and classification of certain accruals. Specifically, AHCCCS (a) recorded a portion of their contracted health plan risk reconciliation accruals twice, and (b) recorded an accrual for an amount that had already been paid as of June 30, 2024. These errors resulted in misstatements in the previously reported General Fund balances. Additionally, management identified a misclassification, whereby an accrual originally posted to the General Fund should have been partially allocated to the Other Governmental Fund based on the funding source. As a result, certain amounts have been reclassified between funds to reflect the appropriate allocation.

Effect

The previously issued AHCCCS fiscal 2024 financial statements and schedule of expenditures of federal awards were misstated and not presented in accordance with U.S. GAAP. Accordingly, as a result of these errors, the financial statements and schedule of expenditures of federal awards were reissued to correct the previously reported amounts. This could result in conflicting information for management and outside users. The net impact on the entity-wide financial statements was a \$354.3 million decrease in assets, a \$344.6 million decrease in liabilities, a \$9.7 million decrease to net position, and a \$9.7 million decrease to change in net position. The net impact to the fund balance on the governmental fund financial statements was a \$9.7 million overall decrease. This consists of a net impact to the General Fund of a \$384.8 million decrease in assets, a \$350.7 million decrease in liabilities, a \$34.1 million decrease to fund balance, and a \$34.1 million decrease to the net change in fund balance, and a net impact to the Other Governmental Fund consisting of a \$30.5 million increase in assets, a \$6.1 million increase in liabilities, a \$24.4 million increase in fund balance, and a \$24.4 million increase to the change in fund balance. There was also a \$317.0 million net increase to the schedule of expenditures

of federal awards consisting of a \$307.2 million increase to ALN 93.778, Medical Assistance Program (Medicaid; Title XIX), and a \$9.8 million increase to ALN 93.767, Children’s Health Insurance Program, (Title XXI). These errors are also in addition to errors detailed in finding 2024-21. This is deemed to be a material weakness in internal control over financial reporting.

Cause

The underlying cause of the error was insufficient controls over the journal entry posting process, specifically related to the aggregation and review of year-end accrual entries. AHCCCS aggregated several contracted health plan risk reconciliation journal entry accruals into a single large entry and inadvertently duplicated a portion of the entry. This duplication went undetected due to a review process that lacked sufficient rigor and comprehensiveness. Additionally, the individuals responsible for the review did not possess an adequate understanding of the contracted health plan risk reconciliation accruals, further limiting their ability to identify the error.

Criteria

Accounting principles generally accepted in the United States of America (“GAAP”) require that AHCCCS’ government-wide financial statements be reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. AHCCCS’ governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized only to the extent that they are susceptible to accrual, meaning that they are both measurable and available to finance expenditures of the fiscal period. State law also requires AHCCCS to submit all necessary financial information to the Arizona Department of Administration (“ADOA”) to be used to prepare the State’s Annual Comprehensive Financial Report (“ACFR”) consistent with generally accepted accounting principles and in accordance with the ADOA’s policies and procedures (A.R.S. §35-131 [I]).

Recommendations to AHCCCS

1. Enhance its internal controls over the journal entry posting process, particularly for year-end contracted health plan risk reconciliation accruals. This should include implementing procedures that require a detailed, independent review of all aggregated journal entries prior to posting, with specific attention to identifying potential duplicate entries.
2. Provide training and resources to reviewers to ensure they have a thorough understanding of contracted health plan risk reconciliation accruals. This should also include utilizing reconciliation reports to identify potential duplicates. Strengthening both the review process and reviewer expertise will help prevent similar errors in the future and improve the accuracy of financial reporting.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Arizona Industrial Development Authority (AIDA) reported this finding. AIDA's activity is reported in the State's aggregate discretely presented component units' financial statements. AIDA's and the State's financial statements were adjusted for the misstatements noted.

The Arizona Industrial Development Authority's initial financial statements required adjustments, thus weakening the internal control environment over financial reporting

Condition

During our audit, we noted several material audit adjustments that were necessary to present the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and AIDA subsequently corrected them in the general ledger by making the following adjustments:

- ▶ An adjustment in the amount of \$87,708 was recorded to book the interest payable on the Mortgage Revenue Bonds.
- ▶ An adjustment in the amount of \$685,764 was recorded to reclassify the bond premium on the Mortgage Revenue Bonds from bonds payable in order to account for the amortization of the premium.
- ▶ An adjustment in the amount of \$1,025,002 was recorded to remove receivables in the general ledger that were determined to be uncollectable.
- ▶ An adjustment in the amount of \$350,988 was recorded to reverse a receivable that was recorded in fiscal year 2024 that relates to fiscal year 2025.
- ▶ A reclassification in the amount of \$1,753,804 was recorded to account for the payment to the State of Arizona as an expense rather than an adjustment to equity.

Effect

Material adjustments were necessary to fairly state the financial statements. In addition, the control environment over financial reporting is weakened.

Cause

AIDA did not have sufficient procedures in place to ensure the entity's general ledger was properly closed and the financial statements were prepared accurately. AIDA recorded transactions in its general ledger based on summarized data. Although details were maintained in supporting spreadsheets, the net effect of transactions were recorded in the general ledger.

Criteria

In order to fairly present the financial statements in accordance with GAAP, management must maintain detailed accounting records and perform a year-end closing process, which includes accumulating, reconciling, and summarizing information for inclusion in the trial balance and financial report. The year-end closing process should include a review of all balances to ensure completeness and accuracy of amounts reported within the financial statements.

Recommendations to AIDA

1. Record all transactions within the general ledger on a gross basis rather than netting them and booking summarized data to ensure the financial statements are prepared in accordance with GAAP.
2. Implement a year-end closing process to ensure the financials are materially fairly stated prior to the commencement of the audit.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Arizona Industrial Development Authority (AIDA) reported this finding.

The Arizona Industrial Development Authority did not retain approval documentation for a conduit debt administrative fee adjustment, increasing the risk that the proper fee amount will not be collected

Condition

As part of our testing over AIDA's conduit debt administrative fee revenues, we observed one case in which the original agreed upon fee was adjusted down and there was no subsequent documentation to support the review and approval of the adjusted fee.

Effect

There is an increased risk that the proper administrative fee will not be collected.

Cause

AIDA did not have sufficient procedures in place to ensure any changes to administrative fees billed are reviewed and approved.

Criteria

Management is responsible for establishing and maintaining internal control activities, which includes appropriate documentation of review and approval over account transactions.

Recommendations to AIDA

1. Implement additional policies and procedures to ensure any adjustments to the approved management fee on conduit debt issuances are appropriately reviewed, approved and documented.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Arizona Commerce Authority (Authority) reported this finding. The Authority's activity is reported in the State's aggregate discretely presented component units' financial statements. The Authority's and the State's financial statements were adjusted for the misstatements noted.

The Arizona Commerce Authority's initial financial statements contained errors, which increased the risk that those relying on the reported financial information could be misinformed

Condition

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

Effect

Management proposed and subsequently approved significant audit adjustments to properly state year-end fund balances in the fund financial statements.

Cause

The Authority has not established controls to ensure accounts are adjusted to their appropriate year-end balances in accordance with GAAP. The Authority has reviewed and approved the proposed adjustments and the draft financial statements.

Criteria

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

Recommendations to the Authority

1. Evaluate its internal control processes over financial statement preparation.
2. Establish effective review policies and procedures over fund balance reconciliation and annual financial close.

This finding is similar to prior-year finding 2023-13 and was initially reported in fiscal year 2023.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Arizona Department of Transportation (ADOT) reported this finding. ADOT's activity is recorded within the State's Transportation and Aviation Planning, Highway Maintenance and Safety Fund and Other Governmental Funds financial statements. ADOT's and the State's financial statements were adjusted for the misstatements noted.

The Arizona Department of Transportation did not record its premium/discount amortization on long-term obligations following the effective interest rate method, resulting in a \$91.9 million adjusting entry

Condition

ADOT's fiscal year 2024 beginning balances were misstated by \$91,938,509.

Effect

The lack of adequate internal controls could result in a misstatement going undetected or uncorrected.

Cause

ADOT implemented the U.S. GAAP preferred effective interest rate method to discount its unamortized premiums and discounts on long-term obligations in a prior fiscal year. The change in accounting principle was not implemented properly for certain bonds issued by the ADOT, and the related premium/discount amortization.

Criteria

Internal controls should be in place to ensure accurate and timely financial reporting.

Recommendations to ADOT

1. Complete a review of its financial reporting processes to ensure compliance with U.S. GAAP, especially as it relates to complex financial transactions.

Views of responsible officials

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

Other auditors' financial statement findings

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

The Arizona Property and Casualty Insurance Guaranty Fund did not retain required approval documentation for 1 vendor payment for hospital or medical services totaling nearly \$39,764, increasing the risk that material errors may not be prevented or detected

Condition

For 1 of 7 vendor payments totaling nearly \$39,764 for hospital or medical services over \$20,000, initiated by the third-party administrator and requiring approval by the APCIGF, documentation of approval was not retained.

Effect

Errors in financial reporting may not be prevented or detected on a timely basis.

Cause

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

Criteria

In accordance with the Broadspire Final APCIGF Claims protocol document, Medical Management, vendor payments, initiated by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill or charged to single claimant over \$20,000, require approval by the fund's claims manager or executive director.

Recommendations to APCIGF

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

This finding is similar to prior-year finding 2023-14 and was initially reported in fiscal year 2023.

Views of responsible officials

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

Other auditors' financial statement findings

The other auditors who audited the Rio Nuevo Multipurpose Facilities District (RIO) reported this finding.

The Rio Nuevo Multipurpose Facilities District did not retain an invoice supporting a disbursement for \$49,399, increasing the risk of a misstatement going undetected or uncorrected

Condition

The RIO was unable to locate an invoice supporting a disbursement made in April 2024 for \$49,399.

Effect

As a result of the missing invoice, the RIO cannot provide documentation of approval prior to payment of the transaction.

Cause

The inability to locate the invoice appears to be due to a filing error and lack of adherence to the organization's document retention policies.

Criteria

Internal policies and procedures require retention of documentation, such as invoices, to support disbursements.

Recommendations to RIO

1. Enhance its document retention practices, including periodic reviews to ensure that all disbursements are supported by appropriate invoices and other documentation.

Views of responsible officials

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

The Arizona Department of Administration submitted the State's June 30, 2024, Single Audit Report to the federal audit clearinghouse nearly 13 months later than allowed by federal regulation, preventing federal agencies that oversee the State's federal programs from having timely information to effectively monitor federal programs and impose corrective actions

Assistance Listings number(s) and name(s): Not applicable

Questioned costs: Not applicable

Condition

Contrary to federal regulations and guidance, the Arizona Department of Administration (ADOA) submitted the State's June 30, 2024, Single Audit Report to the federal audit clearinghouse on April 23, 2026, which was nearly 13 months later than allowed by federal regulation.

Effect

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

- ▶ The U.S. National Institutes of Health has notified the University of Arizona and Arizona State University that it will withhold approximately \$154 million of federal funding it was expected to receive until the State's fiscal year 2024 Single Audit Report is issued.
- ▶ The U.S. Department of Energy has notified the University of Arizona and Arizona State University that it is withholding approximately \$74 million of federal funding it was expected to receive until the State's fiscal year 2024 Single Audit Report is issued.

Cause

The State issued its fiscal years 2020 through 2024 Annual Comprehensive Financial Report (ACFR) and Single Audit reports late, issuing the fiscal year 2024 Single Audit on April 23, 2026, which was nearly 13 months late. This was primarily because 5 significant State agencies did not provide timely responses to audit requests, which caused additional delays to the State's financial and federal audits (see financial statement findings 2024-01 through 2024-06 and 2024-09) for the fiscal year 2024 ACFR reports.

Criteria

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

Recommendations to ADOA

1. Submit all future Single Audit Reports on or before the federally required submission deadline, which is no later than 9 months after the fiscal year-end, or by March 31 of the subsequent year.
2. Continue to work with State agencies to provide guidance and support over their financial reporting process and audit request responses, as needed, so that it can prepare and issue the State's ACFR and Single Audit reports in time to meet financial reporting and audit deadline requirements.

This finding is similar to prior-year finding 2023-101 and was initially reported in fiscal year 2020.

Views of responsible officials

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

Four State agencies did not perform required subrecipient monitoring procedures, increasing the risk that program monies may have been misused and not spent in accordance with the award terms

Assistance Listings number(s) and name(s):

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery (SLFRF) Funds

Award number(s) and year(s): None

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Subrecipient monitoring

Questioned costs: \$1,623,846

Condition

Contrary to federal regulation, the Arizona Department of Housing (ADOH), Arizona Department of Water Resources (ADWR), Arizona Office of Tourism (AOT), and Industrial Commission of Arizona (ICA) did not perform the required monitoring of their subrecipients' activities or compliance with the award terms and program requirements. Specifically, we found that 4 of 10 State agencies we tested did not perform the various and required monitoring procedures identified in Table 1 below and Tables 2 through 4, page 128.

Table 1

Three State agencies did not assess the risk of subrecipients' noncompliance to develop monitoring activities based on those risk assessments

June 30, 2024

State agency	Subrecipients tested	Instances of noncompliant monitoring	Associated amount paid to subrecipients
ADOH	5	5	\$2,805,240
ICA	2	2	2,366,782
ADWR	3	3	373,800
Total	10	10	\$5,545,822

Source: Auditor General staff review of grant agreements, the State of Arizona's general ledger data, agency subrecipient ledgers, and other miscellaneous documentation.

Table 2**Four State agencies did not verify subrecipients received timely single audits or followed up on and ensured that corrective action was taken on audit findings that could potentially affect the program**

June 30, 2024

State agency	Subrecipients tested	Instances of noncompliant monitoring	Associated amount paid to subrecipients
ICA	1	1	\$2,311,370
ADWR	2	1	1,148,137
ADOH	3	1	929,839
AOT	2	1	764,100
Total	8	4	\$5,153,446

Source: Auditor General staff review of grant agreements, the State of Arizona's general ledger data, agency subrecipient ledgers, and other miscellaneous documentation.

Table 3**One State agency did not request and view supporting transaction details prior to paying a subrecipient for payroll costs to verify they met the requirements of the award terms and program requirements**

June 30, 2024

State agency	Subrecipients tested	Instances of noncompliant monitoring	Associated amount paid to subrecipients
AOT	7	1	\$50,214
Total	7	1	\$50,214

Source: Auditor General staff review of grant agreements, the State of Arizona's general ledger data, agency subrecipient ledgers, and other miscellaneous documentation.

Table 4**One State agency awarded and paid 2 subrecipients without establishing subrecipient subaward agreements communicating allowable uses of program monies and other information required by federal regulations**

June 30, 2024

State agency	Subrecipients tested	Instances of noncompliant monitoring	Associated amount paid to subrecipients
ICA	2	2	\$2,366,782
Total	2	2	\$2,366,782

Source: Auditor General staff review of grant agreements, the State of Arizona's general ledger data, agency subrecipient ledgers, and other miscellaneous documentation.

In addition, as of the report date, April 23, 2026, the Governor’s Office of Strategic Planning and Budgeting (OSPB) took appropriate action by identifying and self-reporting to us \$1,623,846 of expenditures for 8 SLFRF program subrecipients, who were awarded monies prior to fiscal year 2024, and may not have spent the monies in accordance with program requirements.¹ Specifically, based on our fiscal year 2023 audit recommendations in finding 2023-102, OSPB performed missing risk assessments for subrecipients awarded monies during fiscal years 2022 and 2023. As a result of these assessments, OSPB conducted additional onsite monitoring or desk reviews based on those results and identified \$1,623,846 in questionable costs by its subrecipients. Additionally, OSPB identified several of these questioned costs as potentially fraudulent or inappropriate and forwarded this information to the Attorney General’s Office for further review. We selected OSPB as part of the 10 State agencies tested during fiscal year 2024. Of 24 OSPB subrecipients we tested, we did not identify any deficiencies with OSPB performing the required monitoring of their subrecipients’ activities or compliance with the award terms and program requirement during fiscal year 2024.

In total during fiscal year 2024, there were 14 State agencies that paid \$270.2 million to subrecipients, as shown in Table 5 below, or 56.2% of the State’s \$480.4 million total federal expenditures for this program.

Table 5

The State is at an increased risk that \$41.4 million of program expenditures paid to 131 subrecipients by 4 State agencies may have been misused and not spent in accordance with the award terms and program requirements

June 30, 2024

State agencies	Number of subrecipients	Total expenditures paid to subrecipients	Percentage of total expenditures paid to subrecipients
Expenditures not paid in accordance with terms and requirements			
ICA	54	\$17,232,504	6.4%
ADOH	17	16,392,720	6.1%
AOT	57	5,314,084	1.9%
ADWR	3	2,445,029	0.9%
Subtotal	131	\$41,384,337	15.3%
Expenditures paid in accordance with terms and requirements			
Remaining 14 State agencies	Unknown ¹	228,800,068	84.7%
Subtotal	Unknown	\$228,800,068	84.7%
Total	Unknown	\$270,184,405	100.0%

¹ The remaining 14 State agencies included \$4,763,080 of subrecipient expenditures for the Arizona Early Childhood Development and Health Board, which is audited by other auditors. Consequently, we could not identify the total number of subrecipients for the remaining 14 State agencies.

Source: Auditor General staff review of the State of Arizona’s general ledger data.

¹ These 8 subrecipients are in addition to the 3 subrecipients with associated expenditures of \$1,903,858 that were reported in our fiscal year 2023 finding 2023-102.

Effect

The 4 State agencies' lack of required monitoring increased the risk that the \$41.4 million of program monies they paid to 131 subrecipients may have been misused and not spent in accordance with the award terms and program requirements as shown in Table 5, page 129. If monies are spent inconsistent with program requirements, those who were intended to benefit from the program may not receive all the services or other benefits they otherwise would have received. ADOH, ADWR, AOT, and ICA are at risk that this finding applies to other federal programs they administer.

Further, OSPB's previously identified expenses that may not have been spent in accordance with program requirements may result in OSPB being required to return up to \$1,623,846 of program monies to the federal agency in accordance with Uniform Guidance requirements.²

Cause

Despite subrecipient monitoring requirements being included in the federal regulations, 4 State agencies did not develop and/or implement sufficient subrecipient monitoring policies and procedures to comply with federal regulations. Specifically,

- ▶ ADOH's management reported that its policies and procedures did not contain clear criteria for when single audits should be obtained and the process for conducting risk assessments.
- ▶ ADWR's management reported that it lacked policies and procedures for obtaining single audits and conducting risk assessments.
- ▶ AOT's management reported that it performed only limited monitoring procedures for subrecipients who expended more than \$750,000 of AOT awards during the year. Additionally, AOT's management reported that it misunderstood the detailed transactions required to substantiate the \$50,214 in payroll expenditures.
- ▶ ICA's management reported that there was a misunderstanding on which State agency was responsible for performing the subrecipient monitoring of the monies it passed through to subrecipients and consequently did not develop all the necessary subrecipient monitoring policies and procedures.

Further, OSPB previously reported that it hired additional staff in fiscal year 2023 to begin addressing audit finding issues noted in prior years and began performing required risk assessments in fiscal year 2024.

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

Criteria

Federal regulation requires State agencies to monitor subrecipients, which includes required monitoring procedures, as follows (2 CFR §200.332):

- ▶ Assess the risk of each subrecipient’s noncompliance and perform monitoring activities based on those risk assessments. Based on risk, additional monitoring procedures could include providing training or technical assistance on program-related matters, performing site visits, and/or other monitoring procedures.
- ▶ Review financial and performance reports.
- ▶ Verify single audits were conducted timely; following up on and ensuring corrective action is taken on audit findings that could potentially affect the program; and issuing a management decision for audit findings pertaining to the federal award.
- ▶ Include required information in subrecipient subaward agreements, including required federal award information; requirements imposed by federal statutes, regulations, and the terms and conditions of the federal award; any additional requirements that the pass-through entity imposes, and a requirement that the subrecipient permit the pass-through entity to access the subrecipient’s records and financial statements to fulfill its monitoring requirements.

In addition, the State’s subrecipient monitoring policies and procedures require State agencies to consider and assess risk of each subrecipient and carry out required and various other monitoring procedures based on those risk assessments.³ Finally, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to ADOH, ADWR, AOT, and ICA

Work with the State’s Office of Strategic Planning and Budgeting to either update or develop and implement policies and procedures and train responsible staff to perform required monitoring of their subrecipients to ensure compliance with award terms and program requirements, including procedures to:

1. Assess the risk of each subrecipient’s noncompliance and perform additional monitoring procedures based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, performing site visits, and/or other monitoring procedures. (ADOH, ADWR, and ICA)
2. Verify subrecipients receive timely single audits, follow up on and ensure that corrective action is taken on audit findings that could potentially affect the program, and issue management decisions for audit findings pertaining to the federal award. (ADOH, ADWR, AOT, and ICA)

³ Arizona Department of Administration Office of Grants and Federal Resources. (2018). *Grants Management Manual – Grantor, Chapter 8: Award Monitoring*. Retrieved 10/29/2025 from <https://ospb.az.gov/sites/default/files/2026-01/Arizona%20Grants%20Management%20Grantor%20Manual%20Edition%202022.pdf>

3. Request and view supporting transaction details prior to paying subrecipients for payroll costs to verify they meet the requirements of the award terms and program requirements. (AOT)
4. Establish subaward agreements with subrecipients communicating allowable uses of program monies and other information required by federal regulations prior to distributing program monies. (ICA)

Recommendations to OSPB

5. Work with the federal agency and the subrecipients to resolve the \$1,623,846 of program monies that may have been spent in violation of its federal award terms and that may need to be returned to the federal agency.
6. Continue to assess the risk of each subrecipient's noncompliance and perform additional monitoring procedures based on those risk assessments such as reviewing financial and performance reports, providing training or technical assistance on program-related matters, performing site visits, and/or other monitoring procedures to ensure questioned costs are timely identified and remedied.

This finding is similar to prior-year finding 2023-102 and was initially reported in fiscal year 2022.

Views of responsible officials

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

The Governor's Office of Strategic Planning and Budgeting inaccurately reported \$33.1 million expenditures to the federal agency and may be required to return excess monies reported

Assistance Listings number(s) and name(s):

21.027 COVID-19—Coronavirus State and Local Fiscal Recovery Funds

Award number(s) and year(s): None

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Reporting

Questioned costs: Not applicable

Condition

The Governor's Office of Strategic Planning and Budgeting (OSPB) administration inaccurately reported \$33.1 million of program expenditures as of June 30, 2024, to the federal agency in its quarterly reports when compared to the State's records. Upon our analysis of all projects within the 4 quarterly reports, we found a total cumulative overstatement of program expenditures of \$33.1 million reported as of June 30, 2024. Additionally, we tested 2 of 4 quarterly reports and found that OSPB inaccurately reported 23 of 126 projects totaling \$16.5 million in expenditures during fiscal year 2024. The \$16.5 million represents over 9% of the \$181.4 million of program expenditures we tested for fiscal year 2024.

Effect

OSPB's reporting inaccurate program information results in the federal agency being unable to rely on the reports to monitor OSPB's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success. Further, there is a risk that OSPB may be required to return excess monies reported as spent to the federal agency if the expenditures have not been fully reconciled at the end of the program, which occurs during fiscal year 2027.¹

Cause

OSPB staff responsible for preparing the reports did not compile the reports from the State's accounting records, which are the official record of expenditures made for the program, and instead compiled them from OSPB's internal grants management system that had not been reconciled to the State's accounting records for accuracy. OSPB's management reported that

¹ The Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions as of April 29, 2025, indicate that recipients may expend funds to cover administrative closeout costs until the final Project and Expenditure Report is due on April 30, 2027. Further, funds not expended by the applicable deadline must be returned to the U.S. Treasury. Retrieved 2/20/2026 from <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>

they developed and began implementing a procedure to reconcile the quarterly reports to the State's accounting records near the end of fiscal year 2024. However, this procedure was not fully implemented and would not be reflected in quarterly reports until fiscal year 2025.

Criteria

Federal law, regulation, and guidance requires OSPB to quarterly accurately report its cumulative obligations and expenditures by type, such as contracts, grants, loans, direct payments, and transfers to other governmental entities, beginning December 2020.² Accordingly, OSPB's policies and procedures, including federal reporting templates, provide instructions for employees to follow to meet these reporting requirements. Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms and conditions (2 CFR §200.303).

Recommendations to OSPB

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

This finding is similar to prior-year finding 2023-103 and was initially reported in fiscal year 2022.

Views of responsible officials

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

² The American Rescue Plan Act established the State and Local Fiscal Recovery Fund (SLFRF) and was enacted March 11, 2021. Federal interim guidance for implementing SLFRF was established by the U.S. Treasury in May 2021 and finalized in January 2022 in effect until April 1, 2022. All the U.S. Treasury's SLFRF guidance was finalized in the Federal Register (FR) on January 27, 2022 (FR Vol. 87, No. 18, Doc. 2022-00292) and became effective on April 1, 2022. Retrieved 10/14/2025 from <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>

The Department of Economic Security made unallowable benefits payments totaling \$64,131, increasing the risk that the program applicants received utility and rental payments for which they were not entitled

Assistance Listings number(s) and name(s):

21.023 COVID-19 – Emergency Rental Assistance Program

Award number(s) and year(s):

ERA2-0165 May 10, 2021 through September 30, 2025

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Activities allowed or unallowed, allowable costs/cost principles, and eligibility

Questioned costs: \$37,901

Assistance Listings number(s) and name(s):

21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

Award number(s) and year(s): None

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Activities allowed or unallowed, allowable costs/cost principles

Questioned costs: \$26,230

Total questioned costs: \$64,131

Condition

Contrary to federal regulations and its policies and procedures, the Department of Economic Security—Child and Community Services Division (Division) made unallowable benefits payments totaling \$64,131 during fiscal year 2024 to rental assistance program applicants for the Emergency Rental Assistance Program (ERAP) and Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) federal programs.¹

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

Specifically, for 14 of 60 ERAP and 7 of 60 CSLFRF benefit payments tested, we found that the Division made unallowable benefits payments of \$37,901 for ERAP and \$26,230 for CSLFRF to or on behalf of ineligible program applicants or those who lacked required eligibility documentation and for other inappropriate costs, as follows:

- ▶ **The Division inappropriately paid \$43,607 of benefit payments to or on behalf of 9 ineligible program applicants, including:**
 - \$36,622 paid to or on behalf of 7 program applicants who did not reside in an eligible Maricopa County service area at the time of application (\$29,647 for 6 ERAP program applicants and \$6,975 for 1 CSLFRF applicant).
 - \$6,300 paid to or on behalf of 1 CSLFRF applicant who previously received ERAP payments and was thus ineligible.
 - \$685 paid to or on behalf of 1 ERAP program applicant whose income exceeded allowable program limits.

- ▶ **The Division inappropriately paid \$14,815 of benefit payments to or on behalf of 10 program applicants, including:**
 - \$8,640 paid to or on behalf of 1 CSLFRF applicant for a lease buyout, which is an unallowed activity under Division policies.
 - \$3,959 paid to or on behalf of 5 program applicants for rental arrears—rent not paid by the date specified in the lease agreement—payments exceeding the allowable 1-time, lump sum payments (\$3,121 for 3 ERAP applicants and \$838 for 2 CSLFRF applicants).
 - \$2,216 paid to or on behalf of 4 program applicants for rental assistance exceeding the amount documented on the lease (\$2,210 for 3 ERAP applicants and \$6 for 1 CSLFRF applicant).

- ▶ **The Division inappropriately paid \$5,709 of benefit payments to or on behalf of 2 program applicants without obtaining required documentation to support they were eligible to receive them, including:**
 - \$5,709 paid to or on behalf of 2 program applicants without required proof of income, a lease agreement, and other documentation supporting household size and the reimbursement of late penalties and fees related to rent and/or utility account bills (\$2,238 for 1 ERAP program applicant and \$3,471 for 1 CSLFRF applicant).

Effect

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

During fiscal year 2024, the Division paid \$44.2 million in benefit payments to or on behalf of program applicants requesting emergency rental and utility assistance for these 2 federal programs, as illustrated in Table 1 below, and is at risk that more of its benefit payment expenditures are inappropriate than those identified in our sample.

Table 1

The Division made unallowable benefits payments totaling \$64,131 to rental assistance program applicants

June 30, 2024

Federal program	Benefit payments expenditures (in millions)	Total program expenditures (in millions)	Percent of benefit payments expenditures to total program expenditures
ERAP	\$14.3	\$27.0	53.0%
CSLFRF	\$29.9	\$468.7	6.4%
Totals for ERAP and CSLFRF	\$44.2	\$495.7	8.9%

Source: Auditor General staff reviewed data provided by the Division on October 29, 2024.

Cause

Division management reported that personnel responsible for evaluating program applications and determining program applicants' eligibility and allowability of related costs fell behind on reviewing applications and did not have time to perform thorough evaluations, including making appropriate eligibility determinations, obtaining required documentation, or ensuring costs were allowable, because of the large quantity of program applications and staffing shortages due to employee turnover. Further, Division management reported that it did not detect and correct inaccurate eligibility determinations because its policies and procedures did not require

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

adjudicators to perform a postreview of the benefits subsystem's automated review of eligibility requirements, such as verifying the income thresholds and geographical location aligned with the Division's written policies and procedures and were supported by required documentation.

Criteria

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

Recommendations to the Division

1. Ensure benefit payments are for allowable costs paid to or on behalf of eligible program applicants.
2. Update existing policies and procedures to include a postreview of the benefits subsystem's automated review of eligibility requirements, such as verifying the income thresholds and geographic location aligned with the Division's written policies and procedures and were supported by required documentation. The Division should correct any inaccurate eligibility determinations identified during the postreview.
3. Allocate sufficient staffing resources to perform a thorough evaluation of program benefits applications and provide training on eligibility requirements and allowable benefit payments.

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

⁴ U.S. Department of the Treasury published guidance to assist grantees in ERAP administration, including a requirement for ERAP grantees to establish policies and procedures to govern the implementation of their ERAP programs consistent with the ERAP statutes and U.S. Department of the Treasury FAQs (U.S. Department of the Treasury Emergency Rental Assistance Frequently Asked Questions, Revised March 5, 2024. Retrieved 10/16/2025 from <https://home.treasury.gov/system/files?file=136/ERA-FAQs03052024.pdf>).

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

4. Work with the federal agencies to resolve the \$64,131 of program monies that were spent in violation of federal regulations and its policies and procedures and that may need to be returned to the federal agencies.

This finding is similar to prior-year finding 2023-105 and was initially reported in fiscal year 2023.

Views of responsible officials

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

The Department of Economic Security failed to perform required subrecipient monitoring, increasing the risk that \$9.3 million may have been spent inconsistent with program requirements

Assistance Listings number(s) and name(s):

21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Award number(s) and year(s): None

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Subrecipient monitoring

Questioned costs: Unknown

Condition

The Department of Economic Security (DES) awarded \$9.3 million to 13 subrecipients during fiscal year 2024, or 16.3% of DES' \$56.9 million of total federal expenditures for this federal program, but failed to include required information in its subawards to subrecipients and perform required monitoring.

Specifically, DES:

- ▶ Did not include information required by federal regulations in its subawards to subrecipients for 4 of 4 subrecipients tested. This included missing federal award identification information and any additional requirements DES imposed on the subrecipients to meet its responsibilities under the federal award.
- ▶ Did not perform the required monitoring of the subrecipients' activities or compliance with the award terms and program requirements for all 13 subrecipients.

Effect

DES' failure to include required information in its subawards to subrecipients and perform required monitoring increased the risk that the \$9.3 million of program monies DES awarded to subrecipients may not have been spent in accordance with the award terms and program or contract requirements. If monies were spent inconsistent with program and contract requirements, those intended to benefit from the program may not receive all the services or other benefits they otherwise would have received.

Cause

DES lacked entity-wide subrecipient-monitoring policies and procedures for its divisions to follow and instead relied on each division to design and implement its own subrecipient-monitoring procedures. However, the Child and Community Services Division (CCSD) personnel responsible for notifying and monitoring subrecipients reported they were either not aware of the subrecipient-monitoring requirements or did not follow its subrecipient-monitoring policies and procedures, as follows:

- ▶ The CCSD personnel responsible for monitoring 6 subrecipients reported that they were not aware of the program's subrecipient-monitoring requirements because of the program manager being on extended leave, turnover in staff knowledgeable of these requirements, and lack of established policies and procedures over monitoring the program's subrecipients' activities. Further, neither DES nor the CCSD personnel responsible for identifying subrecipients provided guidance to CCSD personnel responsible for subrecipient monitoring.
- ▶ The CCSD personnel responsible for monitoring 7 subrecipients reported that they did not follow CCSD's procedures for monitoring the program's subrecipients' activities because they were short staffed and prioritized monitoring other federal and State grants' subrecipients' activities.

Criteria

Federal regulation requires DES to ensure that every subaward is clearly identified to the subrecipient as a subaward by including in its award terms with subrecipients information necessary for the subrecipient to administer the program in accordance with federal requirements. Required information includes federal award identification, all requirements of the subaward, any additional requirements DES imposes on the subrecipient for DES to meet its responsibilities under the federal award, indirect cost rate, and audit and closeout requirements.

Further, federal regulation requires DES to monitor subrecipients, which includes required monitoring procedures for (2 CFR §200.332):

- ▶ Assessing the risk of each subrecipient's noncompliance and performing monitoring activities based on those risk assessments, such as providing training or technical assistance on program-related matters and performing on-site reviews, selective audits, and/or other monitoring procedures.
- ▶ Reviewing financial and performance reports.
- ▶ Verifying single audits were conducted timely.
- ▶ Following up on and ensuring corrective action is taken on audit findings that could potentially affect the program.
- ▶ Issuing a management decision for audit findings pertaining to the federal award.

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

Recommendations to DES

1. Include information required by federal regulations in its subawards to subrecipients, including federal award identification information and any additional requirements DES imposed on the subrecipients to meet its responsibilities under the federal award.
2. Perform required monitoring of its subrecipients and their compliance with the award terms and program requirements.

Develop, implement, and train all divisions on entity-wide written subrecipient-monitoring policies and procedures requiring all divisions to:

3. Ensure that every subaward is clearly identified to the subrecipient as a subaward by including in its award terms with subrecipients information necessary for the subrecipient to administer the program in accordance with federal requirements. Required information includes federal award identification, all requirements of the subaward, any additional requirements the DES imposes on the subrecipient for the DES to meet its responsibilities under the federal award, indirect cost rate, and audit and closeout requirements.
4. Assess the risk of each subrecipient's noncompliance and carry out monitoring activities based on those risk assessments such as providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
5. Review financial and performance reports.
6. Verify subrecipients receive timely single audits, if required; follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program; and issue management decisions for any audit findings pertaining to the federal award.
7. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any DES actions taken, if appropriate.
8. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate individuals within each division to perform necessary subrecipient-monitoring procedures.

This finding is similar to prior-year finding 2023-106 and was initially reported in fiscal year 2023.

Views of responsible officials

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

The Department of Economic Security could not support information reported to the federal agency and we were unable to determine whether the expenditures were appropriate

Assistance Listings number(s) and name(s):

21.023 COVID-19 – Emergency Rental Assistance Program

Award number(s) and year(s):

ERA2-0165 May 10, 2021 through September 30, 2025

Federal agency: U.S. Department of the Treasury

Compliance requirement(s): Reporting

Questioned costs: Not applicable

Condition

Contrary to federal regulations and guidance, for information it reported to the federal agency for its Emergency Rental Assistance Program (ERAP) 2 award, the Department of Economic Security—Child and Community Services Division (Division) did not retain documentation to support information reported to the federal agency.¹ Specifically, for the 2 quarterly reports we selected for test work, we found that the Division did not retain documentation, such as system reports, queries, or screenshots, to support the performance reporting information it reported in its 2 reports as required.^{2,3} Specifically, we found that the Division did not retain any support for the ERAP 2 quarter 4 compliance report (December 2023) and had only partial support for the ERAP 2 quarter 1 compliance report (March 2024) submitted to the grantor.

Effect

The Division's failure to retain associated documentation for audit purposes resulted in us being unable to determine whether the reports were complete and accurate. Also, it results in the federal agency being unable to rely on the reports to monitor the Division's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and to evaluate the program's success.

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

² The U.S. Department of the Treasury published reporting guidance for the required monthly, quarterly, final reporting, and closeout reports (U.S. Department of the Treasury. [2022]. *Reporting Guidance—Emergency Rental Assistance Program, Version 3.4*. Monthly, Quarterly, and Final Reporting. Retrieved 10/17/2025 from <https://home.treasury.gov/system/files/136/ERA-Reporting-Guidance-v2.pdf>).

³ On October 6, 2023, the U.S. Department of the Treasury published ERAP 2 Treasury Portal User Guide, which included a recommendation for ERAP recipients to take screenshots of portal screens as the downloadable PDF documents display only key components of the overall report (U.S. Department of the Treasury. [2025]. *Emergency Rental Assistance Program (ERA2) Treasury Portal User Guide, Version 4.0*. Retrieved 10/17/2025 from <https://home.treasury.gov/system/files/136/ERA2-Portal-Users-Guide.pdf>).

Cause

The Division did not follow its policies and procedures to retain documentation to support the information it included in its 2 reports.

Criteria

For quarterly financial and compliance reports, federal guidance requires the Division to report information, such as the administrative cost ratio, housing stability services ratio, and system for prioritizing assistance so that the federal agency can monitor performance and compliance. Further, the Division's policies and procedures require the Division to retain all records relating to a federal award for a period of at least 5 years after all funds allocated to the State have been expended, which generally exceeds the federal regulation requirement to retain all records relating to a federal award for a period of 3 years from the date of its submission of the final expenditure report (2 CFR §200.334). Lastly, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to the Division

1. Prepare and retain detailed documentation, such as system reports, queries, or screenshots, to support the program information it reports to the federal agency.
2. Follow its policies and procedures to retain all records relating to a federal award for a period of 5 years after all funds are expended.

This finding is similar to prior-year finding 2023-107 and was initially reported in fiscal year 2022.

Views of responsible officials

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

The Department of Economic Security did not retain supporting documentation for its provider's expenditures and may be required to return nearly \$2.9 million to the federal agency

Cluster name(s): CCDF Cluster

Assistance Listings number(s) and name(s):

93.575 Child Care and Development Block Grant

93.575 COVID-19 - Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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

Award number(s) and year(s):

2101AZCCC5 October 1, 2020 through September 30, 2023

2101AZCDC6 October 1, 2020 through September 30, 2024

2101AZCSC6 October 1, 2020 through September 30, 2023

2201AZCCDD October 1, 2021 through September 30, 2024

2301AZCCDD October 1, 2022 through September 30, 2025

2301AZCCDF October 1, 2022 through September 30, 2025

2401AZCCDD October 1, 2023 through September 30, 2026

Federal agency: U.S. Department of Health and Human Services

Compliance requirement(s): Activities allowed or unallowed and allowable costs/cost principles

Questioned costs: \$2,880,442

Condition

The Department of Economic Security (DES) provided \$374 million to childcare providers during fiscal year 2024, or 64 percent of the State's nearly \$582 million total federal expenditures for this federal program, and contrary to federal regulations, DES did not always retain documentation to support its provider's expenditures. Specifically, DES could not provide supporting documentation, such as a signed childcare provider payment form certifying that the charges for services provided to individuals were full and complete, for 1 of 40 provider payments selected for test work totaling \$181,703. We expanded testing to include all 126 payments DES made to this provider during fiscal year 2024 and determined amounts totaling \$2,880,442 were unsupported.

Effect

DES' failure to retain supporting documentation increased the risk that the \$2,880,442 paid to the provider may not have been spent in accordance with the award terms and conditions. Consequently, DES may be required to return these monies to the federal agency in accordance

with federal requirements.¹ Further, the federal agency may not be able to rely on the records to effectively monitor DES' program administration, including its compliance with program requirements, ability to prevent and detect fraud, and evaluate the program's success.

Cause

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

Criteria

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

Recommendations to DES

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

This finding is similar to prior-year finding 2023-111 and was initially reported in fiscal year 2023.

Views of responsible officials

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

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

The Department of Economic Security failed to report complete, accurate information on the federal reporting system, risking transparent reporting on CCDF Cluster subawards

Cluster name(s): CCDF Cluster

Assistance Listings number(s) and name(s):

93.575 Child Care and Development Block Grant

93.575 COVID-19 Child Care and Development Block Grant

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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

Award number(s) and year(s):

2101AZCCC5 October 1, 2020 through September 30, 2023

2101AZCDC6 October 1, 2020 through September 30, 2024

2101AZCSC6 October 1, 2020 through September 30, 2023

2201AZCCDD October 1, 2021 through September 30, 2024

2301AZCCDD October 1, 2022 through September 30, 2025

2301AZCCDF October 1, 2022 through September 30, 2025

2401AZCCDD October 1, 2023 through September 30, 2026

Federal agency: U.S. Department of Health and Human Services

Compliance requirement(s): Reporting

Questioned costs: Not applicable

Condition

Contrary to federal laws and regulations and the *State of Arizona Accounting Manual (SAAM)*, the Department of Economic Security—Child and Community Services Division (Division) failed to report complete and accurate information on the federal government’s reporting system for \$52.6 million in subawards that were made to 1 State agency and 5 subrecipients under assistance listings number 93.575. As shown in Table 1, page 148, we tested a total sample of 10 subawards for this cluster at the Division and found that for 7 subawards, the Department failed to report the correct subaward amounts, totaling \$52.6 million, including 1 subaward totaling \$12.8 million that was terminated during fiscal year 2023 and should have been removed. Of the \$52.6 million, the Division reported \$39.1 million less than the total for 2 subawards and \$13.5 million more than the total for 5 subcontracts.

Table 1

The Division failed to report complete and accurate information on the federal government's reporting system for \$52.6 million in subawards

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	0	N/A
Amount incorrect	7	\$52,612,149
Missing key elements	0	N/A
Incorrect key elements	0	N/A
Total distinct subawards tested	10	\$111,485,927

Source: Auditor General staff review of subaward contracts provided by the Department on September 3, 2025.

Effect

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

During fiscal year 2024, the Division spent \$103.2 million of federal monies related to these subawards, or 17.7% of the State's total \$581.7 million expended, for this cluster.

Cause

Although the cluster's reporting requirements were provided as additional award terms and conditions on the federal agency's website, and the SAAM instructed State departments to follow them, Division staff responsible for reporting required subaward information on the federal government's reporting system did not follow them. Division staff were not always aware of new contracts or contract amendments that contained Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, and the Division lacked written procedures during fiscal year 2024 to confirm that the Division's contracts team communicated all new contracts and contract amendments in the Arizona Procurement Portal (APP).

Criteria

The FFATA and federal Uniform Guidance regulations require the Division, as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the federal government's reporting system no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires the Division to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.220 and Appendix A to part 170). Additionally, the SAAM requires the Division to perform this reporting for federal awards.² Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations to the Division

1. Immediately report on the federal government's reporting system the required information for its subawards for this cluster, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Follow the SAAM for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may require providing training to Division staff responsible for reporting the Division's subaward actions to the federal government's reporting system.
3. Develop and implement written policies and procedures requiring Division staff responsible for FFATA reporting requirements to confirm that the Division's contracts team communicates all new contracts and contract amendments in the APP.

This finding is similar to prior-year finding 2023-112 and was initially reported in fiscal year 2023.

Views of responsible officials

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

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

² State of Arizona's Department of Administration, General Accounting Office. (2022). SAAM: 7045, FFATA and the DATA Act. Retrieved 10/28/2025 from <https://gao.az.gov/sites/default/files/2022-08/7045%20FFATA%20and%20the%20DATA%20Act%20220523.pdf>

The Arizona Department of Education’s Health and Nutrition Services Division (Division) did not perform all required monitoring procedures, resulting in an increased risk that \$63.9 million of program monies the Division awarded to subrecipients during fiscal year 2024 may not be spent in accordance with the award terms, program requirements, and federal regulations

Assistance Listings number(s) and name(s):

10.558 Child and Adult Care Food Program

Award number(s) and year(s):

237237AZ300AZ3 October 1, 2022 through September 30, 2023

247AZ300AZ3 October 1, 2023 through September 30, 2024

Federal agency: U.S. Department of Agriculture

Compliance requirement(s): Subrecipient Monitoring

Questioned costs: None

Condition

The Division awarded \$63.9 million to 322 subrecipients during fiscal year 2024, or 99.3% of the Division’s total program expenditures, but did not perform all the required monitoring of its subrecipients’ activities. While the Division did conduct on-site monitoring visits of subrecipients in accordance with its risk-assessment plan, it did not always obtain and review the responses to its written questionnaires from its subrecipients. For example, for 30 of the 40 subrecipients we tested, the Division did not review the submitted monitoring questionnaires to verify the accuracy of responses. Additionally, 10 of the 40 subrecipients we tested did not respond to the Division’s monitoring questionnaire at all, and the Division never followed up with these subrecipients. These questionnaires are designed to capture essential information from each subrecipient, including confirmation of total federal expenditures from all sources in addition to the program and whether the subrecipient is required to have a single audit performed. As a result, the Division did not determine whether required single audits were performed or, if applicable, whether the subrecipients took timely and appropriate action on all deficiencies noted.

Effect

The Division’s not verifying subrecipient single audits were conducted may result in the Division’s not following up on and ensuring corrective action is taken on audit findings that could potentially affect the program and/or issue management decisions for audit findings pertaining to the federal award.

Further, there is an increased risk that \$63.9 million of program monies the Division awarded to subrecipients may not be spent in accordance with the award terms, program requirements, and federal regulations. If monies are spent inconsistent with program requirements, those who intended to benefit from the program may not receive all the services or other benefits they otherwise would have received. Finally, the Arizona Department of Education is at risk that this finding applies to other federal programs it administers.

Cause

The Division's written policies and procedures lacked requirements to obtain, review, verify, and analyze the subrecipient-monitoring questionnaires to confirm that those subrecipients required to obtain a single audit had a single audit completed, or to review those single audit reports for findings related to the program and issue management decisions when applicable.

Criteria

Federal regulation requires the Division to monitor subrecipients, which includes (2 CFR §200.332[e-f]):

- ▶ Verifying single audits were conducted timely.
- ▶ Following up on and ensuring corrective action is taken on audit findings that could potentially affect the program.
- ▶ Issuing a management decision for audit findings pertaining to the federal award.

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

Recommendations to the Division

1. Perform all required monitoring of its subrecipients, including reviewing completed questionnaires submitted by its subrecipients to ensure they are complying with single audit requirements. If a single audit was completed for a subrecipient, ensure corrective action is taken on audit findings that could affect the program, and issue management decisions, as applicable.
2. Update and implement written policies and procedures that require the Division to obtain all subrecipient-monitoring questionnaires, document its review of each subrecipient's submitted questionnaire, follow up on and ensure corrective action is taken on audit findings that could potentially affect the program, and issue management decisions pertaining to the federal award.

3. Train personnel responsible for reviewing monitoring questionnaires on the updated policies and procedures.

Views of responsible officials

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

The Arizona Department of Education did not monitor procedures of charter schools with relationships with charter management organizations, risking funds not being spent in accordance with the award terms and program requirements, and reduced future awards

Assistance Listings number(s) and name(s):

84.010 Title I Grants to Local Educational Agencies

84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)*

*referred to as Title II

Award number(s) and year(s):

S010A200003 July 1, 2020 through September 30, 2023

S010A210003 July 1, 2021 through September 30, 2023

S010A220003 July 1, 2022 through September 30, 2023

S010A230003 July 1, 2023 through September 30, 2024

S367A210049 July 1, 2021 through September 30, 2023

S367A220049 July 1, 2022 through September 30, 2023

S367A230049 July 1, 2023 through September 30, 2024

Federal agency: U.S. Department of Education

Compliance requirement(s): Special tests and provisions

Questioned costs: Unknown

Condition

The Arizona Department of Education's Grants Management Department (Department) disbursed over \$59 million and over \$6.8 million in Title I and Title II funds, respectively, to 242 Title I and 233 Title II charter school local educational agencies (LEAs) during fiscal year 2024 but did not perform certain monitoring procedures required by the U.S. Department of Education. Specifically, the Department did not identify which of the 242 Title I and 233 Title II charter school LEAs receiving federal grant monies had relationships with charter management organizations (CMOs) in order to perform additional required monitoring to assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties at these charter schools.¹

¹ The term "charter management organization" means a nonprofit organization that operates or manages a network of charter schools linked by centralized support, operations, and oversight (20 USC 7221i[3]). Retrieved 11/11/2025 from <https://www.law.cornell.edu/uscode/text/20/7221i#2>

Effect

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

Cause

The Department's documented program policies and procedures for monitoring LEAs did not differentiate between regular LEAs, charter schools without CMOs, or charter schools with relationships with CMOs and did not include specific procedures to assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties. The Department reported that it began incorporating policy changes into grant administration and monitoring policies in early 2024; however, these policies were not completed until May 2024 and did not become effective until fiscal year 2025.

Criteria

Federal regulations require the Department to monitor subrecipients, including charter schools, which includes required monitoring procedures for assessing the risk of each subrecipient's noncompliance and monitoring activities based on those risk assessments. Those federal regulations also provide that monitoring procedures may include reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures (2 CFR §200.332[b and d]). As part of these monitoring responsibilities, the U.S. Department of Education requires the Department to monitor charter schools with relationships with CMOs and assess the additional risk posed by conflicts of interest, related-party transactions, or insufficient segregation of duties.^{3,4} Also, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

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

³ On September 28, 2015, the U.S. Department of Education issued a letter to State Educational Agencies (SEAs) reminding them of their role in helping to ensure that federal funds accessed by public charter schools are used for intended, appropriate purposes, and provided additional resources for states, and specifically SEAs, to consult as they consider improvements to their monitoring and oversight procedures for charter schools (U.S. Department of Education. [2015, September]. Letter to SEAs. Retrieved 11/18/2025 from <https://oese.ed.gov/files/2020/07/finalsignedcsp.pdf>

⁴ On September 29, 2016, the U.S. Department of Education's Office of Inspector General issued an audit report on charter schools with CMOs and identified risks such as conflicts of interest, related-party transactions, or insufficient segregation of duties (U.S. Department of Education. [2016, September]. Nationwide Assessment of Charter and Education Management Organizations. Retrieved 11/18/2025 from <https://oig.ed.gov/sites/default/files/reports/2023-11/a02m0012.pdf>

Recommendations to the Department

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

This finding is similar to prior-year finding 2023-125 and was initially reported in fiscal year 2023.

Views of responsible officials

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

The Arizona Department of Education failed to follow State law for \$30.2 million of goods and services purchases and risks not receiving the most advantageous prices

Assistance Listings number(s) and name(s):

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

Award number(s) and year(s):

S425U210038-21C March 24, 2021 through September 30, 2026

Federal agency: U.S. Department of Education

Compliance requirement(s): Procurement

Questioned costs: \$13,604,457

Condition

The Arizona Department of Education (ADE) and Arizona Department of Administration took appropriate action by reporting to us and the Arizona Attorney General an instance of potential fraud. As part of our review, we determined that contrary to federal regulation, State law, and the Arizona Procurement Code, ADE's Procurement Division (Division) failed to follow State law and related administrative rules when procuring \$30.2 million of goods or services from third-party vendors, of which \$13.6 million was spent during fiscal year 2024.

Specifically, the Division did not obtain proper approvals and/or prepare written determinations for exceptions to using competitive procurement methods for 7 of 8 vendors we tested as follows:

- ▶ For 6 vendors, the Division did not obtain approval from the State Procurement Officer to use noncompetitive procurements or prepare written determinations for exceptions to competition when awarding contracts for \$27.2 million of goods or services, such as student diagnostic assessments, of which \$13.5 million was spent during fiscal year 2024. Specifically, the Division used a Request for Grant Application noncompetitive method, which is used when ADE is seeking to provide financial or other assistance to another entity.
- ▶ For 1 vendor, the Division issued a noncompetitive waiver to award a contract totaling \$3 million without obtaining written approval from the State Procurement Officer. ADE spent nearly \$121,000 during fiscal year 2024 with this vendor.

Effect

The Division's failure to follow State law and related administrative rules for procuring goods and services increased ADE's risk of not receiving the most advantageous price for the \$37.3 million paid to 57 vendors for goods and services purchased with federal monies during fiscal year 2024, thereby increasing the risk of wasting federal monies. If ADE could have obtained these goods or services at a lower cost, these savings could have been used in other areas to benefit the State and its residents, such as diagnostic and learning loss assessments. Finally, ADE is at risk that this finding applies to other federal programs it administers.

Cause

The Division reported that it had limited time to obligate monies within the program period. However, we found that ADE had at least 4 months to conduct a competitive solicitation for the goods and services. ADE also reported that because of procurement staff turnover, ADE is unable to justify the procurement decisions reflected in the items we tested. ADE's policies lacked procedures to obtain approval from the State Procurement Officer and to prepare written determinations for exceptions to using competitive procurement methods, such as noncompetitive waivers, when purchasing goods and services from third-party vendors, as required by the Arizona Procurement Code.

Criteria

Federal regulation requires ADE to follow the same policies and procedures it uses for nonfederal procurements (2 CFR § 200.317). State law and the Arizona Procurement Code require ADE to conduct all procurements in accordance with established thresholds, methods, and documentation standards, including approval from the State Procurement Officer for noncompetitive procurements, and further require written determinations for exceptions to competition, such as noncompetitive waivers, and that such determinations include sufficient justification, approvals, and supporting documentation.^{1,2} Further, federal regulation also requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to the Division

1. Follow federal regulation, State law, and the Arizona Procurement Code for procurements related to federal grant awards.

¹ A.R.S. Title 41, Ch. 23, and the Arizona Administrative Code Title 2, Ch. 7, R2-7-101.

² State of Arizona, Department of Administration Procurement. (2022). Arizona Procurement Code. Retrieved 3/5/2026 from https://spo.az.gov/sites/default/files/2025-05/Arizona%20Procurement%20Code_11-22_0.pdf

2. Update and implement policies and procedures and responsible employees to use competitive procurement methods or otherwise obtain approval from the State Procurement Officer and to prepare written determinations for exceptions to using competitive procurement methods, such as noncompetitive waivers, when purchasing goods and services from third-party vendors.

Views of responsible officials

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

The Arizona Department of Education failed to report complete, accurate information on the federal reporting system, risking transparent reporting on its federal programs' subawards

Assistance Listings number(s) and name(s):

84.010 Title I Grants to Local Educational Agencies

Award number(s) and year(s):

S010A200003 July 1, 2020 through September 30, 2023

S010A210003 July 1, 2021 through September 30, 2023

S010A220003 July 1, 2022 through September 30, 2023

S010A230003 July 1, 2023 through September 30, 2024

Assistance Listings number(s) and name(s):

84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)

Award number(s) and year(s):

S367A210049 July 1, 2021 through September 30, 2023

S367A220049 July 1, 2022 through September 30, 2023

S367A230049 July 1, 2023 through September 30, 2024

Assistance Listings number(s) and name(s):

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

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

Award number(s) and year(s):

S425D210038 January 5, 2021 through September 30, 2023

S425U210038-21C March 24, 2021 through September 30, 2026

Federal agency: U.S. Department of Education

Compliance requirement(s): Reporting

Questioned costs: Not applicable

Condition

Contrary to federal laws and regulations and the *State of Arizona Accounting Manual*, the Arizona Department of Education (ADE) failed to report complete and accurate information on the federal government's reporting system for nearly \$5.3 million, \$887,450, and over \$11.8 million in subawards it made to local education agencies (LEAs) under the Assistance Listings numbers 84.0101 (Title I), 84.367 (Title II), and 84.425D/U (ESSER) programs, respectively, during fiscal year 2024.

As shown in the bullets and Table 1 below, we tested a total sample of 8 subawards for the Title I program at ADE and found that, for 8 subawards, ADE failed to report the following:

- ▶ Any required information about the subawards, including the subaward organization names and subaward amounts and terms for 3 subawards tested, totaling \$289,225.
- ▶ Required information within the time frame for 5 subawards tested, totaling nearly \$5 million, resulting in the reports being submitted between 20 and 21 months late.

Table 1

ADE failed to report complete and accurate information on the federal government's reporting system for nearly \$5.3 million in subawards related to the Title I program

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	3	\$289,225
Not reported timely	5	4,967,870
Amount incorrect	0	N/A
Missing key elements	0	N/A
Incorrect key elements	0	N/A
Total distinct subawards tested and associated error amount ¹	8	\$5,257,095

¹ Number of subawards with issues and associated error amounts might overlap, but the totals show the distinct number of subawards tested and their total associated error amount.

Source: Auditor General staff review of subaward contracts provided by ADE on November 18, 2025.

As shown in the bullets and Table 2 below, we tested a total sample of 9 subawards for Title II program at ADE and found that, for 9 subawards, ADE failed to report the following:

- ▶ Any required information about the subawards, including the subaward organization names and subaward amounts and terms for 3 subawards tested, totaling \$118,651.
- ▶ Required information within the time frame for 6 subawards tested, totaling \$768,799, resulting in the reports being submitted 21 months late.

Table 2

ADE failed to report complete and accurate information on the federal government’s reporting system for \$887,450 in subawards related to the Title II program

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	3	\$118,651
Not reported timely	6	768,799
Amount incorrect	0	N/A
Missing key elements	0	N/A
Incorrect key elements	0	N/A
Total distinct subawards tested and associated error amount ¹	9	\$887,450

¹ Number of subawards with issues and associated error amounts might overlap, but the totals show the distinct number of subawards tested and their total associated error amount.

Source: Auditor General staff review of subaward contracts provided by ADE on November 18, 2025.

As shown in the bullets below and on page 162 and in Table 3, page 162, we tested a total sample of 16 subawards for ESSER program at ADE and found that, for 16 subawards, ADE failed to report the following:

- ▶ Any required information about the subawards, including the subaward organization names and subaward amounts and terms for 3 subawards tested, totaling \$8.0 million.
- ▶ Required information within the time frame for 13 subawards tested, totaling \$3.8 million, resulting in the report being submitted between 20 and 37 months late.

- ▶ Accurate key elements for 2 subawards tested, totaling \$303,740, that included incorrect subawards obligation dates.

Table 3

ADE failed to report complete and accurate information on the federal government’s reporting system for over \$11.8 million in subawards related to the ESSER programs

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	3	\$8,003,566
Not reported timely	13	3,842,702
Amount incorrect	2	303,740
Missing key elements	0	N/A
Incorrect key elements	0	N/A
Total distinct subawards tested and associated error amount ¹	16	\$11,846,268

¹ Number of subawards with issues and associated error amounts might overlap, but the totals show the distinct number of subawards tested and their total associated error amount.

Source: Auditor General staff review of subaward contracts provided by ADE on November 18, 2025.

Effect

The State's stakeholders and the public did not have access to transparent and timely information about ADE's federal subaward spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, ADE is at risk that this finding applies to other federal programs it administers. ADE is at risk of not transparently reporting expenditures to subrecipients for these federal programs during fiscal year 2024, as shown in Table 4, page 163.

Table 4

ADE is at risk of not transparently reporting its subawards information related to \$51.5 million of federal monies it spent related to subrecipient expenditures for the Immunization and ELC programs

June 30, 2024

Federal programs	Subrecipient expenditures	Total program expenditures	% of subrecipient expenditures to total expenditures
Title I	\$351,547,647	\$357,786,068	98.3%
Title II	46,952,429	49,961,185	94.0%
ESSER	959,065,812	1,069,628,100	89.7%
Total	\$1,357,565,888	\$1,477,375,353	91.9%

Source: Auditor General staff analysis of ADE's federal program expenditures recorded on the State's accounting system for fiscal year 2024.

Cause

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

Criteria

The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require ADE as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the federal government's reporting system no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires ADE to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the *State of Arizona Accounting Manual* requires ADE to perform this reporting

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

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

Recommendations to ADE

1. Immediately report on the federal government's reporting system the required information for its subawards for these 3 programs, including reviewing, correcting, and/or resubmitting any inaccurately reported information.
2. Follow the *State of Arizona Accounting Manual* for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to ADE staff responsible for reporting ADE's subaward actions to the federal government's reporting system.

Implement procedures requiring independent reviews to:

3. Ensure the subaward data is complete and accurate prior to uploading it to the federal government's reporting system.
4. Verify that the subaward data it uploaded to the federal government's reporting system was complete and correctly displayed.

This finding is similar to prior-year finding 2023-126 and was initially reported in fiscal year 2021.

Views of responsible officials

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

² State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual*: 7045, FFATA and the DATA Act. Retrieved 12/11/2025 from <https://gao.az.gov/sites/default/files/2022-08/7045%20FFATA%20and%20the%20DATA%20Act%20220523.pdf>

The Arizona Department of Education's (ADE) control procedures over IT systems and data were not sufficient, which increases the risk that ADE may not adequately protect those systems and data

Assistance Listings number(s) and name(s): Not applicable

Questioned costs: Not applicable

Condition

ADE's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with IT systems and data. ADE lacked sufficient procedures over the following:

▶ **Restricting access**

Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.

▶ **Securing systems and data**

IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss.

Effect

There is an increased risk that ADE may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause

ADE reported that it did not prioritize establishing formal written policies and procedures for restricting access and monitoring IT vendor contracts. Also, ADE reported that it had informal processes for restricting access, but due to significant turnover during fiscal years 2023 and 2024, staff were not sufficiently trained to consistently follow its informal processes for adding, removing, and managing account access.

Criteria

ADE is required to follow the State's IT policies the Arizona Strategic Enterprises Technology Office (ASET) established to implement effective internal controls that protect its IT systems and ensure the integrity and accuracy of the data it maintains, as follows:

▶ **Restrict access through logical access controls**

Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.

▶ **Secure systems and data through IT security internal control policies and procedures**

Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.

ADE also must establish and maintain effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (2 CFR §200.303).

Recommendations to ADE

1. Make it a priority to develop and implement policies and procedures for restricting access and monitoring IT vendor contracts and develop a process to ensure the procedures are consistently followed.
2. Work with ASET on the ways to implement the audit recommendations.

Restrict access

To restrict access to their IT systems and data, develop, document, and implement processes to:

3. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
4. Review all other account access to ensure it remains appropriate and necessary

Secure systems and data

To secure IT systems and data, develop, document, and implement processes to:

5. Ensure monitoring of IT vendor contracts is adequately conducted to ensure adherence to the vendor contract.

Views of responsible officials

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

The Arizona Department of Administration spent \$12.3 million for unallowable purposes and had to repay the federal agency

Assistance Listings number(s) and name(s): Various

Award number(s) and year(s): Various

Federal agency: Various

Compliance requirement(s): Activities allowed or unallowed and allowable costs/cost principles

Questioned costs: \$12,320,426

Condition

The Arizona Department of Administration (ADOA) reported to us that during fiscal year 2024, the State used an estimated \$12.3 million of restricted federal program monies, including \$523,383 in interest, for unallowable purposes, contrary to federal regulations. For example, some of these monies were used for State agency general operations despite federal regulations prohibiting the monies being used for this purpose.

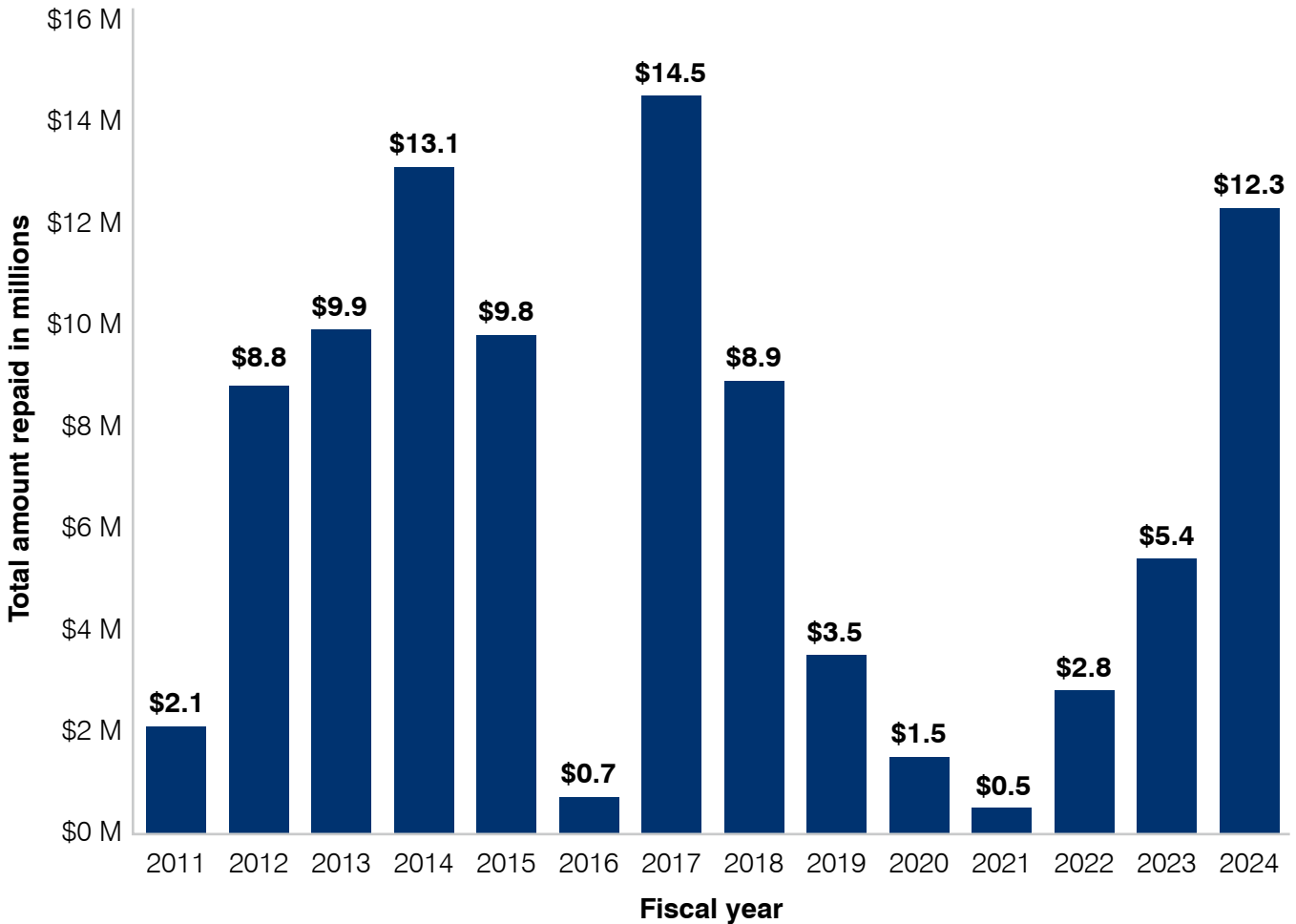
Effect

In July 2025, ADOA repaid the U.S. Department of Health and Human Services (HHS) a total of \$12.3 million, including the \$11.8 million of restricted federal program monies the State had spent in fiscal year 2024 for unallowable purposes and \$523,383 of associated interest. Further, because in previous years the State has spent unrestricted federal monies for unallowable purposes contrary to law, it has previously owed HHS monies. In fact, as shown in Figure 1, page 168, ADOA repaid HHS approximately \$92.2 million since fiscal year 2011, which included prior-year repayments of \$79.9 million of restricted federal program monies the State spent for unallowable purposes and associated interest during fiscal years 2011 through 2023, which we reported on in similar prior-year findings.

Figure 1

ADOA repaid HHS \$92.2 million the State spent for unallowable purposes

Fiscal years 2011 through 2024



Source: Auditor General staff analysis of the fiscal years 2011-2024 HHS demand letters issued to ADOA related to the unallowable fund transfers and associated interest amounts repaid to HHS.

Additionally, the State could owe HHS additional repayments if HHS imposes additional penalties and demands repayment.¹ Further, this finding could potentially affect any federal programs the State administers through its various agencies that have State legislatively mandated transfers that include restricted federal program monies.

Cause

During the 2023 and 2024 legislative sessions, laws were enacted that mandated or directed transfers of monies from specific State agency account balances in fiscal year 2024 that included restricted federal program monies. These laws directed the transferred monies to be used for general operating expenses. For example, Laws 2024, Ch. 209, §133, transferred \$70.0 million in unused monies from the State's Risk Management Revolving Fund, which included a proportional

¹ HHS reserves the right to assess whether additional unallowed costs exist based on the completion of its review of the Statewide Cost Allocation Plan for fiscal year 2024 and impose additional penalties and demand repayment.

share of monies from restricted federal program sources to the State's General Fund for the purposes of providing adequate support and maintenance for State agencies. When the State transferred the monies, which included the restricted federal program monies to pay for the legislatively mandated uses, it did not have a basis to show the relative benefits for each specific federal program's objectives.

Criteria

Federal regulation requires the State to use federal program monies for only those costs allowed by federal regulations and that provide a benefit directly or indirectly to the program's purposes (2 CFR §200.405[a]). In addition, whenever monies are transferred from a self-insurance reserve fund (i.e., the State's Risk Management Revolving Fund) to another fund, refunds must be made to the federal government for its share of funds transferred (2 §CFR 200.447[d][5]).

Recommendations to ADOA

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

This finding is similar to prior-year finding 2023-128 and was initially reported in fiscal year 2011.

Views of responsible officials

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

The Department of Health Services failed to report complete, accurate information on the federal reporting system, risking transparent reporting on 2 federal programs' subawards

Assistance Listings number(s) and name(s):

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

Award number(s) and year(s):

5 NH23IP922599-05-00 July 1, 2019 through December 31, 2024
6 NH23IP922599-05-01 July 1, 2019 through December 31, 2024
6 NH23IP922599-05-02 July 1, 2019 through December 31, 2024
6 NH23IP922599-05-03 July 1, 2019 through December 31, 2024
6 NH23IP922599-05-04 July 1, 2019 through December 31, 2024

Assistance Listings number(s) and name(s):

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

Award number(s) and year(s):

6 NU50CK000511-05-01 August 1, 2019 through July 31, 2024
6 NU50CK000511-02-16 August 1, 2019 through July 31, 2026
6 NU50CK000511-05-07 August 1, 2019 through July 31, 2027
6 NU50CK000511-05-13 August 1, 2019 through July 31, 2027
6 NU50CK000511-05-15 August 1, 2019 through July 31, 2027
6 NU50CK000511-05-16 August 1, 2019 through July 31, 2027

Federal agency: U.S. Department of Health and Human Services

Compliance requirement(s): Reporting

Questioned costs: Not applicable

Condition

Contrary to federal laws and regulations and the State's accounting manual, the Department of Health Services (DHS) failed to report complete and accurate information on the federal government's reporting system for nearly \$17.3 million and \$6.0 million in subawards it made to subrecipients under the Immunization Cooperative Agreements program (Immunization) and Epidemiology and Laboratory Capacity for Infectious Diseases program (ELC), respectively, during fiscal year 2024.

As shown in the bullets and Table 1 below, we tested a total sample of 27 subawards for the Immunization program at DHS and found that, for 26 subawards, DHS failed to report the following:

- ▶ Any required information about the subawards, including the subaward organization names and subaward amounts and terms, for 26 subawards tested, totaling over \$17 million.
- ▶ Required information within the time frame for 1 subaward tested, totaling \$212,203, resulting in the report being submitted approximately 3 months late.
- ▶ Accurate key elements for 1 subaward tested, totaling \$212,203, that included incorrect subaward obligation dates.

Table 1

DHS failed to report complete and accurate information on the federal government’s reporting system for nearly \$17.3 million in subawards related to the Immunization program

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	26	\$17,058,834
Not reported timely	1	212,203
Amount incorrect	0	N/A
Missing key elements	0	N/A
Incorrect key elements	1	212,203
Total distinct subawards tested and associated error amount ¹	27	\$17,271,037

¹ Number of subawards with issues and associated error amounts might overlap, but the totals show the distinct number of subawards tested and their total associated error amount.

Source: Auditor General staff review of subaward contracts provided by DHS on September 5, 2025.

As discussed in the bullets and Table 2 below, we tested a total sample of 7 subawards for DHS' ELC program and found that DHS failed to report the following:

- ▶ Any required information about the subawards, including the subaward organization names and subaward amounts and terms, for 4 ELC subawards totaling \$712,848.
- ▶ Required information within the time frame for 3 ELC subawards totaling \$5.3 million, resulting in the reports being submitted between 1 to 5 months late.
- ▶ Accurate key elements for 2 ELC subawards totaling over \$5.2 million, which included incorrect subaward obligation dates.

Table 2

DHS failed to report complete and accurate information on the federal government's reporting system for \$6.0 million in subawards related to the ELC program

June 30, 2024

Subaward issue	Number of subawards	Associated error amount
Not reported	4	\$712,848
Not reported timely	3	5,319,439
Amount incorrect	0	N/A
Missing key elements	0	N/A
Incorrect key elements	2	5,216,439
Total distinct subawards tested and total error amount ¹	7	\$6,032,287

¹ Number of subawards with issues and associated error amounts might overlap, but the totals show the distinct number of subawards tested and their total associated error amount.

Source: Auditor General staff review of subaward contracts provided by DHS on September 5, 2025.

Effect

The State’s stakeholders and the public did not have access to transparent and timely information about DHS’ federal award spending decisions on USAspending.gov as required by federal laws and regulations. Additionally, DHS is at risk that this finding applies to other federal programs it administers. DHS is at risk of not transparently reporting expenditures to subrecipients for these 2 federal programs during fiscal year 2024, as shown in Table 3 below.

Table 3

DHS is at risk of not transparently reporting its subawards information related to \$51.5 million of federal monies it spent related to subrecipient expenditures for the Immunization and ELC programs

June 30, 2024

	Federal programs		Total
	Immunization	ELC	
Subrecipient expenditures	\$14.2 million	\$37.3 million	\$51.5 million
Total program expenditures	\$138.3 million	\$86.6 million	\$224.9 million
% of subrecipient expenditures to total expenditures	10%	43%	23%

Source: Auditor General staff analysis of DHS’ federal program expenditures recorded on the State’s accounting system for fiscal year 2024.

Cause

Although the programs’ reporting requirements were provided as additional award terms and conditions on the federal agency’s website, and the State’s accounting manual instructed State departments to follow them, DHS lacked procedures to communicate new subawards and modifications and did not require independent reviews. Specifically, the DHS’ program administrators did not always communicate new and modified subawards to the employee responsible for reporting to the federal government’s reporting system. In addition, DHS did not require independent reviews of the reports for accuracy and completeness prior to uploading subaward data to the federal government’s reporting system and did not require a post-upload review to verify that the subaward data it uploaded was complete and correctly displayed. Therefore, DHS was unaware of the errors.

Criteria

The Federal Funding Accountability and Transparency Act (FFATA) and federal Uniform Guidance regulations require DHS as a direct recipient of federal awards, to report certain information about each subaward action equaling or exceeding \$30,000 in federal monies on the federal government's reporting system no later than month-end of the month following the subaward action so that the information can be displayed to the public on USAspending.gov.¹ Specifically, the federal Uniform Guidance requires DHS to report the subrecipient organization's name, award amount, award term, and other information about the subaward, if applicable, for each subaward action equaling or exceeding the \$30,000 threshold (2 CFR §170.320 and Appendix A to Part 170). Additionally, the State's accounting manual requires DHS to perform this reporting for federal awards.² Further, federal regulation requires establishing and maintaining effective internal control over federal awards that provides reasonable assurance that federal programs are being managed in compliance with all applicable laws, regulations, and award terms (45 CFR §75.303).

Recommendations to DHS

1. Immediately report on the federal government's reporting system the required information for its subawards for these 2 programs, including reviewing, correcting, and/or resubmitting any inaccurate reported information.
2. Follow the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action, as required by the FFATA and federal Uniform Guidance, which may include providing training to DHS staff responsible for reporting DHS' subaward actions to the federal government's reporting system.
3. Implement a procedure for DHS program administrators to communicate subaward activities, such as new subawards or modifications to existing subawards, to those employees responsible for reporting the DHS' subaward actions to the federal government's reporting system.

Implement procedures requiring independent reviews to:

4. Ensure the subaward data is complete and accurate prior to uploading it to the federal government's reporting system.
5. Verify that the subaward data it uploaded to the federal government's reporting system was complete and correctly displayed.

This finding is similar to prior-year finding 2023-121 and was initially reported in fiscal year 2022.

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

² State of Arizona's Department of Administration, General Accounting Office. (2022). *State of Arizona Accounting Manual: 7045, FFATA and the DATA Act*. Retrieved 12/11/2025 from <https://gao.az.gov/sites/default/files/2022-08/7045%20FFATA%20and%20the%20DATA%20Act%20220523.pdf>

Views of responsible officials

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

The Department of Emergency and Military Affairs' Emergency Management Division did not always retain documentation supporting payroll, increasing the risk that \$103,045 may not have been spent in accordance with award terms and conditions

Assistance Listings number(s) and name(s):

97.042 Emergency Management Performance Grants

Award number(s) and year(s):

EMF-2021-EP-0016-S01 October 1, 2020 through September 30, 2023

EMF-2021-EP-0018-S01 October 1, 2020 through June 30, 2025

EMF-2022-EP-0009-S01 October 1, 2021 through September 30, 2025

EMF-2023-EP-0008-S01 October 1, 2022 through September 30, 2025

Federal agency: U.S. Department of Homeland Security

Compliance requirement(s): Activities Allowed or Unallowed/Allowable Costs/Cost Principles

Questioned costs: \$103,045

Condition

Contrary to federal regulations and its policy, the Department of Emergency and Military Affairs' Emergency Management Division (Division) did not always retain documentation supporting the payroll costs it charged to the program.

Specifically, the Division did not retain personnel action forms supporting and approving employees' pay rates and/or authorization to work on the program for 5 of 40 employees we tested totaling \$103,045, as follows:

- ▶ \$95,080 for 2 employees' annual payroll costs lacked supported pay rates and authorization to work on the program. These employees transferred to other State agencies after the fiscal year ended, and contrary to Division policy and federal regulation, the Division did not retain their personnel records.
- ▶ \$7,965 for 3 employees annual payroll costs lacked supported pay rates. Previous personnel action forms authorized these 3 employees to work on the program.

Effect

The Division's failure to retain documentation supporting payroll costs increased the risk that \$103,045 may not have been spent in accordance with award terms and conditions. Consequently, the Division may be required to return monies to the federal agency in accordance with federal requirements.¹

The Division's \$1.7 million overall program payroll costs paid to 76 employees, or 23% of \$7.3 million total program costs during fiscal year 2024, are at an increased risk of not being spent in accordance with the award terms and conditions. Finally, the Division is at risk that this finding applies to other federal programs it administers.

Cause

The Division's Administrative Services Office (Office) was not trained on or aware of Division policy requirements to prepare personnel action forms authorizing all employee pay rate changes and program assignments and to retain the records of employees who subsequently transferred to another State agency.

Criteria

Federal regulation requires the Division to maintain records for salaries and wages charged to federal awards that accurately reflect the work performed to ensure they are accurate, allowable, and properly allocated (2 CFR §200.430 [g][1][i]) and retain these records for a period of 3 years from the date the program's final report was submitted to the federal awarding agency or pass-through grantor (2 CFR §200.334). In addition, the Department of Emergency and Military Affairs' policy requires the Division to prepare and retain for 5 years after an employee's termination all the employee's employment records, including personnel action forms authorizing employee pay rate changes and program assignments. It also requires the Division to retain necessary personnel records of employees who transfer to another State agency for no less than 5 years.²

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

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

² State of Arizona, Department of Emergency and Military Affairs. (2007). DEMA Directive 20.1: State Human Resources Administration, Sections 1.3: The Official Personnel File, 1.5: Employees Transferring to Another State Agency.

Recommendations to the Division

1. Retain documentation for all payroll costs, including personnel action forms, to demonstrate employees' salaries and wages are authorized to be charged to the federal program and spent in accordance with the program's award terms and conditions.
2. Review the fiscal year 2024 payroll costs for the program to ensure they were properly supported and spent in accordance with the award terms and conditions and coordinate with the U.S. Department of Homeland Security, as necessary, to adjust future federal reimbursement requests or repay any unallowable costs the Division charged to the program.
3. Implement its written policy and train employees to prepare and retain for no less than 5 years the personnel action forms authorizing all employee pay rate changes and program assignments, including those who transfer to another state agency.

Views of responsible officials

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

The Department of Emergency and Military Affairs' Emergency Management Division (Division) did not retain adequate documentation supporting reimbursement requests, matching requirements, and financial reports, risking the Division receiving monies it was not entitled to

Assistance Listings number(s) and name(s):

97.042 Emergency Management Performance Grants

Award number(s) and year(s):

EMF-2021-EP-0016-S01 October 1, 2020 through September 30, 2023

EMF-2021-EP-0018-S01 October 1, 2020 through June 30, 2025

EMF-2022-EP-0009-S01 October 1, 2021 through September 30, 2025

EMF-2023-EP-0008-S01 October 1, 2022 through September 30, 2025

Federal agency: U.S. Department of Homeland Security

Compliance requirement(s): Cash management, matching, and reporting

Questioned costs: Unknown

Condition

Contrary to federal regulations, the Division did not retain adequate documentation supporting reimbursement requests, matching requirements, and financial reports as follows:

▶ Cash management

For 4 of 5 requests for reimbursement we tested, the Division did not retain adequate documentation to support the amounts requested for reimbursement from the federal agency. The Division used documentation provided by its subrecipients to calculate the amount to both reimburse the subrecipient and request from the federal government. However, while the Division provided documentation of the invoices paid under their requests for reimbursement, they were unable to indicate which invoice applied to the respective request for reimbursement.

▶ Matching

The Division was unable to demonstrate through its reimbursement requests or other supporting documentation how it used nonfederal funds for at least 50% of the total project cost.

▶ Reporting

The Division did not retain documentation supporting 3 of 3 Federal Financial Reports (FFR) we tested, as follows:

- For the 2023 quarter 4 FFR, the Division could only provide an unapproved draft copy and could not demonstrate that it submitted the FFR to the federal agency.
- For the 2024 quarter 1 FFR and the annual FFR, the Division did not retain underlying general ledger data or other records to support costs reported, including indirect costs calculated from an approved indirect cost rate agreement.

Effect

The Division's failure to retain adequate documentation supporting reimbursement requests, matching requirements, and financial reports resulted in our being unable to determine whether the reimbursements were appropriate, matching requirements were met, and the reports were complete and accurate.

There is also an increased risk that Division could receive federal monies to which it is not entitled. Also, if matching requirements are not met, the Division may be required to return program monies to the federal agency in accordance with federal requirements.¹ Further, the federal agency is unable to rely on the financial reports to monitor the Division's program administration, including its compliance with program requirements and ability to prevent and detect fraud, and evaluate the program's success. Finally, the Division is at risk that this finding applies to other federal programs it administers.

Cause

The Division reported that turnover of staff who previously prepared documentation to support reimbursement requests, matching requirements, and financial reports and submitted the reimbursement requests and financial reports resulted in the Division's inability to locate the supporting documentation for the reports, including the applicable indirect cost agreement, or explain how to reconcile a large number of invoices that were provided to the reimbursement requests tested.

The Division also did not have formal policies and procedures requiring an independent review to ensure the accuracy and completeness of the information included in the reports, and the retention of all documentation supporting data included in its reports. Consequently, only 2 of the 3 reports we tested were reviewed and approved prior to submitting the reports to the federal agency.

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

Criteria

Federal regulation requires the Division to retain all public records, including financial records and supporting documentation, related to a federal program for a period of 3 years from the date the program's final report was submitted to the federal awarding agency or pass-through grantor (2 CFR §200.334).

In addition, federal regulation requires the Division to submit its quarterly reports no later than 30 days after the reporting period (2 CFR §200.328). Federal regulation also requires the Division to use the reimbursement method to administer the program, whereby the Division is reimbursed with federal program monies only after it spends its own monies for authorized program purposes and requests reimbursement from the federal grantor (2 CFR §200.305[B][3]). Also, the program's grant agreement requires the Division to match 50% of the approved project costs from nonfederal sources.

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

Recommendations to the Division

1. Retain documentation for all reimbursement requests, matching requirements, and financial reports, such as the underlying general ledger data, approved indirect cost rate agreements, or information provided by its subrecipients for a period of 3 years from the date the program's final report is submitted to the federal agency.
2. Review the reports identified above to ensure they were accurate. If any inaccuracies are identified, work with the federal grantor to correct these reports.
3. Develop and implement written policies and procedures over the preparation of reimbursement requests and financial reports, and the monitoring of the Division's matching requirements as well as the retention of these records. The Division should train responsible staff on these policies and to perform an independent review of these documents to ensure accuracy and completeness prior to submission to the federal agency.
4. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements over reimbursement requests, matching requirements, and financial reports.

Views of responsible officials

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

The University of Arizona did not support salary and employee-related expenses costs of over \$4.8 million that it may be required to repay to the federal agency

Cluster name(s): Research and Development Cluster

Assistance Listings number(s) and name(s): Various

Award number(s) and year(s): Various, 2024

Federal agency: Various

Compliance requirement(s): Allowable costs/cost principles

Questioned costs: \$4,849,561

Condition

Contrary to federal regulation and the University of Arizona's (University) policies and procedures, the University did not properly support the distribution of salary and employee-related expenses (ERE) costs of \$4,849,561 to ensure they were accurate, allowable, and properly allocated to the Research and Development Cluster during fiscal year 2024. Specifically, principal investigators or supervisors who had knowledge of work performed on the federally funded Research and Development Cluster projects either did not review and approve effort certification reports or approved them late.

We tested 17 employees' salary and ERE costs charged to the Research and Development Cluster and found that principal investigators or supervisors:¹

- ▶ Did not approve 3 effort-certification reports for 2 employees.
- ▶ Did not approve 5 effort-certification reports for 5 employees within the required 30 working-day time frame. Reports were approved between 4 and 35 days late.

Further, we obtained a report from the University's financial system of outstanding effort-certification reports for fiscal year 2024 and found 240 reports supporting salary and ERE costs that were charged to the Research and Development Cluster were not approved, as shown in Table 1, page 183.

¹ ERE are determined by applying the appropriate percentage to actual salary expense. Benefits provided to employees, which may include health, dental, long-term disability, retirement, unemployment compensation, qualified tuition remission—employee, termination leave, employee wellness, FICA taxes, workers compensation, and liability insurance. Employees are charged a flat fringe benefit rate regardless of participation. University of Arizona. ERE Rates Overview and FAQs. Retrieved 11/28/25 from <https://finance.arizona.edu/accounting/ere-rates/overview>

Table 1

The University did not certify effort certification reports to support salary and ERE costs charged to the Research and Development Cluster during fiscal year 2024, resulting in questioned costs of \$4,849,561

Fiscal year 2024

Report	Time frame	Number of reports not certified	Salary costs	ERE costs	Total costs
Biannual Report 1	July 1, 2023 - December 31, 2023	55	\$648,562	161,767	\$810,329
Biannual Report 2	January 1, 2024 - June 30, 2024	185	\$3,200,920	838,312	\$4,039,232
Total	—	240¹	\$3,849,482	1,000,079	\$4,849,561

¹ Each report is for an individual employee. However, based on the 240 reports not certified, there were a total of 204 employees paid from the Research and Development Cluster without certifications as 36 of these employees did not have certifications for both biannual reporting periods for fiscal year 2024.

Source: Outstanding effort certification reports generated on September 3, 2025 from the University's financial system.

Effect

The University's not approving the effort-certification reports or approving them late increased the risk that the University received \$4,849,561 in Research and Development Cluster monies it was not entitled to and may be required to repay to the federal agency. In fact, for 1 of the employees for whom a principal investigator failed to approve effort-certification reports, the University informed us that it improperly paid this former employee \$99,762 of salary and ERE for approximately 1 year and 10 months past the employee's resignation date in June 2023. The University placed a hold on the former employee's Arizona State Retirement System (ASRS) account and reclaimed the employee's and employer's ASRS contribution amounts, resulting in a recovery of \$21,648. The University's improper payments to the former employee resulted in a net loss of \$78,114 to the University as of June 30, 2025.² However, the University reimbursed the Research and Development Cluster by transferring the costs to State appropriated funds for local funding of departments in May 2025; therefore, no questioned cost resulted from this instance of noncompliance. Finally, the University is at risk that this finding applies to other federal programs it administers.

² Arizona Auditor General. (2025). Report on Internal Control and on Compliance Year Ended June 30, 2025. Retrieved 02/9/2026 from https://www.azauditor.gov/sites/default/files/2026-02/UniversityofArizonaJune30_2025ReportonInternalControlandonCompliance.pdf

Cause

Despite periodic notifications by the University's Sponsored Projects Services, the principal investigators or supervisors either did not review and approve effort certification reports or approved the effort certification reports after the 30-working-day requirement because the policies and procedures for effort certification do not contain enforcement actions for noncompliance.

In addition, the University's policies and procedures did not provide separate time frames for the 2 required effort-certification report reviews, including the fiscal officers and principal investigators or supervisors, to approve the effort-certification reports. For example, for 2 effort-certification reports we tested that were 5 and 17 days late, the principal investigators were given limited time to complete their reviews after the fiscal officers approved the reports in 26 and 28 working days, respectively.

Criteria

Federal regulation requires the University to base charges to federal awards for salaries on records that accurately reflect the work performed. These records must comply with the University's established accounting policies and procedures. Federal regulation also allows budget estimates to be used for interim accounting purposes, provided that the University's system of internal controls includes processes to perform periodic after-the-fact reviews of interim charges made to a federal award based on budget estimates. All necessary adjustments must be made so that the final amount charged to the federal award is accurate, allowable, and properly allocated (2 CFR §200.430[g][1]).

University policies and procedures require the University to perform periodic after-the-fact reviews of effort certification reports that include budgeted percentages charged to the federal awarding agency and the distribution of salary and ERE costs based on budgeted percentages amongst all applicable federal awards. These policies and procedures require a fiscal officer to perform the first review and approval of the effort-certification report in the University's financial system. Then, the principal investigators of federally sponsored projects should approve the effort-certification reports of all employees who are paid fully or partially from federal sources for work performed on a project. If the principal investigator does not have specific knowledge of the work performed, then a direct supervisor who has knowledge of work performed should approve the report. Effort-certification reports are due within 30 working days of the document-creation date in the University's financial system.^{3,4}

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

³ University of Arizona. Research & Partnerships – Effort Reporting Policy. Retrieved 11/18/2025 from <https://research.arizona.edu/research-support>

⁴ University of Arizona. Research & Partnerships – Effort Reporting Procedure. Retrieved 11/18/2025 from <https://research.arizona.edu/research-support>

Recommendations to the University

1. The principal investigators or supervisors should approve the effort-certification reports within the required 30-working-day time frame.

The University should improve its written policies and procedures over effort-certification to include:

2. Enforcement actions when principal investigators or supervisors do not approve the effort certifications within the required time frame.
3. Establish separate time frames in the approval process over effort-certification reports for fiscal officers and principal investigators and supervisors.

Views of responsible officials

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

The Arizona Office of Economic Opportunity did not ensure conference meals, graphic design services, and promotional item costs were appropriate, necessary, and managed to minimize charges and may be required to return \$90,015 of WIOA Cluster funds

Cluster name(s): WIOA Cluster

Assistance Listings number(s) and name(s):

17.258 WIOA Adult Program

17.259 WIOA Youth Activities

17.278 WIOA Dislocated Worker Formula Grants

Award number(s) and year(s):

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

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

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

23A55AW000049-01-00 July 1, 2023 to June 30, 2026

Federal agency: U.S. Department of Labor

Compliance requirement(s): Not applicable

Questioned costs: \$90,015

Condition

Contrary to federal regulations and the Department of Economic Security's (DES) policy, the Arizona Office of Economic Opportunity (Office) paid for meals and promotional items provided to conference participants using WIOA Dislocated Worker Formula Grants federal program (WIOA federal program) funds without ensuring that the costs were appropriate, necessary, and managed to minimize charges to the federal award.

Specifically, the Office hosted a 2-day Workforce Summit (Summit) conference in June 2024 and spent:

- ▶ \$61,038 on meals for 300 attendees over 2 days for lunch buffets, snacks, and beverages with an average attendee cost of \$102 per person per day.
- ▶ \$25,302 for graphic design services without documenting how the services benefited the Summit. Office management reported the services were used to develop Summit communications and materials.
- ▶ \$3,675 on other promotional items, including pens, notebooks, lanyards, clips, vinyl pouches, and flyers, without maintaining evidence, such as photos, that the items displayed the required branding or funding tagline required by DES policies.

The Office spent \$5,066,045—including the questioned costs of \$90,015—or nearly 5% of the State’s total \$104,973,072 WIOA Cluster expenditures for the year ended June 30, 2024.

We did not audit the WIOA Cluster for fiscal year 2024 because the Cluster did not meet the major federal program criteria. However, during fieldwork for the performance audit and sunset review of the Office, our contract auditors identified the above \$90,015 unallowable costs charged to the WIOA federal program.

Effect

The Office’s paying for Summit costs without ensuring that they were appropriate, necessary, and managed to minimize charges to the federal award increased the risk that those who were intended to benefit from the program may not receive all the benefits they otherwise would have received. Consequently, the Office and/or DES may be required to return monies to the federal agency in accordance with federal requirements.¹

Cause

Office staff responsible for reviewing and approving Summit expenditures lacked sufficient guidance to identify unallowable costs because the Office lacked documented procedures, including a standardized review process, to ensure that costs charged to the WIOA federal program were allowable.

DES passed WIOA federal program funds to the Office through an interagency service agreement (ISA) subaward but did not include conference-specific requirements imposed by federal regulations or additional requirements that DES imposed regarding promotional materials.

Further, DES monitors the Office’s WIOA federal program expenditures during an annual desk review that takes place in May or June following the end of the prior fiscal year. DES management reported DES did not review any 2024 Summit costs since they will be subject to review during the May 2026 desk review. The review was scheduled almost 2 years after the unallowable costs were incurred because they were included in the Office’s July 2024 reimbursement request, which fell at the beginning of fiscal year 2025.

Criteria

Federal regulations and the Department’s Notice of Award for the WIOA federal program require the Office to sponsor conferences primarily to disseminate technical information. Further, the Office must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and managed to minimize charges to the federal award. Allowable costs may include facility rental, speakers’ fees, registration fees, meals and refreshments, and other incidental expenses, unless further restricted by the terms and conditions of the federal award (2 CFR §200.432).

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

In addition, DES' policy requires that all promotional material must include a specific funding source tagline and the State brand.²

Further, federal regulations require DES to:

- ▶ Evaluate the Office's fraud risk and risk of noncompliance with its ISA subaward to determine the appropriate subrecipient monitoring procedures (2 CFR §200.332[c]).
- ▶ Ensure its subaward with the Office includes all requirements imposed by federal statutes, regulations, and the terms and conditions of the federal award and any additional requirements that DES imposes on the Office to meet its responsibilities under the federal award (2 CFR §200.332[b][2] and [3]).

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

Recommendations to the Office

1. Ensure Summit costs charged to the WIOA federal program are appropriate, necessary, and managed to minimize charges to the federal award.
2. Develop and implement written procedures, including a standardized review process, to ensure that costs charged to the WIOA federal program are allowable prior to requesting reimbursement from DES.
3. Work with federal grantor and/or DES to resolve the \$90,015 of questioned costs associated with the 2024 Summit and any subsequently held Summits.

Recommendations to DES

4. Amend its ISA subaward with the Office to include conference-specific requirements imposed by federal regulations and additional requirements that DES imposed regarding promotional materials.
5. Adjust its monitoring procedures over the Office's activities, which may include more frequent desk reviews of reimbursed costs, based on DES' evaluation of the Office's risk of noncompliance with federal regulations and DES' notice of award for the WIOA federal program.
6. Provide Office staff responsible for reviewing and approving Summit expenditures with training and technical assistance on conference-related requirements.

² Arizona Department of Economic Security. (2023). Workforce Innovation and Opportunity Act Policy Manual Title I-B, Chapter 3, Section 102.01 (C). Retrieved 4/8/2026 from <https://des.az.gov/sites/default/files/media/Allowable-Costs-Fiscal-Policy-Section-100.pdf?time=1775665811357>

Views of responsible officials

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

Other auditors' federal award findings

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

AHCCCS' initial findings of credible and willful fraud by sober-living providers across the State resulted in the suspension of more than 300 providers

Assistance Listings number(s) and name(s):

93.778 Medical Assistance Program (Medicaid; Title XIX) *part of the Medicaid Cluster
93.778 COVID-19 - Medical Assistance Program (Medicaid; Title XIX)

Award number(s) and year(s):

11-W-00275/09 July 1, 2023 through June 30, 2024

Federal agency: U.S. Department of Health and Human Services

Compliance requirement(s): Special Tests and Provisions – Utilization Control and Program Integrity

Questioned costs: Unknown

Condition

The AHCCCS Office of Inspector General and the Arizona Attorney General's Office became aware of potential fraudulent billing practices including significant increases in billing for outpatient behavioral health services. These circumstances triggered a multi-agency review and investigation of potential fraud, waste, and abuse. Ultimately, this led AHCCCS to connect the irregular billing of these services with alleged criminal activity targeting Indigenous peoples and other vulnerable Arizonans. In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the State. Since then, AHCCCS has suspended more than 300 providers. These provider suspensions are known as the Credible Allegations of Fraud (CAF) suspensions.

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

For example, providers billed for:

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

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

Effect

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

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

highly complex and manual process and can take many years to finalize. As a result, we have issued a qualified opinion on the basic financial statements as of and for the year ended June 30, 2024.

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

Cause

The fraud was a result of several bad actors colluding against the program. AHCCCS did not have complementary controls in place to detect unnecessary utilization of care and services in a timely manner. Additionally, AHCCCS did not have sufficient procedures for the ongoing pre- and post-payment review of behavioral health claims. AHCCCS' claims-processing system uses the Centers for Medicare & Medicaid Services (CMS) required claim-edit protocols to look for improperly billed claims as noted in the National Correct Coding Initiative (NCCI), and such edit protocols are updated regularly per CMS requirements. However, AHCCCS could have implemented additional controls that may have detected these issues more timely. While not required by CMS, AHCCCS did not have sufficient edits to restrict the inappropriate use of per diem codes or restrict some behavioral health codes from being billed for the same member on the same date of service. Further, AHCCCS did not have sufficient controls in which claims were reviewed by a medical professional pre- and post-payment to assess if the claim was medically necessary and to assess if the codes being used were excessive and age appropriate.

Criteria

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

AHCCCS must establish and use written criteria for evaluating the appropriateness and quality of Medicaid services. AHCCCS must have procedures for the ongoing post-payment review, on a sample basis, of the need for, and the quality and timeliness of, Medicaid services. AHCCCS may conduct this review directly or may contract with an independent entity (42 CFR §§456.5, 456.22, and 456.23).

Recommendations to AHCCCS

1. Continue its investigations and refer CAF cases to law enforcement officials.
2. Continue to work with CMS to determine what, if any, amounts may be required to be remitted to CMS.

3. Review and enhance existing policies and procedures and related controls to ensure sufficient processes and controls are in place to timely detect unnecessary utilization of care and services and to prevent fraud. For example, AHCCCS could implement additional edits to restrict the inappropriate use of per diem codes or restrict some behavioral health codes from being billed for the same member on the same date of service.
4. Add additional controls in which claims are reviewed by a medical professional pre- and post- payment to assess if the claim was medically necessary and to assess if the codes being used were excessive and age appropriate.
5. Continue to examine the existing Medicaid payment system and continue to implement system-wide improvements. These improvements should include the establishment of additional reporting to flag concerning claims for prepayment review, setting of billing thresholds, and establishing prepayment review for various behavioral health claim types.
6. Establish sufficient controls in which claims are reviewed by a medical professional pre- and post-payment to assess if the claim was medically necessary and to assess if the codes being used were excessive and age appropriate.

This finding is similar to prior-year finding 2023-130 and was initially reported in fiscal year 2022.

Views of responsible officials

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

Other auditors' federal award findings

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

AHCCCS did not follow up in a timely manner for certain deferred member investigations, increasing the risk of AHCCCS making unnecessary payments and compromising its ability to investigate cases

Assistance Listings number(s) and name(s):

93.767 Children's Health Insurance Program
93.767 COVID-19 – Children's Health Insurance Program
93.778 Medical Assistance Program (Medicaid; Title XIX) *part of the Medicaid Cluster
93.778 COVID-19 - Medical Assistance Program (Medicaid; Title XIX)

Award number(s) and year(s):

11-W-00275/09 July 1, 2023 through June 30, 2024
21-W-00064/09 July 1, 2023 through June 30, 2024

Federal agency: U.S. Department of Health and Human Services

Compliance requirement(s): Special Tests and Provisions – Utilization Control and Program Integrity

Questioned costs: Unknown

Condition

AHCCCS did not follow up in a timely manner for certain deferred member investigations. In a population of 1,494 member and provider cases with identified credible allegations of provider and member fraud assigned during fiscal year 2024, we conducted a nonstatistical sample of 40 member and provider investigations to ascertain if AHCCCS performed a preliminary investigation of potential incidents of fraud or abuse committed by members and providers on a timely basis. We also reviewed to ensure AHCCCS was following up on any deferred member and provider cases in a timely manner. In our sample of 40 member and provider investigations, we noted that for 39 of 40 member investigations in which the investigation had been deferred, AHCCCS did not follow up in a timely manner and in accordance with their internal policy on those deferred investigations.

Effect

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

Cause

Management has reported to us that insufficient investigative staff and increased volumes of provider and member investigations impacted AHCCCS' ability to investigate and follow up on potential fraud or abuse incidents in a timely manner. In fiscal year 2023, the process of holding quarterly reviews of deferred cases did not occur due to resources being diverted to focus on Strike Force activities involved in addressing the Behavioral Health (BH) crisis. Additionally, the AHCCCS Office of Inspector General (OIG) announced a reorganization in December 2023 that resulted in permanent transitions to other teams for several staff. Teams were given time to finalize cases and move items to other investigators to limit disruption to cases. By April 2024, after the Strike Force initiative had been unwound and the member team structure changes for personnel were finalized, the member team restated its process of quarterly deferred case reviews. At the first review in April 2024, cases in the deferred backlog that were not completed in the time frame set for the reviews were postponed to the next quarterly review in July.

Criteria

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

Recommendations to AHCCCS

1. Conduct a workload/cost analysis to evaluate whether its funding and staffing levels are sufficient to timely investigate member and provider fraud or abuse incidents.
2. Reassign staff/resources to deferred member/provider investigations.
3. Follow its existing policy, which includes clear time frames in which follow up on deferred investigation occurs.

This finding is similar to prior-year finding 2023-131 and was initially reported in fiscal year 2023.

Views of responsible officials

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

Other auditors' federal award findings

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

AHCCCS did not timely return nearly \$5.4 million of the federal share of fraud and abuse recoupments

Assistance Listings number(s) and name(s):

93.767 Children's Health Insurance Program
93.767 COVID-19 - Children's Health Insurance Program
93.778 Medical Assistance Program (Medicaid; Title XIX) *part of the Medicaid Cluster
93.778 COVID-19 - Medical Assistance Program (Medicaid; Title XIX)

Award number(s) and year(s):

11-W-00275/09 July 1, 2023 through June 30, 2024
21-W-00064/09 July 1, 2023 through June 30, 2024

Federal agency: U.S. Department of Health and Human Services

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

Questioned costs: \$111,638 (93.767) and \$5,245,026 (93.778)

Total questioned costs: \$5,356,664

Condition

AHCCCS did not return the federal share of fraud and abuse recoupments back to the CMS in a timely manner. In a population of 4,117 member and provider cases during fiscal year 2024, we conducted a nonstatistical sample of 60 member and 60 provider investigations to ascertain if AHCCCS had properly remitted to CMS any recoupments as a result of the investigations. For 1 of 60 provider fraud cases, we noted AHCCCS did not timely return the federal share of fraud and abuse recoupments back to CMS. We then obtained from AHCCCS OIG a detail of all recoupments received during the period July 1, 2022 through June 30, 2024, noting a total of 392 unique OIG cases for which recoupments were received. Of this total of 392 cases, 136 cases were identified for which the federal share of the total recoupment amount was not properly reported on the CMS-64 report, and therefore, the funds were not properly remitted to CMS for a total of \$5,356,664.

Effect

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

Cause

Management has reported to us that this was a result of staffing turnover as well as a breakdown of inter and intradepartmental communication and collaboration between AHCCCS OIG and the Division of Business and Finance.

Criteria

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

Recommendations to AHCCCS

1. Timely report and remit recoupments to CMS.
2. Review and update their policies and procedures to ensure the federal share of any recoveries are reported and remitted to CMS timely.
3. Enhance communications between divisions to facilitate and ensure the timely and accurate communication on recoveries.

This finding is similar to prior-year finding 2023-132 and was initially reported in fiscal year 2023.

Views of responsible officials

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

AUDITOR GENERAL'S COMMENTS ON STATE RESPONSE AND CORRECTIVE ACTION PLAN

Government Auditing Standards require the State to provide a written response indicating whether it concurs with our findings and how it plans to correct the issues we identified. Consistent with this requirement, all State agencies, departments, and programs have provided responses, which are presented in the State section, and all have concurred with our findings and recommendations except for the Arizona Department of Education's (ADE) Empowerment Scholarship Account Program (Program). The Program has included certain statements in its response that misrepresent our work, mislead the reader, and deflect attention from the message that the Program needs to improve internal controls in various areas. To provide clarity and perspective, we are commenting on the Program's response to our 4 audit findings.

As part of our normal audit process, we provide verbal updates to all entities about what we are finding and what we plan to report. We provide entities an opportunity to review draft findings and recommendations and to provide additional information and verbal clarifications and concerns to us with their written responses. We may also make changes to draft findings based on entity clarifications and new documentation provided to ensure the findings and recommendations are accurate and are not being misconstrued. The Program was afforded the same process and opportunities as all other audited entities to provide feedback on its findings. However, in contrast with other audited entities, the Program did not provide written responses to us and instead missed deadlines, sought extensions from us and the Arizona Department of Administration (ADOA), and did not meet most of the extensions given to it. Regarding ADE's concerns communicated in its April 16, 2026, response regarding the deficiencies we noted with its conflict of interest and transaction-review processes, most of these concerns were not communicated throughout the 2 months ADE had to review the sampled transactions with deficiencies and the resulting draft findings, nor during the multiple meetings we held with ADE and Program management.

Further, the purpose of reporting audit findings is to transparently communicate with management, governance, the Legislature, and ultimately the public our independent, objective assessment of areas we identify with internal control weaknesses or other noncompliance that we observe. For every finding, we also provide recommendations that, if implemented, can help the entity improve its controls, which helps prevent future noncompliance, errors, or fraud and correct deficiencies, which helps increase stakeholder confidence.

Finally, ADE's response to some of the finding recommendations is misleading as it indicates "The auditor general's recommendation has been implemented, before it was made." However, at the time of our audit, the Program was unable to support the assertion that it has corrected deficiencies, even after we asked that it provide documented evidence or other correspondence. Regardless, we will perform followup procedures on ADE and the Program's assertions that it has corrected the noted deficiencies, and we will report on the implementation status during the next audit.

Finding 2024-01 response clarifications

To infer we caused the nearly 3-month delay is inaccurate and misleading. On August 20, 2025, we formally requested system access to the ESA ClassWallet system from the Program. Nearly a month later, the Program's executive director informed us that, because the Office of the Arizona State Treasurer (ASTO) held the contract for ClassWallet, we would need ASTO's permission for access. ASTO communicated multiple times to the Program's executive director that the data in ClassWallet belongs to ADE; therefore, ADE has the authority and responsibility to coordinate all access, including auditor access. We explained several times to Program management that we are permitted access to proprietary systems, student information systems, and all books and records, pursuant to State law. From the time the third-party access agreement was provided to us, we signed it within 4 business days, even though we were not required to sign it due to statutory authority allowing us access to this system.

Finding 2024-02 response clarifications

ADE's assertion that it conducts risk-based audits of nearly 2 million orders annually is also misleading. Although the Program may subject the transactions it processes to an audit, we found in practice that the Program's audit methodology did not constitute a comprehensive risk-based approach. We found that although the Program appears to have classified some lower-risk transactions appropriately and did identify 1 risk factor to consider for its audits, it did not appropriately assess the risk for the remaining factors constituting 70% of the sample, resulting in all factors having an equal opportunity of being selected even though they do not have equal risk. The Program's use of both a random and proportional sample based on 1 risk factor results in a partial risk-based approach. We further found and reported that the manual processes the Program used to identify its population for selecting its sample resulted in errors, causing some transactions to be improperly excluded from an audit.

In addition to these deficiencies, we found that the Program was not even adhering to its transaction audit methodology when selecting and performing its weekly audits. Finally, the Program represented to us on multiple occasions that it was selecting 30% of orders for audit according to its undocumented policy and procedure. However, when we found contradictory evidence through our observations that demonstrated the Program's percentage of transactions assigned for an audit was lower—6.5% to 23.9%—the Program pivoted and reported it was in fact "a goal" and not its undocumented policy and procedure.

Finally, although ADE reported that many of the audit recommendations we made were already implemented or implemented before the audit, the Program did not provide support despite our requests. For example, recommendation number 5 states, in part, "If additional tools such as machine learning or artificial intelligence for identifying potentially unallowable transactions are available through ClassWallet or through other vendors, the Program should identify strategies to remove manual processes in the obtaining, selecting, and auditing of expenditure transactions to create a more efficient, comprehensive, and consistent transaction-evaluation process." ADE's response that, "This was implemented before it was suggested by the auditor general" is not supported by any evidence the Program provided nor by what we found.

Finding 2024-03 response clarifications

ADE appears to misunderstand that much of the information and terminology reported in this finding is taken directly from Program and ADE documentation and Program staff. Additionally, ADE spends nearly an entire page of its response attempting to justify its actions to inappropriately override controls so that staff could manually review and process payments and reimbursements for 2 account holders more quickly than other account holders. In fact, we only discovered that Program management overrode its own controls because 2 account holders were erroneously added to the Program's executive director's conflict-of-interest log and because we routinely conduct work around conflicts of interest, therefore we discovered this issue and also determined that Program management did not detect these issues despite their claiming to have been monitoring a conflict-of-interest log.

Similarly, ADE makes statements about already implementing recommendations. For example, ADE stated that it already sends those on a conflict-of-interest log to ClassWallet, yet during the audit, we were provided conflicting evidence and assertions by Program management about who is responsible for compiling the conflict-of-interest log, reviewing the log, and submitting the log to ClassWallet. Additionally, during the audit, Program management reported that all transactions associated with a conflict of interest were independently reviewed, but after bringing to Program management's attention that we could not verify compliance with their own stated procedure, their explanation changed, and they then asserted that we must have misunderstood.

In addition, the literature that we noted as adult romance books were books intended for mature audiences and authored by Ana Huang, including such titles as *Twisted Love*, *Twisted Games*, *Twisted Hate*, *Twisted Lies*, *King of Wrath*, and *King of Pride*. When we brought these specific titles to Program management's attention, at no point did they assert that these were allowable expenses. However, it is not our intention to drive what is considered acceptable curriculum or to censor educational needs of ESA students, but rather to provide information and recommendations to ensure transactions are reviewed and determined to be allowable and comply with all applicable Program regulations, thereby protecting the integrity of the Program.

Finally, ADE's assertion that we exceeded our statutory mandate under A.R.S. §41-1279 is inaccurate. We evaluate compliance against State manuals, administrative rules, and agency policies, and against internal control standards and best practices, when necessary.

Finding 2024-04 response clarifications

ADE's main contention appears to be that our finding and recommendations "...implies that ADE does not conduct, document, and take further due process action on unallowable items in the 2-year window prescribed in Arizona Administrative Code." Our finding should not be read to these generalities. In fact, throughout the finding, we discuss our sample size, and although the issues we found in our sample are indicative of internal control deficiencies that need to be corrected, we clearly state that the sampled results are not intended to be projected to the entire population, nor for ADE to make such general statements about what we found.

We judgmentally selected 15 of 8,891 expenditure transactions totaling \$1,083,113 that the Program audited and Program management identified as having concerns about, and we found deficiencies in the Program's process with 14 of the 15 transactions. Again, this should not be projected to the entire population, but the deficiencies we found indicate that the Program's internal controls are not designed or working as intended, such as it is not timely reviewing and taking action on 14 of 15 of the transactions we reviewed, which include items its own audits had already identified as unallowable expenses or expenditures missing documentation that needed further review dating back to March 2025. For example, in one instance, we found that the Program timely audited a transaction within the 2-year required time frame and appropriately issued a suspension notice on August 29, 2025; however, the Program did not follow up on this suspension notice until nearly 6 months later, on February 19, 2026, and only after we brought this to Program management's attention.

These internal control deficiencies affect the Program because by not conducting or timely conducting followup reviews of transactions that its own audits identified as unallowable or missing required documentation, the Program's public monies may be at risk of being misused since potentially unallowable purchases have already been made and automatically processed by the Program, and the Program has reimbursed the account holder or vendor for the goods or services. Further, since the Program's practice is to conduct a full audit of all the account holder's transactions during the 2-year time frame if it follows up on these specific transactions, delaying or not conducting these reviews postpones or prevents it from potentially identifying additional unallowable transactions and then recovering additional monies for other unallowable purchases or those missing documentation, as applicable. We made several recommendations to help the Program mitigate these risks and improve its internal controls.

The State prepared the subsequent pages of this document.

Schedule of expenditures of federal awards and related notes

This schedule includes the State's federal grant activity for the fiscal year and the related notes, which are an integral part of the schedule and describe the significant accounting policies used in preparing the schedule and other disclosures as required by 2 Code of Federal Regulations (CFR) §200.510(b).

The results of our auditing procedures on this schedule are described in the independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance.

Agency codes

The State includes a listing of the agency names associated with the 3 letter agency codes used in the SEFA. This is for informational purposes only and is not a required element of the Single Audit.

State response and corrective action plan

The State response and corrective action plan includes the State's response to each finding identified in our audit, including the State's corrective action plan and anticipated completion date to implement our audit finding recommendations, as required by 2 CFR §200.511(c).

We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

Summary schedule of prior audit findings

The summary schedule of prior audit findings includes the State's status of implementing audit finding recommendations from the prior year's audit in addition to the status of any older audit findings that were not reported as fully corrected in the prior year's summary schedule of prior audit findings as required by 2 CFR §200.511(b). This schedule also includes the status of the findings reported in the universities' separately issued reports on internal control and on compliance.

We performed auditing procedures to follow up on prior audit findings, including assessing the reasonableness of the summary schedule of prior audit findings as required by 2 CFR §200.514(e).

Schedule of expenditures of federal awards

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
DEPARTMENT OF AGRICULTURE						
SNAP Cluster						
10.551	Supplemental Nutrition Assistance Program (SNAP)			DEA	\$ 2,017,785,150	
10.561	COVID -19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	3,353,233	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	70,183,226	\$ 8,307,217
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	7,733,214	3,234,575
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	6,031,895	71,423
	10.561 Subtotal				<u>87,301,568</u>	<u>11,613,215</u>
	SNAP Cluster Subtotal				<u>2,105,086,718</u>	<u>11,613,215</u>
Child Nutrition Cluster						
10.553	School Breakfast Program (SBP)			DCA	29,755	
10.553	School Breakfast Program (SBP)			DJA	129,324	
10.553	School Breakfast Program (SBP)			EDA	102,330,982	102,330,982
10.553	School Breakfast Program (SBP)			SDA	133,078	
	10.553 Subtotal				<u>102,623,139</u>	<u>102,330,982</u>
10.555	National School Lunch Program (NSLP)			DCA	50,144	
10.555	National School Lunch Program (NSLP)			DJA	208,589	
10.555	National School Lunch Program (NSLP)			EDA	380,039,149	340,481,659
10.555	National School Lunch Program (NSLP)			SDA	344,010	
	10.555 Subtotal				<u>380,641,892</u>	<u>340,481,659</u>
10.556	Special Milk Program for Children (SMP)			EDA	20,100	20,100
10.559	Summer Food Service Program for Children (SFSPC)			DCA	4,566	
10.559	Summer Food Service Program for Children (SFSPC)			EDA	5,394,464	5,154,737
	10.559 Subtotal				<u>5,399,030</u>	<u>5,154,737</u>
10.582	Fresh Fruit and Vegetable Program (FFVP)			EDA	3,221,686	3,221,686
	Child Nutrition Cluster Subtotal				<u>491,905,847</u>	<u>451,209,164</u>
Food Distribution Cluster						
10.565	Commodity Supplemental Food Program			DEA	2,336,908	2,049,359
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)			DEA	1,016,577	1,016,577
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	4,065,604	3,666,764
	10.568 Subtotal				<u>5,082,181</u>	<u>4,683,341</u>
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	62,828,896	
	Food Distribution Cluster Subtotal				<u>70,247,985</u>	<u>6,732,700</u>
Other Department of Agriculture Programs						
10.001	Agricultural Research Basic and Applied Research			UAA	13,216	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	1,065,994	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	497,063	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			UAA	311,487	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Colorado State University Southwest Indian Agriculture Association, Inc.	G-50346-03	UAA	620,259	
10.025	Plant and Animal Disease, Pest Control, and Animal Care		APP-22190	UAA	3,817	
	10.025 Subtotal				<u>2,498,620</u>	
10.028	Wildlife Services			GFA	58,257	
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	215,000	
10.163	Market Protection and Promotion			AHA	16,792	
10.164	Wholesale Farmers and Alternative Market Development	University of California Division of Agriculture and Natural Resources	SA22-6310-11	UAA	30,350	
10.170	Specialty Crop Block Grant Program - Farm Bill			AHA	2,321,926	2,046,731
10.170	Specialty Crop Block Grant Program - Farm Bill			UAA	124,960	
	10.170 Subtotal				<u>2,446,886</u>	<u>2,046,731</u>
10.171	Organic Certification Cost Share Programs			AHA	49,470	44,972
10.182	COVID-19 Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments			DEA	4,550,847	4,474,026
10.185	Local Food for Schools Cooperative Agreement Program			EDA	148,278	148,278
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds			DEA	771,000	771,000
10.190	COVID-19 - Resilient Food System Infrastructure Program			AHA	162,334	
10.215	Sustainable Agriculture Research and Education	Montana State University	G306-24-WA511, G391-22-W9214	UAA	29,368	
10.220	Higher Education - Multicultural Scholars Grant Program			UAA	46,967	
10.223	Hispanic Serving Institutions Education Grants			NAA	67,863	
10.223	Hispanic Serving Institutions Education Grants			UAA	234,304	
10.223	Hispanic Serving Institutions Education Grants	University of California, Santa Barbara	KK2323	UAA	43,608	
	10.223 Subtotal				<u>345,775</u>	
10.234	American Rescue Plan Technical Assistance Investment Program	Southwest Indian Agriculture Association, Inc.	A-ORC-80169	UAA	23,191	
10.237	From Learning to Leading: Cultivating the Next Generation of Diverse Food and Agriculture Professionals	Hartnell College	2023-70440-40163	UAA	38,289	
10.310	Agriculture and Food Research Initiative (AFRI)			ASA	17,200	
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	185,212	
10.310	Agriculture and Food Research Initiative (AFRI)	Desert Research Institute	GR11726	UAA	46,865	
	10.310 Subtotal				<u>249,277</u>	
10.311	Beginning Farmer and Rancher Development Program			UAA	51,561	
10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program			UAA	67,493	
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	273,335	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.329	Crop Protection and Pest Management Competitive Grants Program 10.329 Subtotal	University of California Division of Agriculture and Natural Resources	SA22-5974-02	UAA	78,654 351,989	
10.351	Rural Business Development Grant	Hopi Tutuska Permaculture Institute	LTR DTD 041624	UAA	885	
10.443	Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers			UAA	237,614	25,000
10.460	Risk Management Education Partnerships			UAA	64,820	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	57,147	
10.500	Cooperative Extension Service			UAA	896,141	
10.500	Cooperative Extension Service 10.500 Subtotal	Purdue University	F9001573902010	UAA	29,086 925,227	
10.511	Smith-Lever Funding (Various Programs)			UAA	2,492,770	
10.514	Expanded Food and Nutrition Education Program			UAA	760,937	
10.515	Renewable Resources Extension Act and National Focus Fund Projects			UAA	42,792	
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	Washington State University	145086 WSU001217	UAA	4,234	
10.527	New Beginning for Tribal Students			UAA	84,516	
10.542	COVID-19- Pandemic EBT Food Benefits			DEA	65,796,807	
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	1,053,985	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 Subtotal			HSA	138,669,746 139,723,731	121,842,227 121,842,227
10.558	Child and Adult Care Food Program			EDA	64,382,731	63,900,481
10.560	State Administrative Expenses for Child Nutrition			EDA	6,098,834	
10.572	Farmers' Market Nutrition Program (FMNP)			DEA	125,413	125,413
10.574	Team Nutrition Grants			EDA	43,492	
10.575	Farm to School Grant Program			EDA	1,213	
10.576	COVID-19 - Senior Farmers Market Nutrition Program			DEA	513,138	513,138
10.576	Senior Farmers Market Nutrition Program 10.576 Subtotal			DEA	101,051 614,189	101,051 614,189
10.577	SNAP Partnership Grant			DEA	264,298	
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	1,329,083	1,329,083
10.589	Child Nutrition Direct Certification Performance Awards			EDA	981	
10.646	Summer Electronic Benefit Transfer Program for Children			DEA	41,324,400	
10.646	Summer Electronic Benefit Transfer Program for Children 10.646 Subtotal			EDA	4,622 41,329,022	
10.649	COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant			DEA	2,627,848	
10.649	COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant 10.649 Subtotal			EDA	7,585 2,635,433	
10.664	Cooperative Forestry Assistance			FOA	3,362,893	833,989
10.664	Cooperative Forestry Assistance 10.664 Subtotal			NAA	46,651 3,409,544	833,989 833,989
10.676	Forest Legacy Program			FOA	63,293	
10.683	National Fish and Wildlife Foundation			GFA	50,000	
10.691	Good Neighbor Authority			EVA	52,562	
10.691	Good Neighbor Authority			FOA	3,604,153	
10.691	Good Neighbor Authority 10.691 Subtotal			GFA	290,324 3,947,039	
10.697	State & Private Forestry Hazardous Fuel Reduction Program			FOA	1,245,835	873,073
10.698	State & Private Forestry Cooperative Fire Assistance			FOA	208,600	
10.699	Partnership Agreements			NAA	82,057	
10.699	Partnership Agreements 10.699 Subtotal			UAA	186,096 268,153	
10.707	Research Joint Venture and Cost Reimbursable Agreements			NAA	44,132	
10.716	Infrastructure Investment and Jobs Act Prescribed Fire/Fire Recovery			FOA	5,586	
10.720	Infrastructure Investment and Jobs Act Community Wildfire Defense Grants			FOA	146,890	
10.724	Wildfire Crisis Strategy Landscapes			FOA	524,625	
10.727	Inflation Reduction Act Urban & Community Forestry Program			FOA	23,508	
10.729	Inflation Reduction Act - National Forest System			FOA	130,720	
10.734	Inflation Reduction Act - Forest Legacy Program			FOA	21,474	6,934
10.902	Soil and Water Conservation			UAA	260,369	
10.912	Environmental Quality Incentives Program			FOA	625	
10.912	Environmental Quality Incentives Program 10.912 Subtotal			UAA	3,300 3,925	
10.937	Partnerships for Climate-Smart Commodities			UAA	169,706	63,835
10.971	Urban Agriculture and Urban County Committee Outreach, Technical Assistance, and Education			UAA	73,966	
10.20234870341193	FY2023 Military Teen Adventure Camps	Purdue University	17001094-043	UAA	120,589	
10.127EAU22P0054	Tonto NF AZ U Phase I NAGPRA			UAA	85,788	
10.127EAU23PO039	ASM Tonto NAGPRA Phase 2			UAA	74,572	
10.20-CS-11031600-151	Rangeland Extension, Education, Outreach, Monitoring, and Vegetation GIS Data Systems (VGS) Enhancement			UAA	96,442	
10.2023-70440-40222	Diverse NextGen Food Policy Leaders Trained in Resilient Systems and Federal Workforce-Ready	University of Alaska: Fairbanks	UAF 23-0084	ASA	388,815	
10.23-CS-11031200-231	Assessment and Repatriation of NAGPRA Collections from Tonto National Forest Housed at ASU	CESU: Colorado Plateau Cooperative Ecosystem Study Unit	FS-1500-10	ASA	86,545	
10.22-CS-11031200-236	Heritage Artifact Inventory and Training	Cooperative Ecosystem Studies Units (CESU)	22-CS-11031200-236	ASA	3,185	
10.22-CR-11250513-430	Vegetation GIS Data System (VGS) Enhancement, Support and Use			UAA	493,692	
10.23CS11030700256	Kaibab Cooperative Range Monitoring			UAA	81,906	
10.23GC00D0001	Public Service and Leadership Development Program			ASA	86,069	
10.23-PA-11132424-287	USFS			ASA	930,096	
	Total Department of Agriculture				3,019,466,743	666,654,310

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
DEPARTMENT OF COMMERCE						
Economic Development Cluster						
11.307	COVID-19 - Economic Adjustment Assistance			TOA	461,721	31,000
11.307	Economic Adjustment Assistance			ASA	3,470	
11.307	Economic Adjustment Assistance			CAA	915,220	
11.307	Economic Adjustment Assistance			NAA	57,484	
	11.307 Subtotal				1,437,895	31,000
	Economic Development Cluster Subtotal				1,437,895	31,000
Other Department of Commerce Programs						
11.024	Build to Scale			CAA	191,162	
11.028	Connecting Minority Communities Pilot Program			UAA	1,305,071	
11.032	State Digital Equity Planning and Capacity Grant			CAA	460,430	
11.035	Broadband Equity, Access, and Deployment Program			CAA	2,707,180	
11.303	Economic Development Technical Assistance			UAA	63,733	
11.611	Manufacturing Extension Partnership			CAA	1,432,109	
11.999	Marine Debris Program			ASA	36,217	
	Total Department of Commerce				7,633,797	31,000
DEPARTMENT OF DEFENSE						
12.005	Conservation and Rehabilitation of Natural Resources on Military Installations			GFA	884,547	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	780,296	
12.219	Ease 3.0			STA	1,571,156	
12.300	Basic and Applied Scientific Research			ASA	938,726	
12.300	Basic and Applied Scientific Research			GFA	273,795	
	12.300 Subtotal				1,212,521	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801-ASU-01, #PGO2301-ASU-01-PGO-PO1, PGO1801-ASU-01, PGO1801-ASU-01-PGO-051-PO3	ASA	457,898	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	PGO1801UAZ1SLTC052PO5, PGO1801UAZ1SPGO051PO6, PGO2301UAZ1SPGOPO2, PGO231UAZ15	UAA	1,150,503	
	12.357 Subtotal				1,608,401	
12.400	Military Construction, National Guard			MAA	4,637,276	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			GFA	180,928	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	49,433,159	
	12.401 Subtotal				49,614,087	
12.431	Basic Scientific Research			UAA	19,621	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-ASU-CHN-280-PO7, 0054-ASU-1-SSC-280-PO8	ASA	470,131	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	BOR21UAZ8ARAOSPO2, BOR21UAZ8ARAPO1, BOR21UAZ8ARAPO5, BOR21UAZ8PORPO6, BOR21UAZ8SSAPO3, BOR21UAZ8SSAPO4/H98210	UAA	1,056,521	
	12.550 Subtotal				1,526,652	
12.600	Community Investment			DTA	6,576,151	
12.620	Troops to Teachers Grant Program			EDA	88,694	
12.740	Past Conflict Accounting			ASA	34,950	
12.900	Language Grant Program			UAA	290,456	
12.902	Information Security Grants			UAA	430,542	
12.905	CyberSecurity Core Curriculum	City University of Seattle	NCAE-CHI-SUB-UA1, NCAE-CHI-SUB-UA2	UAA	16,509	
12.905	CyberSecurity Core Curriculum	University Of Alabama In Huntsville	2024-1729	UAA	139,469	
	12.905 Subtotal				155,978	
12.2020-20061700005	60 Month Grant to the University of Arizona and Consortium Members is for the Intelligence Community Centers of Academic Excellence Critical Languages Studies Program (IC CAE CLSP)			UAA	273,236	47,694
12.EV23-0004	Environmental Services Agreement			EVA	238,708	
12.HQ003419D0003	Defense Civilian Training Corps	Stevens Institute of Technology	2103495-03	UAA	1,316,548	87,927
12.SECAGD21CA3078	2024 EML MOOC Delivery	FHI 360	PO24001088	ASA	12,317	
12.W911NF1920007	Cultivating STEM Equity Ambassadors to Address the Barriers to Equity in STEM Education	RTI International	39-312-0216908-67427L, 16-312-0216908-65829L	ASA	437,878	60,000
	Total Department of Defense				71,710,015	195,621
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Section 8 Project-Based Cluster						
14.195	Section 8 Housing Assistance Payments Program			HDA	70,669,997	
	Section 8 Project-Based Cluster Subtotal				70,669,997	
Housing Voucher Cluster						
14.871	Section 8 Housing Choice Vouchers			HDA	1,316,351	
	Housing Voucher Cluster Subtotal				1,316,351	
Other Department of Housing and Urban Development Programs						
14.171	Manufactured Housing			HDA	113,124	
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	8,911,293	8,662,293
14.228	COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	3,299,864	3,295,779
	14.228 Subtotal				12,211,157	11,958,072

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
14.231	COVID-19 - Emergency Solutions Grant Program			DEA	1,804,013	1,503,742
14.231	Emergency Solutions Grant Program			DEA	1,479,127	1,377,297
	14.231 Subtotal				3,283,140	2,881,039
14.239	COVID-19 - Home Investment Partnerships Program			HDA	5,260,920	5,238,000
14.239	Home Investment Partnerships Program			HDA	14,643,101	13,914,838
	14.239 Subtotal				19,904,021	19,152,838
14.241	COVID-19 - Housing Opportunities for Persons with AIDS			HDA	10,621	10,621
14.241	Housing Opportunities for Persons with AIDS			HDA	536,039	525,096
	14.241 Subtotal				546,660	535,717
14.267	Continuum of Care Program			HDA	4,755,583	4,275,026
14.267	Continuum of Care Program	Our Family Services, Inc.	AZ0220Y9T012101	UAA	21,342	
	14.267 Subtotal				4,776,925	4,275,026
14.275	Housing Trust Fund			HDA	12,753,995	12,440,964
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities			HDA	403,571	
14.401	Fair Housing Assistance Program			AGA	127,619	
14.536	Research and Evaluations, Demonstrations, and Data Analysis and Utilization			ASA	345,636	10,819
14.EHV	EHV Program			HDA	300,849	
	Total Department of Housing and Urban Development				126,753,045	51,254,475
DEPARTMENT OF THE INTERIOR						
Fish and Wildlife Cluster						
15.605	Sport Fish Restoration Program			GFA	9,245,106	
15.611	Wildlife Restoration and Basic Hunter Education			DTA	160,067	
15.611	Wildlife Restoration and Basic Hunter Education			GFA	30,852,025	206,000
	15.611 Subtotal				31,012,092	206,000
15.626	Enhanced Hunter Education and Safety Program			GFA	234,568	6,200
	Fish and Wildlife Cluster Subtotal				40,491,766	212,200
Other Department of the Interior Programs						
15.015	Good Neighbor Authority			FOA	3,158	
15.015	Good Neighbor Authority			GFA	62,965	
	15.015 Subtotal				66,123	
15.018	Energy Community Revitalization Program (ECRP)			EVA	7,612,052	190,524
15.069	Zoonotic Disease Initiative			GFA	46,294	
15.130	Indian Education Assistance to Schools			EDA	630,102	544,279
15.156	Tribal Climate Resilience			NAA	724,474	
15.156	Tribal Climate Resilience	Navajo Technical University	NTU-32361	NAA	23,101	
	15.156 Subtotal				747,575	
15.159	Cultural Resources Management	Cooperative Ecosystem Studies Units (CESU)	A24AC00053	ASA	88,125	
15.224	Cultural resource Management			PRA	28,164	
15.224	Cultural resource Management			UAA	51,998	
	15.224 Subtotal				80,162	
15.232	Wildland Fire Research and Studies Program			UAA	16,269	
15.246	Threatened and Endangered Species			GFA	30,834	
15.247	Wildlife Resource Management			GFA	58,391	
15.517	Fish and Wildlife Coordination Act			GFA	736,381	
15.517	Fish and Wildlife Coordination Act			PRA	19,781	
	15.517 Subtotal				756,162	
15.608	Fish and Wildlife Management Assistance			GFA	147,159	
15.615	Cooperative Endangered Species Conservation Fund			AHA	178,222	
15.615	Cooperative Endangered Species Conservation Fund			GFA	260,205	
15.615	Cooperative Endangered Species Conservation Fund			UAA	5,635	
	15.615 Subtotal				444,062	
15.616	Clean Vessel Act			GFA	119,525	113,174
15.622	Sportfishing and Boating Safety Act			GFA	23,209	14,745
15.631	Partners for Fish and Wildlife			GFA	229,620	
15.634	State Wildlife Grants			GFA	1,934,331	
15.654	National Wildlife Refuge System Enhancements			GFA	51,282	
15.664	Fish and Wildlife Coordination and Assistance			GFA	114,224	
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention			GFA	230,360	
15.670	Adaptive Science			GFA	15,308	
15.674	National Fire Plan-Wildland Urban Interface Community Fire Assistance			FOA	38,505	
15.678	Cooperative Ecosystem Studies Units			GFA	4,400	
15.680	Mexican Wolf Recovery			GFA	188,614	
15.808	U.S. Geological Survey Research and Data Collection			GFA	319,481	
15.808	U.S. Geological Survey Research and Data Collection			NAA	10,568	
	15.808 Subtotal				330,049	
15.686	National Fish Habitat Partnership			UAA	23,759	
15.904	Historic Preservation Fund Grants-In-Aid			PRA	1,213,501	79,393
15.916	Outdoor Recreation Acquisition, Development and Planning			PRA	5,967,529	5,259,230
15.945	Cooperative Research and Training Programs—Resources of the National Park System			GFA	741	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	78,224	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	205,750	5,356
	15.945 Subtotal				284,715	5,356

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
15.50730W0330	Bureau of Reclamation Restricted			ASA	6,672,715	
15.LTR DTD 040623	Integrating Societal Impacts Assessment into Joint Fire Science Program Strategic Planning			UAA	2,303	
	Total Department of the Interior				<u>68,659,025</u>	<u>6,418,901</u>
DEPARTMENT OF JUSTICE						
Other Department of Justice Programs						
16.017	Sexual Assault Services Formula Program			GVA	637,423	607,440
16.034	Coronavirus Emergency Supplemental Funding Program			JCA	190,997	49,284
16.034	Coronavirus Emergency Supplemental Funding Program 16.034 Subtotal			SPA	<u>336,229</u>	<u>49,284</u>
					<u>527,226</u>	<u>49,284</u>
16.050	Missing and Unidentified Human Remains (MUHR) Program			PSA	30,354	
16.320	Services for Trafficking Victims	Las Vegas Metropolitan Police Department	AGR 3/1/2023	ASA	7,628	
16.320	Services for Trafficking Victims 16.320 Subtotal	Our Family Services	AGR 3/2/22	ASA	<u>53,543</u>	
					<u>61,171</u>	
16.526	OVW Technical Assistance Initiative			ASA	439,516	
16.528	Enhanced Training and Services to End Violence and Abuse of Women Later in Life			DEA	119,266	45,612
16.540	Juvenile Justice and Delinquency Prevention			ASA	30,976	
16.540	Juvenile Justice and Delinquency Prevention			GVA	770,346	585,613
16.540	Juvenile Justice and Delinquency Prevention 16.540 Subtotal			JCA	<u>55,564</u>	<u>55,564</u>
					<u>856,886</u>	<u>641,177</u>
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	24,526	
16.554	National Criminal History Improvement Program (NCHIP)			AGA	66,718	
16.554	National Criminal History Improvement Program (NCHIP)			JCA	1,116,699	1,053,389
16.554	National Criminal History Improvement Program (NCHIP) 16.554 Subtotal			PSA	<u>640,443</u>	
					<u>1,823,860</u>	<u>1,053,389</u>
16.575	Crime Victim Assistance			AGA	309,463	
16.575	Crime Victim Assistance			ASA	659,015	
16.575	Crime Victim Assistance			CHA	623,557	
16.575	Crime Victim Assistance			DCA	505,909	
16.575	Crime Victim Assistance			DJA	61,622	
16.575	Crime Victim Assistance			PSA	23,716,302	23,036,106
16.575	Crime Victim Assistance			SPA	26,659	
16.575	Crime Victim Assistance 16.575 Subtotal			STA	<u>71,279</u>	
					<u>25,973,806</u>	<u>23,036,106</u>
16.576	Crime Victim Compensation			JCA	229,125	201,692
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona		UAA	96,142	
16.582	Crime Victim Assistance/Discretionary Grants			JCA	136,188	
16.582	Crime Victim Assistance/Discretionary Grants 16.582 Subtotal			UAA	<u>67,638</u>	<u>51,807</u>
					<u>203,826</u>	<u>51,807</u>
16.585	Treatment Court Discretionary Grant Program			SPA	212,579	
16.588	Violence Against Women Formula Grants			ASA	166,226	
16.588	Violence Against Women Formula Grants			CHA	129,675	
16.588	Violence Against Women Formula Grants 16.588 Subtotal			GVA	<u>2,672,673</u>	<u>2,208,140</u>
					<u>2,968,574</u>	<u>2,208,140</u>
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	78,645	
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	70,991	
16.593	Residential Substance Abuse Treatment for State Prisoners 16.593 Subtotal			JCA	<u>200,000</u>	<u>193,935</u>
					<u>349,636</u>	<u>193,935</u>
16.606	State Criminal Alien Assistance Program			DCA	10,910,181	
16.607	Bulletproof Vest Partnership Program			JCA	1,197	
16.607	Bulletproof Vest Partnership Program 16.607 Subtotal			PSA	<u>66,169</u>	
					<u>67,366</u>	
16.609	Project Safe Neighborhoods			JCA	519,920	490,298
16.710	Public Safety Partnership and Community Policing Grants			SDA	152	
16.726	Juvenile Mentoring Program			JCA	183,890	143,863
16.726	Juvenile Mentoring Program			SPA	1,370	
16.726	Juvenile Mentoring Program 16.726 Subtotal	National 4-H Council	15PJDP-21-GG-02766-MENT	UAA	<u>1,463</u>	
					<u>186,723</u>	<u>143,863</u>
16.735	PREA Program: Strategic Support for PREA Implementation 16.735 Subtotal			JCA	<u>67,184</u>	<u>67,184</u>
					<u>67,184</u>	<u>67,184</u>
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	518,120	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	3,662,339	3,335,881
16.738	Edward Byrne Memorial Justice Assistance Grant Program 16.738 Subtotal			PSA	<u>360,845</u>	
					<u>4,541,304</u>	<u>3,335,881</u>
16.741	DNA Backlog Reduction Program			PSA	546,196	
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	399,664	362,838
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	232,180	
16.742	Paul Coverdell Forensic Science Improvement Grant Program 16.742 Subtotal			SPA	<u>811,696</u>	
					<u>1,443,540</u>	<u>362,838</u>
16.746	Capital Case Litigation			ASA	19,904	
16.746	Capital Case Litigation 16.746 Subtotal			UAA	<u>189,920</u>	
					<u>209,824</u>	
16.750	Support for Adam Walsh Act Implementation Grant Program			PSA	261,300	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.812	Second Chance Act Reentry Initiative			DCA	201,967	
16.813	NICS Act Record Improvement Program			JCA	165,186	
16.813	NICS Act Record Improvement Program			PSA	408,748	
16.813	NICS Act Record Improvement Program			SPA	1,099,533	
	16.813 Subtotal				1,673,467	
16.816	John R. Justice Prosecutors and Defenders Incentive Act			JCA	85,937	77,179
16.818	Children Exposed to Violence			ASA	295,283	
16.827	Justice Reinvestment Initiative			JCA	38,316	
16.827	Justice Reinvestment Initiative	Council of State Governments	23-SA-161-3126	ASA	212,031	
	16.827 Subtotal				250,347	
16.835	Body Worn Camera Policy and Implementation	CNA: Institute for Public Research	20-ASU-1-1616	ASA	267,954	
16.835	Body Worn Camera Policy and Implementation	Justice and Security Strategies	AGR 05/31/2022	ASA	174,774	19,088
	16.835 Subtotal				442,728	19,088
16.838	Comprehensive Opioid, Stimulant, and other Substances Use Program			JCA	61,613	
16.15PBJA-23-GG-04364-STOP	Preventing School Violence			ASA	8,243	
16.2018-088	DEA/DOJ agreements			PSA	142,192	
16.2020-RW-BX-0009	Garden Discovery Days Manzanita			UAA	4,345	
16.GIO	Supporting the Report of the Commission on Native Children - Continuation Funds			UAA	274,254	
16.LTR DTD 060616	Joint Terrorism Task Force - Officer Overtime			UAA	8,220	
16.TBD	Parent University			ASA	89,187	
	Total Department of Justice				56,845,389	32,584,913
DEPARTMENT OF LABOR						
Employment Service Cluster						
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	10,361,762	
17.207	Employment Service/Wagner-Peyser Funded Activities			EOA	671,034	
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	1,045,672	
	17.207 Subtotal				12,078,468	
17.801	Jobs for Veterans State Grants			DEA	3,317,309	
	Employment Service Cluster Subtotal				15,395,777	
WIOA Cluster						
17.258	WIA/WIOA Adult Program			ASA	267,563	
17.258	WIA/WIOA Adult Program			BRA	62,505	
17.258	WIA/WIOA Adult Program			CAA	108,339	
17.258	WIA/WIOA Adult Program			DCA	714,732	
17.258	WIA/WIOA Adult Program			DEA	30,059,664	27,374,983
17.258	WIA/WIOA Adult Program			EDA	65,937	65,937
17.258	WIA/WIOA Adult Program			EOA	202,854	
17.258	WIA/WIOA Adult Program			GVA	1,463,804	1,228,263
17.258	WIA/WIOA Adult Program			NAA	30,919	
	17.258 Subtotal				32,976,317	28,669,183
17.259	WIOA Youth Activities			ASA	157,426	
17.259	WIOA Youth Activities			BRA	276,635	
17.259	WIOA Youth Activities			CAA	2,007,710	
17.259	WIOA Youth Activities			DEA	27,532,225	26,544,646
17.259	WIOA Youth Activities			EOA	1,188,984	
17.259	WIOA Youth Activities			GVA	984,302	719,348
	17.259 Subtotal				32,147,282	27,263,994
17.278	WIOA Dislocated Worker Formula Grants			DEA	36,972,763	28,784,314
17.278	WIOA Dislocated Worker Formula Grants			EOA	3,310,529	
17.278	WIOA Dislocated Worker Formula Grants			GVA	1,105,844	91,595
17.278	WIOA Dislocated Worker Formula Grants			VSA	652,321	
	17.278 Subtotal				42,041,457	28,875,909
	WIOA Cluster Subtotal				107,165,056	84,809,086
Other Department of Labor Programs						
17.002	Labor Force Statistics			EOA	897,230	
17.005	Compensation and Working Conditions			ICA	117,106	
17.225	COVID-19 - Unemployment Insurance			DEA	32,720,425	
17.225	Unemployment Insurance			DEA	344,914,005	
17.225	Unemployment Insurance			EOA	118,782	
	17.225 Subtotal				377,753,212	
17.235	Senior Community Service Employment Program			DEA	937,385	912,253
17.245	Trade Adjustment Assistance for Workers			DEA	515,244	
17.268	H-1B Job Training Grants			ASA	2,318,499	193,200
17.270	Reentry Employment Opportunities			DEA	382,745	
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	292,387	
17.273	Temporary Labor Certification for Foreign Workers			DEA	218,712	
17.277	WIOA National Dislocated Worker Grants/WIA National Emergency Grants			EOA	2,544,089	
17.285	Registered Apprenticeship			DEA	395,386	
17.503	Occupational Safety and Health State Program			ICA	2,620,142	
17.504	Consultation Agreements			ICA	927,667	
17.600	Mine Health and Safety Grants			MIA	511,731	
	Total Department of Labor				512,992,368	85,914,539
DEPARTMENT OF STATE						
19.009	Academic Exchange Programs - Undergraduate Programs	International Research and Exchanges Board (IREX)	FY24-YALI-PM-ASU-08, FY23-YALI-PM-ASU-07, FY23-YALI-PM-ASU-07	ASA	143,545	
19.009	Academic Exchange Programs—Undergraduate Programs	University of Nebraska: Omaha	45-2402-1030-401	ASA	11,355	
19.009	Academic Exchange Programs—Undergraduate Programs	World Learning Inc.	CBPSA19-NAU01	NAA	12,259	
	19.009 Subtotal				167,159	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education		3000259159 ASA	77,273	
19.011	Academic Exchange Programs—Special Academic Exchange Programs	American Institute of Maghrib Studies	LTR DTD 110101	UAA	69,927	
19.011	Academic Exchange Programs—Special Academic Exchange Programs 19.011 Subtotal	Institute of International Education	3000317542	UAA	2,781	
					72,708	
19.021	Investing in People in The Middle East and North Africa			UAA	103,184	
19.040	Public Diplomacy Programs			ASA	64,903	
19.124	East Asia and Pacific Grants Program			ASA	969,597	
19.124	East Asia and Pacific Grants Program 19.124 Subtotal	University of Nebraska: Omaha	45-0517-1002-301	ASA	205,035	
					1,174,632	
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	295,274	
19.322	Economic Statecraft			ASA	182,637	
19.401	Academic Exchange Programs—Scholars	University of Montana	PG24-6B028-01, PG23-6B010-01, PG22-26974-01	ASA	332,071	
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	Aspen Institute	Aspen Institute SI_ASU1_SubR_2022	ASA	69,019	
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges 19.415 Subtotal	International Research and Exchanges Board (IREX)	FY21/YLAI/ASU	ASA	23,367	
					92,386	
19.421	Academic Exchange Programs— English Language Programs	FHI 360	PO23003366	ASA	49,812	
19.900	AEECA/ESF PD Programs			ASA	119,753	
19.900	AEECA/ESF PD Programs	International Center for Journalists	2023-P00450-001	ASA	53,874	
19.900	AEECA/ESF PD Programs 19.900 Subtotal	Yerevan State University	SPA00002753	ASA	28,658	
					202,285	
19.990	McCain Institute/ASU Proposal for Advancing Transitional Justice in Ukraine and South Sudan			ASA	438,862	82,871
19.S-ECAGD-21-CA-3095	Journalism and Challenges to 21st Century to Democracy Study of the U.S. Institute for Student Leaders on U.S. History & Government	Meridian International Center	A196-3	ASA	3,046	
19.SECAGD21CA3091		Institute for Training and Development	WH114-2023/SECAGD21CA3091	UAA	399,522	
	Total Department of State				3,655,754	82,871
DEPARTMENT OF TRANSPORTATION						
FMCSA Cluster						
20.218	Motor Carrier Safety Assistance Program			DTA	816,479	
20.218	Motor Carrier Safety Assistance Program 20.218 Subtotal			PSA	9,967,185	
					10,783,664	
20.237	High Priority Grant Program			PSA	650,334	
	FMCSA Cluster Subtotal				11,433,998	
Federal Transit Cluster						
20.526	Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)			DTA	274,908	271,201
	Federal Transit Cluster Subtotal				274,908	271,201
Transit Services Programs Cluster						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	4,830,463	4,364,876
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			NAA	42,274	
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities 20.513 Subtotal	City of Phoenix	AZ-2020-040-00, 161316-0	NAA	89,499	
					4,962,236	4,364,876
	Transit Services Program Cluster Subtotal				4,962,236	4,364,876
Highway Safety Cluster						
20.600	State and Community Highway Safety			ASA	41,072	
20.600	State and Community Highway Safety			DTA	65,741	
20.600	State and Community Highway Safety			GHA	6,329,612	5,030,530
20.600	State and Community Highway Safety			NAA	6,773	
20.600	State and Community Highway Safety			PSA	415,105	
20.600	State and Community Highway Safety			SPA	272	
20.600	State and Community Highway Safety 20.600 Subtotal			UAA	3,958	
					6,862,533	5,030,530
20.616	National Priority Safety Programs			ASA	2,898	
20.616	National Priority Safety Programs			DTA	42,077	
20.616	National Priority Safety Programs			GHA	4,287,342	2,820,852
20.616	National Priority Safety Programs			HSA	95,921	
20.616	National Priority Safety Programs			LLA	76,083	
20.616	National Priority Safety Programs			PSA	157,615	
20.616	National Priority Safety Programs			SPA	254,469	101,164
20.616	National Priority Safety Programs 20.616 Subtotal			UAA	16,167	
					4,932,572	2,922,016
	Highway Safety Cluster Subtotal				11,795,105	7,952,546
Other Department of Transportation Programs						
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			DTA	1,793,728	
20.200	Highway Research and Development Program			DTA	1,262,487	303,883
20.205	COVID-19 - Highway Planning and Construction			DTA	85,230,853	31,000
20.205	Highway Planning and Construction			DTA	924,855,624	59,041,025
20.205	Highway Planning and Construction			EOA	69,969	
20.205	Highway Planning and Construction			GFA	74,646	
20.205	Highway Planning and Construction			PSA	1,591,096	
20.205	Highway Planning and Construction	Maricopa Association of Governments	1026, 000120	ADA	128,218	
20.205	Highway Planning and Construction	UNK	IG0004	GFA	20,074	
20.205	Highway Planning and Construction 20.205 Subtotal	UNK	UNR-21-55	GFA	16,604	
					1,011,987,084	59,072,025

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
20.215	Highway Training and Education			DTA	331,125	
20.219	Recreational Trails Program			DTA	1,853,502	
20.219	Recreational Trails Program			PRA	1,829,350	1,058,858
	20.219 Subtotal				3,682,852	1,058,858
20.232	Commercial Driver's License Program Implementation Grant			DTA	970,709	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			DTA	23,334	
20.301	Railroad Safety			CCA	31,073	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	6,381,770	6,371,944
20.509	Formula Grants for Rural Areas and Tribal Transit Program			DTA	13,364,599	12,078,766
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program			DTA	476,061	
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements			DTA	111,772	
20.700	Pipeline Safety Program State Base Grant			CCA	1,870,202	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			EVA	473,284	303,129
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	139,560	
	20.703 Subtotal				612,844	303,129
20.720	State Damage Prevention Program Grants			CCA	101,885	
20.933	National Infrastructure Investments			DTA	9,387,967	
20.934	Nationally Significant Freight and Highway Projects			DTA	37,828,425	
20.697DCK23T00002	Snow Removal for Air Force Repeater Site, Mt. Lemmon			UAA	19,724	
20.69A37523300004020A	STEP Enforcement (Overtime) and Related Materials and Supplies (LIDARS)			UAA	2,596	
ZO						
	Total Department of Transportation				1,118,706,484	91,777,228
DEPARTMENT OF THE TREASURY						
21.019	Coronavirus Capital Projects Fund			DJA	7,834	
21.023	COVID-19 - Emergency Rental Assistance Program	Pinal County	DI-002310	DEA	22,129,846	
21.023	COVID-19 - Emergency Rental Assistance Program			DEA	2,736,489	
21.023	COVID-19 - Emergency Rental Assistance Program			SPA	27,277	27,277
	21.023 Subtotal				24,893,612	27,277
21.026	COVID-19 - Homeowner Assistance Fund			HDA	59,934,554	559,545
21.027	Coronavirus State and Local Fiscal Recovery Funds			ADA	18,415,129	2,474,695
21.027	Coronavirus State and Local Fiscal Recovery Funds			ASA	69,418,559	7,435,860
21.027	Coronavirus State and Local Fiscal Recovery Funds			AGA	3,650,202	
21.027	Coronavirus State and Local Fiscal Recovery Funds			BNA	4,617,790	
21.027	Coronavirus State and Local Fiscal Recovery Funds			CAA	4,588,450	
21.027	Coronavirus State and Local Fiscal Recovery Funds			CLA	2,002,404	
21.027	Coronavirus State and Local Fiscal Recovery Funds			DEA	56,916,898	9,326,859
21.027	Coronavirus State and Local Fiscal Recovery Funds			DJA	23,151	
21.027	Coronavirus State and Local Fiscal Recovery Funds			DTA	4,360,628	
21.027	Coronavirus State and Local Fiscal Recovery Funds			EVA	1,217,522	1,217,522
21.027	Coronavirus State and Local Fiscal Recovery Funds			FAA	1,736,558	1,736,558
21.027	Coronavirus State and Local Fiscal Recovery Funds			FOA	502,200	
21.027	Coronavirus State and Local Fiscal Recovery Funds			GVA	190,827,112	184,755,010
21.027	Coronavirus State and Local Fiscal Recovery Funds			HCA	14,447,000	
21.027	Coronavirus State and Local Fiscal Recovery Funds			HDA	16,392,720	16,392,720
21.027	Coronavirus State and Local Fiscal Recovery Funds			HLA	3,629	
21.027	Coronavirus State and Local Fiscal Recovery Funds			HSA	6,434,931	895,054
21.027	Coronavirus State and Local Fiscal Recovery Funds			ICA	17,232,504	17,232,504
21.027	Coronavirus State and Local Fiscal Recovery Funds			JCA	4,505,380	4,340,200
21.027	Coronavirus State and Local Fiscal Recovery Funds			MAA	106,658	
21.027	Coronavirus State and Local Fiscal Recovery Funds			NAA	5,733,598	61,658
21.027	Coronavirus State and Local Fiscal Recovery Funds			PRA	3,846,824	2,215,794
21.027	Coronavirus State and Local Fiscal Recovery Funds			PSA	8,946,910	8,776,833
21.027	Coronavirus State and Local Fiscal Recovery Funds			SDA	34,821	
21.027	Coronavirus State and Local Fiscal Recovery Funds			SPA	965,803	479,307
21.027	Coronavirus State and Local Fiscal Recovery Funds			STA	479,185	270,517
21.027	Coronavirus State and Local Fiscal Recovery Funds			TOA	6,707,742	5,314,084
21.027	Coronavirus State and Local Fiscal Recovery Funds			UAA	9,419,180	
21.027	Coronavirus State and Local Fiscal Recovery Funds			WCA	14,455,327	2,445,029
21.027	Coronavirus State and Local Fiscal Recovery Funds	Colorado Office of Economic Development and International Trade (OEDIT)	NTLHJXM55KZ6	ASA	440,946	51,120
21.027	Coronavirus State and Local Fiscal Recovery Funds	Arizona Association for the Education of Young Children (AZAEYC)	AGR 04/01/2022	ASA	32,904	
21.027	Coronavirus State and Local Fiscal Recovery Funds	AZ: City of Phoenix	156302-0	ASA	31,643	
21.027	Coronavirus State and Local Fiscal Recovery Funds	Pinal County		CAA	3,086,964	
21.027	Coronavirus State and Local Fiscal Recovery Funds	City of Phoenix	156194-0	CDA	463,008	463,008
21.027	Coronavirus State and Local Fiscal Recovery Funds	Pima County, Arizona	CT-CR-22-385	CDA	4,300,072	4,300,072
21.027	Coronavirus State and Local Fiscal Recovery Funds	Maricopa County, Arizona	LTR DTD 062823	UAA	3,892,139	
21.027	Coronavirus State and Local Fiscal Recovery Funds	Pima County Health Department	CT-HD-23*368	UAA	75,922	
21.027	Coronavirus State and Local Fiscal Recovery Funds	United Way of Tucson and Southern Arizona, Inc.	LTR DTD 011224	UAA	121,030	
21.027	Coronavirus State and Local Fiscal Recovery Funds	Western Resource Advocates	LTR DTD 052324	UAA	973	
	21.027 Subtotal				480,434,416	270,184,404
21.029	Coronavirus Capital Projects Fund			CAA	4,386,419	
21.031	State Small Business Credit Initiative Technical Assistance Grant Program			CAA	96,861	
21.034	State Small Business Credit Initiative Competitive Technical Assistance Program			CAA	1,291,733	
	Total Department of the Treasury				571,045,429	270,771,226
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
38.006	State Appraiser Agency Support Grants			IDA	33,334	
	Total Equal Employment Opportunity Commission				33,334	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
LIBRARY OF CONGRESS						
42.GA21C0113	Fostering the Aha! Moments of Learning with Primary Sources through Librarian-Faculty Partnerships			UAA	60,292	
	Total Library of Congress				<u>60,292</u>	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
43.001	Science			ASA	984,731	
43.001	Science	National Space Grant Foundation (NSGF)	NEBP-119	NAA	1,201,357	466,734
43.001	Science	Central Washington University		ASA	13,478	
43.001	Science	WestEd	S-00019925	NAA	65,917	
43.001	Science			NAA	83,082	
43.001	43.001 Subtotal			UAA	<u>76,204</u>	
					<u>2,424,769</u>	<u>466,734</u>
43.008	Office of Stem Engagement (OSTEM)			NAA	260,093	
43.008	Office of Stem Engagement (OSTEM)			UAA	1,102,303	655,914
43.008	Office of Stem Engagement (OSTEM)	Carthage College	FLN24 10-0	NAA	3,610	
43.008	Office of Stem Engagement (OSTEM)	Museum of Life and Science	387-2303	ASA	20,840	
	43.008 Subtotal				<u>1,386,846</u>	<u>655,914</u>
43.80JSC018M0005	Bridging Microgravity STEM Engagement from ISS to Orbital Reef	CASIS: International Space Station National Laboratory	GA-2023-9230	ASA	6,058	
	Total National Aeronautics and Space Administration				<u>3,817,673</u>	<u>1,122,648</u>
NATIONAL ENDOWMENT FOR THE ARTS						
45.024	Promotion of the Arts Grants to Organizations and Individuals			ASA	8,426	
45.024	Promotion of the Arts Grants to Organizations and Individuals			UAA	10,015	
	45.024 Subtotal				<u>18,441</u>	
45.025	Promotion of the Arts Partnership Agreements			HUA	1,136,787	75,170
45.025	Promotion of the Arts Partnership Agreements			UAA	35,210	
	45.025 Subtotal				<u>1,171,997</u>	<u>75,170</u>
45.Unknown	NEA Challenge Grant Endowment			UAA	70,859	
	Total National Endowment for the Arts				<u>1,261,297</u>	<u>75,170</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES						
45.129	Promotion of the Humanities Federal/State Partnership			STA	97,276	
45.129	Promotion of the Humanities Federal/State Partnership	Arizona Humanities	71182020, 71962023, 31022024	UAA	5,837	
45.129	Promotion of the Humanities Federal/State Partnership			ASA	6,050	
	45.129 Subtotal				<u>109,163</u>	
45.130	Promotion of the Humanities Challenge Grants			UAA	167,455	
45.149	Promotion of the Humanities Division of Preservation and Access			NAA	78,785	
45.149	Promotion of the Humanities Division of Preservation and Access			UAA	143,362	
45.149	Promotion of the Humanities Division of Preservation and Access	University of Texas Rio Grande Valley	PW2905852301	UAA	48,261	
	45.149 Subtotal				<u>270,408</u>	
45.162	Promotion of the Humanities—Teaching and Learning Resources and Curriculum Development			ASA	18,101	
45.162	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development			UAA	110,689	
	45.162 Subtotal				<u>128,790</u>	
45.163	Promotion of the Humanities—Professional Development			ASA	65,554	
45.163	Promotion of the Humanities—Professional Development			NAA	119,290	
45.163	Promotion of the Humanities—Professional Development			UAA	131,945	
	45.163 Subtotal				<u>316,789</u>	
45.164	Promotion of the Humanities Public Programs	Arizona Council of Learned Societies	ZOR28364121	NAA	5,120	
45.169	Promotion of the Humanities Office of Digital Humanities			UAA	114,042	5,567
45.Unknown	NEH/ASM Educational Endowment			UAA	406,345	
	Total National Endowment for the Humanities				<u>1,518,112</u>	<u>5,567</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
45.301	Museums for America			UAA	72,369	
45.310	Grants to States			HIA	924	
45.310	Grants to States			STA	3,414,795	571,230
	45.310 Subtotal				<u>3,415,719</u>	<u>571,230</u>
45.312	COVID-19 - National Leadership Grants			HIA	15,400	
45.312	National Leadership Grants			ASA	174,319	
45.312	National Leadership Grants	University of Idaho	BL6659-788924/LG-252316-OLS	UAA	16,177	
	45.312 Subtotal				<u>205,896</u>	
45.313	Laura Bush 21st Century Librarian Program			ASA	181,035	
45.313	Laura Bush 21st Century Librarian Program			UAA	334,224	
45.313	Laura Bush 21st Century Librarian Program	New York University	F1601-01	UAA	28,874	
	45.313 Subtotal				<u>544,133</u>	
45.SO-283117-22	Animator Willie Ito Visit to Phoenix	Arizona Humanities	31022024	ASA	1,865	
	Total Institute of Museum and Library Services				<u>4,239,982</u>	<u>571,230</u>
NATIONAL SCIENCE FOUNDATION						
47.050	Geoscience	University of Colorado Boulder	PO 1001268122	NAA	2,087	
47.074	Biological Sciences	Regents of the University of Michigan	SUBK0001485	NAA	14,332	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.076	STEM Education (formerly Education and Human Resources)			NAA	1,678,477	6,752
47.076	STEM Education (formerly Education and Human Resources)			UAA	606,748	
47.076	STEM Education (formerly Education and Human Resources)	Auburn University	21-COSAM-200840-NAU	NAA	121,591	42,689
47.076	STEM Education (formerly Education and Human Resources)	San Francisco State University	S18-0002	NAA	539	
47.076	STEM Education (formerly Education and Human Resources)	University of Nevada Las Vegas	GR17625	NAA	139,852	
	47.076 Subtotal				2,547,207	49,441
47.082	ARRA-- Trans-NSF Recovery Act Research Support			UAA	68,620	
47.084	NSF Technology, Innovation and Partnership			NAA	77,670	
47.CRT	National Science Foundation			NAA	86,790	
	Total National Science Foundation				2,796,706	49,441
<u>SMALL BUSINESS ADMINISTRATION</u>						
59.058	Federal and State Technology Partnership Program			CAA	85,193	
59.061	State Trade Expansion			CAA	274,844	
	Total Small Business Administration				360,037	
<u>SMITHSONIAN INSTITUTION</u>						
60.23PO400000497484	Aluminizing Services Agreement			UAA	24,928	
	Total Smithsonian Institution				24,928	
<u>DEPARTMENT OF VETERANS AFFAIRS</u>						
64.055	COVID-19 - Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program			VSA	765,170	
64.203	Veterans Cemetery Grants Program			VSA	5,200,813	
64.UNK	Veterans Benefits Administration Education Services			VSA	448,268	
	Total Department of Veterans Affairs				6,414,251	
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
66.032	State and Tribal Indoor Radon Grants			HSA	191,131	
66.034	COVID-19 - Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	162,500	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	311,491	43,730
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	194,680	
	66.034 Subtotal				668,671	43,730
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,757,811	
66.046	Climate Pollution Reduction Grants			GVA	151,143	
66.046	Climate Pollution Reduction Grants			NAA	86,756	50,000
	66.046 Subtotal				237,899	50,000
66.204	Multipurpose Grants to States and Tribes			HSA	849	
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice			UAA	1,156,408	93,090
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice	International City/County Management	U05_ITEP_Suba	NAA	35,603	
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice	San Diego State University	5B228A 7806 E0022204	NAA	23,260	
	66.309 Subtotal				1,215,271	93,090
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	256,585	
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			NAA	236,495	
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program			FAA	191,561	
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))			HSA	288,274	
66.454	Water Quality Management Planning			EVA	229,314	229,314
66.458	Capitalization Grants for Clean Water State Revolving Funds			FAA	23,492,059	22,933,083
66.460	Nonpoint Source Implementation Grants			EVA	1,662,010	118,753
66.460	Nonpoint Source Implementation Grants			UAA	5,894	
	66.460 Subtotal				1,667,904	118,753
66.468	Drinking Water State Revolving Fund			EVA	7,615,413	
66.468	Drinking Water State Revolving Fund			FAA	29,015,507	20,087,330
	66.468 Subtotal				36,630,920	20,087,330
66.605	Performance Partnership Grants			AHA	338,060	
66.605	Performance Partnership Grants			EVA	9,025,048	225,000
	66.605 Subtotal				9,363,108	225,000
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	184,888	
66.708	Pollution Prevention Grants Program			EVA	154,464	
66.708	Pollution Prevention Grants Program	Hopi Tribe	129093-00000001	NAA	2,971	
	66.708 Subtotal				157,435	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies			NAA	198,221	
66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	Extension Foundation	PSEFMP-2024-2420	UAA	7,982	
	66.716 Subtotal				206,203	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	2,865,919	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program			EVA	299,827	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	783,649	
66.808	Solid Waste Management Assistance Grants			NAA	192,389	
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	224,827	
66.817	State and Tribal Response Program Grants			EVA	1,925,175	
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			EVA	102,368	
66.820	STATE PROGRAMS FOR CONTROL OF COAL COMBUSTION RESIDUALS			EVA	304,457	
66.920	Solid Waste Infrastructure for Recycling Infrastructure Grants			EVA	194,754	
66.951	Environmental Education Grants			UAA	48,781	
66.951	Environmental Education Grants	Pima County Department of Environmental Quality	CT-DE-24-064	UAA	18,805	
	66.951 Subtotal				67,586	
	Total Environmental Protection Agency				83,937,329	43,780,300
DEPARTMENT OF ENERGY						
81.041	State Energy Program			ADA	618,026	
81.041	State Energy Program			GVA	954,718	
	81.041 Subtotal				1,572,744	
81.042	Weatherization Assistance for Low-Income Persons			HDA	5,626,610	5,103,870
81.049	Office of Science Financial Assistance Program			UAA	9,032	
81.89243624CCD000010	Conducting Participatory Technology Assessments (PTA) Around Energy Demonstration Projects	ASU; ASU Research Enterprise (ASURE)	24-202311-005	ASA	181,812	
	Total Department of Energy				7,390,198	5,103,870
DEPARTMENT OF EDUCATION						
Special Education Cluster (IDEA)						
84.027	COVID-19 - Special Education—Grants to States (IDEA, Part B)			EDA	9,676,253	9,676,253
84.027	COVID-19 - Special Education—Grants to States (IDEA, Part B)			SDA	11,316	
84.027	Special Education—Grants to States (IDEA, Part B)			DCA	109,413	
84.027	Special Education—Grants to States (IDEA, Part B)			DJA	90,556	
84.027	Special Education—Grants to States (IDEA, Part B)			EDA	244,273,410	228,248,287
84.027	Special Education—Grants to States (IDEA, Part B)			NAA	510,883	
84.027	Special Education—Grants to States (IDEA, Part B)			SDA	379,367	
84.027	Special Education—Grants to States (IDEA, Part B)	Missouri Department of Elementary and Secondary Education		NAA	416,678	94,289
84.027	Special Education—Grants to States (IDEA, Part B)	Navajo Nation	CO15513	NAA	847,817	
84.027	Special Education—Grants to States (IDEA, Part B)	Navajo Nation	LTR DTD 090722	UAA	7,677	
	84.027 Subtotal				256,323,370	238,018,829
84.173	COVID-19 - Special Education—Preschool Grants (IDEA Preschool)			EDA	519,984	519,984
84.173	COVID-19 - Special Education—Preschool Grants (IDEA Preschool)			SDA	417	
84.173	Special Education—Preschool Grants (IDEA Preschool)			EDA	6,467,223	5,085,062
84.173	Special Education—Preschool Grants (IDEA Preschool)			SDA	29,544	
	84.173 Subtotal				7,017,168	5,605,046
	Special Education Cluster (IDEA) Subtotal				263,340,538	243,623,875
TRIO Cluster						
84.042	TRIO—Student Support Services			ASA	550,320	
84.042	TRIO—Student Support Services			NAA	303,855	
84.042	TRIO—Student Support Services			UAA	981,541	
	84.042 Subtotal				1,835,716	
84.044	TRIO—Talent Search			NAA	439,954	
84.047	TRIO—Upward Bound			ASA	1,344,943	
84.047	TRIO—Upward Bound			NAA	988,099	
84.047	TRIO—Upward Bound			UAA	299,274	
	84.047 Subtotal				2,632,316	
84.066	TRIO—Educational Opportunity Centers			NAA	544,348	
	TRIO Cluster Subtotal				5,452,334	
Other Department of Education Programs						
84.002	Adult Education—Basic Grants to States			EDA	14,524,662	12,663,622
84.010	Title I Grants to Local Educational Agencies			EDA	357,612,630	351,547,647
84.010	Title I Grants to Local Educational Agencies			SDA	173,438	
	84.010 Subtotal				357,786,068	351,547,647
84.011	Migrant Education State Grant Program			EDA	10,495,227	9,509,469
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	7,915	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	38,091	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	162,040	
	84.013 Subtotal				208,046	
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			ASA	385,409	
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			UAA	617,533	
	84.015 Subtotal				1,002,942	
84.016	Undergraduate International Studies and Foreign Language Programs			UAA	24,093	
84.021	Overseas Programs - Group Projects Abroad			UAA	880,237	
84.031	Higher Education—Institutional Aid			UAA	1,848,446	57,955
84.048	Career and Technical Education—Basic Grants to States			DJA	23,160	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.048	Career and Technical Education—Basic Grants to States			EDA	34,489,465	31,587,575
84.048	Career and Technical Education—Basic Grants to States			SDA	44,470	
84.048	Career and Technical Education—Basic Grants to States			UAA	59,705	
	84.048 Subtotal				34,616,800	31,587,575
84.116	Fund for the Improvement of Postsecondary Education			ASA	2,408	
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			DEA	96,470,388	
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States			NAA	1,567,993	
	84.126 Subtotal				98,038,381	
84.129	Rehabilitation Long-Term Training			UAA	157,681	
84.144	Migrant Education Coordination Program			EDA	65,647	
84.149	Migratory Student Summer Academy at Arizona State University			ASA	1,275,249	
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind			DEA	392,357	
84.181	COVID-19 - Special Education—Grants for Infants and Families			DEA	1,910,230	
84.181	Special Education—Grants for Infants and Families			DEA	13,216,627	
84.181	Special Education—Grants for Infants and Families			SDA	287,291	
	84.181 Subtotal				15,414,148	
84.184	School Safety National Activities			ADA	26,532	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	124,736	
84.196	Education for Homeless Children and Youth			SDA	616	
84.196	Education for Homeless Children and Youth			EDA	2,102,756	1,428,220
	84.196 Subtotal				2,103,372	1,428,220
84.206	Javits Gifted and Talented Students Education	University of Hawaii	MA1370/PO Z10198459	NAA	52,373	
84.229	Language Resource Centers			UAA	33,885	
84.250	American Indian Vocational Rehabilitation Services			NAA	1,136,648	295,648
84.282	Charter Schools			EDA	9,526,744	8,844,864
84.287	Twenty-First Century Community Learning Centers			EDA	26,841,183	24,757,510
84.295	Ready-To-Learn Television	Corporation for Public Broadcasting (CPB)	5454-EDU	ASA	8,667	
84.299	Indian Education—Special Programs for Indian Children			UAA	470,954	
84.310	Statewide Family Engagement Centers	National Center for Families Learning (NCFL)	AGR 01/02/20	ASA	13,804	
84.323	Special Education—State Personnel Development			NAA	430,401	
84.323	Special Education—State Personnel Development	Missouri Department of Elementary	23.0538	NAA	551,451	125
	84.323 Subtotal				981,852	125
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	948,054	362,825
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	269,716	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	1,170,315	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	Missouri Department of Elementary and Secondary Education	23.0538	NAA	282,994	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	University of Utah	10069743-01-AZ	UAA	15,319	
	84.325 Subtotal				2,686,398	362,825
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			EDA	6,274	
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	184,455	
	84.326 Subtotal				190,729	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	4,981,783	2,284,126
84.335	Child Care Access Means Parents in School			ASA	42,367	
84.335	Child Care Access Means Parents in School			NAA	403,003	
	84.335 Subtotal				445,370	
84.336	Teacher Quality Partnership Grants			ASA	90,837	
84.358	Rural Education			EDA	3,972,925	3,753,017
84.365	English Language Acquisition State Grants			ASA	355,331	6,909
84.365	English Language Acquisition State Grants			EDA	14,692,205	13,923,995
84.365	English Language Acquisition State Grants			NAA	678,244	
	84.365 Subtotal				15,725,780	13,930,904
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			EDA	49,954,425	46,952,429
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			SDA	6,760	
	84.367 Subtotal				49,961,185	46,952,429
84.369	Grants for State Assessments and Related Activities			EDA	8,770,006	
84.371	Comprehensive Literacy Development			SDA	2,056	
84.371	Comprehensive Literacy Development			EDA	5,109,512	4,820,419
	84.371 Subtotal				5,111,568	4,820,419
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			ASA	2,669,176	1,474,590
84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education			NAA	652,784	
84.411	Investing in Innovation (I3) Fund	ASU Enterprise Partners: Research Collaboratory at ASU (RCASU) AGR TBD	09-AZ04-20213WNTS	ASA	62,718	
84.415	Indian Education National Activities (State Tribal Education Partnership (STEP) and Native American Language (NAL)			UAA	21,996	
84.422	Presidential and Congressional Academies for American History and Civics			ASA	521,924	
84.424	Student Support and Academic Enrichment Program			EDA	29,269,165	27,783,145

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.424	Student Support and Academic Enrichment Program			SDA	22,345	
84.424F	Stronger Connections Grant (SCG) Program			EDA	2,329,853	2,241,635
	84.424 Subtotal				31,621,363	30,024,780
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund			ASA	1,301,680	
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund			EDA	422,076	422,076
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund			GVA	20,488,113	20,488,113
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund			NAA	1,436,808	
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund			UAA	1,301,679	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			EDA	153,559,296	151,639,792
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			SDA	159,885	
84.425D	COVID-19 - Education Stabilization Fund—Elementary and Secondary School Emergency Relief (ESSER) Fund			UAA	778,257	
84.425F	COVID-19 - Education Stabilization Fund - HEERF Institution Aid			NAA	4,877,447	
84.425L	COVID-19 - HEERF Minority Serving Institutions (MSIs)			NAA	410,329	
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program			ASA	7,213,090	
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program			EDA	4,581,489	
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program			GVA	1,367	
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program			NAA	4,213,089	
84.425R	Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) program			UAA	5,213,089	
84.425U	COVID-19-Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			DJA	26,797	
84.425U	COVID-19-Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			EDA	843,744,654	781,202,319
84.425U	COVID-19-Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			SDA	194,689	
84.425U	COVID-19-Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)			UAA	454,024	
84.425V	COVID-19-Education Stabilization Fund-American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS) program			BRA	484,916	
84.425V	COVID-19-Education Stabilization Fund-American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS) program			EDA	12,690,714	
84.425W	COVID-19-Education Stabilization Fund-American Rescue Plan - Elementary and Secondary School Emergency Relief –Homeless Children and Youth			EDA	6,074,612	5,313,512
	84.425 Subtotal				1,069,628,100	959,065,812
84.BPM004875	Natives Who Code: Creating New Stories - Creating Career Pathways			UAA	225,104	6,825
	Total Department of Education				2,044,185,760	1,746,992,237
MORRIS K. UDALL FOUNDATION						
85.402	Morris K. Udall Native American Congressional Internship Program			UAA	666,545	
85.ECR014589	Startup Funds for new Director - UF Workplan 2021			UAA	43,106	
85.LTR DTD 010623	Udall Foundation Workplan 2023			UAA	102,420	
85.LTR DTD 081523	2024 Udall Center Workplan			UAA	350,813	
85.MKU08792	2023 - Native Nations Institute for Leadership, Management, and Policy			UAA	320,690	
	Total Morris K. Udall Foundation				1,483,574	
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION						
89.003	National Historical Publications and Records Grants			CCA	122,248	
89.003	National Historical Publications and Records Grants			HIA	1,974	
89.003	National Historical Publications and Records Grants			STA	17,025	2,275
	89.003 Subtotal				141,247	2,275
	Total National Archives and Records Administration				141,247	2,275
ELECTION ASSISTANCE COMMISSION						
90.404	HAVA Election Security Grants			STA	1,059,336	673,590
	Total Election Assistance Commission				1,059,336	673,590
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Aging Cluster						
COVID-19 - Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act						
93.044	American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act			DEA	3,541,822	3,541,195
Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act						
93.044	American Rescue Plan for Supportive Services Under Title III-B of the Older Americans Act			DEA	11,946,452	11,743,556
	93.044 Subtotal				15,488,274	15,284,751
COVID-19- Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act						
93.045	American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			DEA	4,004,832	4,004,832

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.045	Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			DEA	16,945,295	15,192,949
93.045	Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act			GVA	101,268	
	93.045 Subtotal				21,051,395	19,197,781
93.053	Nutrition Services Incentive Program			DEA	1,834,154	1,834,154
	Aging Cluster Subtotal				38,373,823	36,316,686
Health Center Program Cluster						
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	North County Healthcare	LTR DTD 052223	UAA	515	
	Health Center Program Cluster Subtotal				515	
CCDF Cluster						
93.575	COVID-19 - Child Care and Development Block Grant			CDA	86,933,900	54,621,907
93.575	COVID-19 Child Care and Development Block Grant			CHA	86,122,000	
93.575	COVID-19 - Child Care and Development Block Grant			DEA	91,117,358	3,665,134
93.575	COVID-19 - Child Care and Development Block Grant			HSA	4,471,761	
93.575	COVID-19 - Child Care and Development Block Grant			UAA	200,014	
93.575	Child Care and Development Block Grant			CHA	22,832,584	
93.575	Child Care and Development Block Grant			DEA	273,472,102	
93.575	Child Care and Development Block Grant			EDA	6,471,056	
93.575	Child Care and Development Block Grant			GVA	151,323	151,323
93.575	Child Care and Development Block Grant			HSA	977,180	
93.575	Child Care and Development Block Grant			UAA	14,474	
	93.575 Subtotal				572,763,752	58,438,364
93.596	COVID-19 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	311,216	
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	8,659,278	
	93.596 Subtotal				8,970,494	
	CCDF Cluster Subtotal				581,734,246	58,438,364
Head Start Cluster						
93.600	Head Start			EDA	185,250	32,576
	Head Start Cluster Subtotal				185,250	32,576
Medicaid Cluster						
93.775	State Medicaid Fraud Control Units			AGA	3,633,212	
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	24,716	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	414,700	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	4,180,537	
	93.777 Subtotal				4,619,953	
93.778	COVID-19 - Medical Assistance Program (Medicaid; Title XIX)			HCA	275,199,000	
93.778	Medical Assistance Program (Medicaid; Title XIX)			HCA	15,749,182,000	
	93.778 Subtotal				16,024,381,000	
	Medicaid Cluster Subtotal				16,032,634,165	
Other Department of Health and Human Services Programs						
93.008	Medical Reserve Corps Small Grant Program			HSA	13,652	13,652
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	71,007	45,940
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			DEA	176,827	176,827
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals			DEA	667,259	642,886
	93.042 Subtotal				844,086	819,713
93.043	COVID - 19- Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			DEA	420,308	420,308
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services			DEA	571,053	571,053
	93.043 Subtotal				991,361	991,361
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects			DEA	846,457	607,264
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	Association of University Centers on Disability	06-8842-24	UAA	23,442	
	93.048 Subtotal				869,899	607,264
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E			DEA	880,981	880,981
93.052	National Family Caregiver Support, Title III, Part E			DEA	4,581,246	4,462,205
	93.052 Subtotal				5,462,227	5,343,186
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure			HSA	379,241	
93.069	Public Health Emergency Preparedness			HSA	13,871,890	9,567,602
93.070	COVID - 19 Environmental Public Health and Emergency Response			HSA	37,362	
93.070	Environmental Public Health and Emergency Response			HSA	701,127	80,000
93.070	Environmental Public Health and Emergency Response	UTAH DEPT OF HEALTH	BIOM 15700436	HSA	12,949	
93.070	Environmental Public Health and Emergency Response			UAA	62,346	
	93.070 Subtotal				813,784	80,000
93.071	Medicare Enrollment Assistance Program			DEA	594,782	556,029
93.072	Lifespan Respite Care Program			DEA	206,513	166,669

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			HSA	354,764	10,287
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance 93.073 Subtotal			UAA	584,820	10,287
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			HSA	90,028	
93.080	Blood Disorder Program: Prevention, Surveillance, and Research	Phoenix Children's Hospital, Inc.	PHCLAB SCDC-Quarmyne-2023-AZDHSsub1	HSA	14,660	
93.084	Prevention of Disease, Disability, and Death by Infectious Diseases	University of California: Davis	A23-0750-S013	ASA	24,947	
93.092	COVID-19 - Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	56,172	56,172
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	551,405	368,807
93.092	Personal Responsibility Education Program 93.092 Subtotal			UAA	156,667	
					764,244	424,979
93.103	Food and Drug Administration Research			AHA	830,134	
93.103	Food and Drug Administration Research			HSA	1,246,460	241,654
93.103	Food and Drug Administration Research	NEHA-FDA	NEHABASE G-BM&A-202109-00788	HSA	13,405	
93.103	Food and Drug Administration Research	NEHA-FDA	NEHACAP G-OACB-202111-01469	HSA	75,578	
93.103	Food and Drug Administration Research 93.103 Subtotal	University of Arkansas	UA2024-424	UAA	22,674	
					2,188,251	241,654
93.107	Area Health Education Centers 93.107 Subtotal			UAA	733,806	510,648
					733,806	510,648
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	11,951	
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	2,600,174	939,884
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	60,003	
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,005,161	21,767
93.110	Maternal and Child Health Federal Consolidated Programs	ACOG	AIM AGR2020-031	HSA	8,052	
93.110	Maternal and Child Health Federal Consolidated Programs	APHL	APHLSCIDS (OLD CONTRACT)	HSA	192	
93.110	Maternal and Child Health Federal Consolidated Programs	MICHIGAN PUBLIC HEALTH INSTITUTE	FIMR 23-QA-100071-11E-504200	HSA	36,200	
93.110	Maternal and Child Health Federal Consolidated Programs	University of North Carolina at Chapel Hill	U7C33636	NAA	15,681	
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health and Science University	1021741_UAZ	UAA	3,461,445	
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	UG4MC27861	UAA	9,962	
					7,208,821	961,651
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			ASA	65,104	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs 93.116 Subtotal			HSA	1,172,264	593,598
					1,237,368	593,598
93.124	Nurse Anesthetist Traineeships			UAA	22,129	
93.127	Emergency Medical Services for Children			HSA	183,862	39,000
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	257,186	
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	644,081	
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	5,539,014	2,656,622
93.136	Injury Prevention and Control Research and State and Community Based Programs			PMA	350,323	
93.136	Injury Prevention and Control Research and State and Community Based Programs 93.136 Subtotal			UAA	333,570	
					6,866,988	2,656,622
93.137	Community Programs to Improve Minority Health Grant Program	Pima County Health Department	CTHD22084, CT-HD-22-089	UAA	77,151	
93.145	AIDS Education and Training Centers	University of California, San Francisco	114689c	UAA	234,781	10,000
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HCA	1,491,000	1,433,000
93.155	COVID-19 - Rural Health Research Centers			UAA	1,947,626	1,866,422
93.155	Rural Health Research Centers 93.155 Subtotal			UAA	61,263	
					2,008,889	1,866,422
93.165	COVID-19 - Grants to States for Loan Repayment			HSA	1,013,298	886,225
93.178	Nursing Workforce Diversity			UAA	688,284	
93.185	COVID-19 - Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects			UAA	1,287,548	59,481
93.185	Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects			HSA	94,217	
93.185	Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects 93.185 Subtotal	Association of University Centers on Disability	15-8818-23/6 NU51DD000001-0	UAA	21,815	
					1,403,580	59,481
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			HSA	316,585	
93.211	Telehealth Programs			UAA	330,651	100,176
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program			HSA	1,024,422	831,549
93.236	Grants to States to Support Oral Health Workforce Activities			HSA	294,905	
93.237	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects			UAA	6,552	
93.237	Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects 93.237 Subtotal	Hualapai Tribe	18.0090, 23-0339	NAA	40,072	8,023
					46,624	8,023
93.240	State Capacity Building			HSA	204,646	
93.241	State Rural Hospital Flexibility Program			UAA	925,764	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			ASA	418,662	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			EDA	2,830,395	2,116,067
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			GVA	854,268	764,198
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HCA	3,413,000	3,187,000
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			HSA	416,302	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			JCA	16,804	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance			UAA	1,673,356	230,215
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Community Bridges	AGR 06/20/2023	ASA	94,836	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Old Pueblo Community Foundation	1H79TI080589-02-ASU ; 1H79TI080589-03-ASU	ASA	27,235	
93.243	93.243 Subtotal				<u>9,744,858</u>	<u>6,297,480</u>
93.247	Advanced Nursing Education Grant Program			UAA	926,944	46,890
93.247	Advanced Nursing Education Grant Program			ASA	66,007	
93.247	93.247 Subtotal				<u>992,951</u>	<u>46,890</u>
93.253	Poison Center Support and Enhancement Grant Program			UAA	220,966	
93.262	Occupational Safety and Health Program			UAA	264,097	
93.268	COVID-19 - Immunization Cooperative Agreements			HSA	15,879,276	10,478,784
93.268	Immunization Cooperative Agreements			HSA	122,457,678	3,672,302
93.268	93.268 Subtotal				<u>138,336,954</u>	<u>14,151,086</u>
93.270	Viral Hepatitis Prevention and Control			HSA	243,448	183,703
93.270	Viral Hepatitis Prevention and Control			UAA	1,584,427	
93.270	93.270 Subtotal				<u>1,827,875</u>	<u>183,703</u>
93.279	Drug Use and Addiction Research Programs			NAA	1,836	
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance			NAA	77,341	
93.301	Small Rural Hospital Improvement Grant Program			UAA	156,998	121,470
93.322	CDC Partnership: Strengthening Public Health Laboratories	APHL	APHLMIN 56401-250-700-22-01, APHLYER 56401-250-706-22-05, APHLICHEM 56300-250-702-21-02	HSA	21,691	
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	82,494,577	36,659,763
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	4,122,888	658,498
93.323	93.323 Subtotal				<u>86,617,465</u>	<u>37,318,261</u>
93.324	State Health Insurance Assistance Program			DEA	1,042,044	853,320
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	Arizona Alliance for Community Health Centers	NAVCA210401-03-00	UAA	269,223	
93.336	COVID-19 - Behavioral Risk Factor Surveillance System			HSA	2,678	
93.336	Behavioral Risk Factor Surveillance System			HSA	545,126	
93.336	93.336 Subtotal				<u>547,804</u>	
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			HSA	8,429,796	4,308,006
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			EDA	4,803,214	3,237,652
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			HSA	326,824	101,961
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			UAA	2,595,732	1,063,333
93.354	93.354 Subtotal				<u>16,155,566</u>	<u>8,710,972</u>
93.358	Advanced Education Nursing Traineeships			NAA	21,204	
93.367	Flexible Funding Model—Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs			HSA	28,563	
93.369	ACL Independent Living - State Grants			DEA	291,862	
93.387	National and State Tobacco Control Program			HSA	1,427,635	676,957
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health and Healthcare Crises			HCA	474,000	
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			HSA	7,816,721	7,126,581
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			UAA	3,741,588	1,072,544
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health and Healthcare Crises	AZ-Pima County: Health Department	CT-HD-23-215	ASA	100,038	
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health and Healthcare Crises	Coconino County	IGA21.0647	NAA	125,604	
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Pima County Health Department	CT-HD-22-059-00	UAA	21,933	
93.391	93.391 Subtotal				<u>12,279,884</u>	<u>8,199,125</u>
93.421	COVID-19 - Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	CSTE	COVIDPETS2 7754	HSA	11,600	
93.421	Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health			UAA	35,350	
93.421	Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	CSTE	CSTENAS 7899, CSTEDSST21 7490	HSA	91,045	
93.421	Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	MICHIGAN PUBLIC HEALTH INSTITUTE	DDPP Q-42726-115-504200	HSA	16,772	
93.421	Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	NATIONAL ASSOCIATION OF CHRONIC DISEASE DIRECTORS	NDPP Q-42726-115-504200	HSA	26,193	
93.421	Strengthening Public Health Systems and Services Through National Partnerships to Improve and Protect the Nation's Health	NATIONAL ENVIRONMENTAL HEALTH ASSOCIATION	NEARS	HSA	795	
93.421	93.421 Subtotal				<u>181,755</u>	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.426	The National Cardiovascular Health Program			HSA	631,000	212,856
93.426	The National Cardiovascular Health Program			UAA	16,500	
	93.426 Subtotal				647,500	212,856
93.433	National Institute On Disability Independent Living and Rehabilitation Research	University of Montana	PG24-61364-03	NAA	6,217	
93.434	Every Student Succeeds Act/Preschool Development Grants			EDA	3,373,188	2,431,243
93.436	WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN ACROSS THE NATION (WISEWOMAN)			HSA	84,108	
93.439	State Physical Activity and Nutrition (SPAN)			HSA	88,611	
93.461	COVID-19 - Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund			NAA	453,929	
93.464	ACL Assistive Technology			NAA	745,809	
93.471	Title IV-E Kinship Navigator Program			CHA	53,676	
93.478	Preventing Maternal Deaths: Supporting Maternal Morality Review Committees			HSA	483,713	1,971
93.495	Community Health Workers For Public Health Response and Resilient Community Health Workers for Public Health Response and Resilient			HCA	1,284,000	858,000
93.495	Community Health Workers for Public Health Response and Resilient			NAA	439,856	
93.495	Community Health Workers for Public Health Response and Resilient			UAA	132,141	
	93.495 Subtotal				1,855,997	858,000
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports			HSA	5,848	
93.498	COVID-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution			HSA	198,869	
93.499	COVID-19 - Low Income Household Water Assistance Program			DEA	11,819,105	4,165,095
93.516	Affordable Care Act (ACA) Public Health Training Centers Program			UAA	1,057,443	207,825
93.556	MaryLee Allen Promoting Safe and Stable Families Program			CHA	9,409,859	
93.558	Temporary Assistance for Needy Families			CHA	141,060,329	
93.558	Temporary Assistance for Needy Families			DEA	69,399,620	14,570,973
	93.558 Subtotal				210,459,949	14,570,973
93.563	Child Support Services			DEA	59,434,034	4,723,876
93.563	Child Support Services			SPA	160,636	
	93.563 Subtotal				59,594,670	4,723,876
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs			DEA	46,140,184	41,974,519
93.568	Low-Income Home Energy Assistance			DEA	60,696,511	7,366,135
93.568	Low-Income Home Energy Assistance			HDA	6,023,025	5,815,970
	93.568 Subtotal				66,719,536	13,182,105
93.569	COVID-19 - Community Services Block Grant			DEA	397	397
93.569	Community Services Block Grant			DEA	7,626,035	7,183,708
	93.569 Subtotal				7,626,432	7,184,105
93.579	U.S. Repatriation			DEA	101,010	
93.579	U.S. Repatriation			MAA	22,082	
	93.579 Subtotal				123,092	
93.583	Refugee and Entrant Assistance Wilson/Fish Program			DEA	851,259	
93.586	State Court Improvement Program			SPA	580,380	126,136
93.590	Community-Based Child Abuse Prevention Grants			CHA	783,918	
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants			CHA	2,120,077	
	93.590 Subtotal				2,903,995	
93.597	Grants to States for Access and Visitation Programs			DEA	203,691	203,691
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	1,386,717	
93.603	Adoption and Legal Guardianship Incentive Payments Program			CHA	2,427,500	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Arizona Developmental Disabilities Planning Council	ADDPC - FFY23-PRTSPT-0300-01	ASA	29,883	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Arizona Developmental Disabilities Planning Council	ADDPC - FFY22-CON/TRN-020-4	DEA	1,135,275	305,076
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Arizona Developmental Disabilities Planning Council	ADDPC-FFY22-CON/TRN-020-4	UAA	1,965	
	93.630 Subtotal				1,167,123	305,076
93.631	Developmental Disabilities Projects of National Significance	National Association of State Directors of Developmental Disabilities Services (NASDDDS)	NASDDDS-DDMHTA-2022-006	UAA	198,978	
93.631	Developmental Disabilities Projects of National Significance	National Association of State Directors of Developmental Disabilities Services (NASDDDS)	NASDDDS-DDMHTA-2022-006	UAA	28,328	
	93.631 Subtotal				227,306	
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	757,781	56,295
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			UAA	20,546	
	93.632 Subtotal				778,327	56,295
93.643	Children's Justice Grants to States			GVA	287,496	171,412
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	5,526,305	
93.658	COVID-19 - Foster Care Title IV-E			CHA	372,594	
93.658	Foster Care Title IV-E			CHA	154,727,023	
93.658	Foster Care Title IV-E			SPA	5,626,264	5,378,072
	93.658 Subtotal				160,725,881	5,378,072
93.659	COVID-19 Adoption Assistance			CHA	1,262,481	
93.659	Adoption Assistance			CHA	160,620,901	
	93.659 Subtotal				161,883,382	
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19			HCA	45,000	45,000
93.667	Social Services Block Grant			CHA	15,630,706	
93.667	Social Services Block Grant			DEA	20,358,662	16,622,614
	93.667 Subtotal				35,989,368	16,622,614

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.669	Child Abuse and Neglect State Grants			CHA	2,625,776	
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	81,682	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			DEA	2,774,568	2,572,131
	93.671 Subtotal				2,856,250	2,572,131
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood			CHA	5,714,830	
93.698	Elder Justice Act – Adult Protective Services			DEA	56,490	
93.732	Mental and Behavioral Health Education and Training Grants			ASA	455,092	
93.732	Mental and Behavioral Health Education and Training Grants			UAA	1,940,443	28,642
	93.732 Subtotal				2,395,535	28,642
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County Health Department	CTHD19272	UAA	46,667	
93.738	PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds	Pima County, Arizona	CT-HD19-273	UAA	65,672	
	93.738 Subtotal				112,339	
93.747	COVID-19 - Elder Abuse Prevention Interventions Program			DEA	2,240,016	
93.762	A Comprehensive Approach to Good Health and Wellness in Indian County – financed solely by Prevention and Public Health	Hualapai Tribe	23-0448	NAA	4,085	
93.767	COVID-19 - Children's Health Insurance Program			HCA	589,000	
93.767	Children's Health Insurance Program			HCA	265,438,000	
93.767	Children's Health Insurance Program			HSA	8,264,697	
	93.767 Subtotal				274,291,697	
93.788	Opioid STR			ASA	241,278	
93.788	Opioid STR			CDA	32,560	32,560
93.788	Opioid STR			CHA	1,844,340	
93.788	Opioid STR			DCA	264,803	
93.788	Opioid STR			HCA	21,345,000	20,981,000
93.788	Opioid STR			HSA	4,421,173	635,149
93.788	Opioid STR			UAA	110,353	
	93.788 Subtotal				28,259,507	21,648,709
93.796	State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid			HSA	1,361,546	
93.822	Health Careers Opportunity Program			UAA	647,825	139,666
93.859	Biomedical Research and Training			NAA	4,996	4,131
93.859	Biomedical Research and Training	Northwest Portland Area Indian Health		22.0012	157,989	51,006
	93.859 Subtotal				162,985	55,137
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant			HSA	1,244,662	1,199,500
93.870	Maternal, Infant and Early Childhood Home Visiting Grant			CHA	2,279,669	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant			HSA	8,891,976	5,316,805
	93.870 Subtotal				12,416,307	6,516,305
93.877	Autism Collaboration, Accountability, Research, Education, and Support	University of California, Los Angeles	1557 G ZB676	UAA	34,594	
93.889	National Bioterrorism Hospital Preparedness Program			EDA	223,974	
93.889	National Bioterrorism Hospital Preparedness Program			HSA	4,194,553	2,302,267
93.889	National Bioterrorism Hospital Preparedness Program			UAA	62,269	
	93.889 Subtotal				4,480,796	2,302,267
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			HSA	4,219,832	2,906,809
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations			UAA	27,818	
	93.898 Subtotal				4,247,650	2,906,809
93.913	Grants to States for Operation of Offices of Rural Health			UAA	224,317	
93.917	HIV Care Formula Grants			ASA	343,597	
93.917	HIV Care Formula Grants			DCA	86,678	
93.917	HIV Care Formula Grants			HSA	46,649,905	25,849,365
93.917	HIV Care Formula Grants			UAA	938,906	
	93.917 Subtotal				48,019,086	25,849,365
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	4,495,130	
93.940	HIV Prevention Activities Health Department Based			HSA	7,722,835	4,159,561
93.940	HIV Prevention Activities Health Department Based			UAA	265,027	
	93.940 Subtotal				7,987,862	4,159,561
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	235,006	
93.958	COVID-19 - Block Grants for Community Mental Health Services			HCA	17,306,000	16,225,000
93.958	COVID-19 - Block Grants for Community Mental Health Services			UAA	127,139	
93.958	Block Grants for Community Mental Health Services			HCA	27,317,000	26,086,000
93.958	Block Grants for Community Mental Health Services	Pinal Hispanic Council	LTR DTD 020822	UAA	16,234	
	93.958 Subtotal				44,766,373	42,311,000
93.959	Covid-19 - Block Grants for Prevention and Treatment of Substance Abuse			ASA	94,914	
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse			HCA	17,630,000	15,325,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			GVA	4,122,540	3,604,429
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HCA	40,248,000	37,225,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	1,881,364	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			LLA	667,240	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			NAA	460,889	
93.959	COVID-19 Block Grants for Prevention and Treatment of Substance Abuse			UAA	209,233	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.959	Subtotal				65,314,180	56,154,429
93.967	COVID-19 - Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			HSA	2,276,317	743,951
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			HSA	959,373	
93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health			SDA	12,342	
	93.967 Subtotal				3,248,032	743,951
93.970	Health Professions Recruitment Program for Indians			UAA	416,845	
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	3,158,004	535,608
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	2,910,324	2,084,223
	93.977 Subtotal				6,068,328	2,619,831
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools			EDA	12,828	
93.988	Cooperative Agreements for Diabetes Control Programs			HSA	451,398	
93.991	Preventive Health and Health Services Block Grant			HSA	1,632,399	1,182,936
93.994	Maternal and Child Health Services Block Grant to the States			HSA	7,089,761	3,912,997
93.994	Maternal and Child Health Services Block Grant to the States			UAA	78,452	
	93.994 Subtotal				7,168,213	3,912,997
93.998	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention			ASA	314,845	
93.998	Autism and Other Developmental Disabilities, Surveillance, Research, and Prevention			UAA	488,699	226,916
	93.998 Subtotal				803,544	226,916
93.90CY7611-01-00	Our Family Services Homeless Youth Pilot Prevention Program	Our Family Services	AGR 10/1/2023	ASA	959	
93.CTR047360	State Unintentional Drug Overdose Reporting System (SUDORS)			ASA	102,441	
93.CTR058031	Building Resilience Against Climate Effects: Implementing and Evaluating Adaptation Strategies that Protect and Promote Human Health (BRACE) 3			ASA	108,276	
93.NH231P922656	Improving Adult Immunization Rates for COVID-19, Influenza and Routine Adult Vaccination through Partnerships with Medical Subspecialty Professional Societies	American Thoracic Society and its Foundation	LTR DTD 120722	UAA	179,150	
93.NH25PS005157	HIV SURVEILLANCE DATA ENTRY SERVICES			ASA	86,239	
93.TBD	Building Mental Health Capacity for Refugees in Arizona			ASA	94,340	
93.TBD	Rural Health Professions Program AHEC Fellowship FY24			ASA	170,479	
93.Unknown	Center for Disease Control & Prevention			NAA	90,996	
93.UNKNOWN	Child Welfare Education Program: CWEP FY24			ASA	2,581,139	
93.Unknown	Indian Health Services			NAA	82,238	
93.Unknown	National Institutes of Health	Oak Ridge Associated Universities	24.0033	NAA	13,808	
	Total Department of Health and Human Services				18,310,339,766	485,923,137
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						
Foster Grandparent/Senior Companion Cluster						
94.011	Foster Grandparent Program			NAA	624,276	
94.016	Senior Companion Program			NAA	518,044	
	Foster Grandparents/Senior Companion Cluster Subtotal				1,142,320	
Other Corporation for National and Community Service Programs						
94.002	AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) 94.002			NAA	147,168	
94.003	COVID-19 - AmeriCorps State Commissions Support Grant			GVA	196,806	
94.003	AmeriCorps State Commissions Support Grant	Corporation for National and Community Service	13CAHAZ001	GVA	447,206	
	94.003 Subtotal				644,012	
94.006	COVID-19 - AmeriCorps State and National 94.006			GVA	933,996	933,996
94.006	AmeriCorps State and National 94.006			ASA	992,666	
94.006	AmeriCorps State and National 94.006			CCA	7,887	
94.006	AmeriCorps State and National 94.006			GVA	4,918,970	4,918,970
94.006	AmeriCorps State and National 94.006			NAA	2,141,071	
94.006	AmeriCorps State and National 94.006			SPA	50,520	42,395
94.006	AmeriCorps State and National 94.006			UAA	618,164	
94.006	AmeriCorps State and National 94.006	Public Allies	21NDEWI001, 21NDEWI0010003	ASA	561,119	
	94.006 Subtotal				10,224,393	5,895,361
94.008	AmeriCorps Commission Investment Fund 94.008			GVA	25,780	
94.009	Training and Technical Assistance			UAA	243,586	
	Total Corporation for National and Community Service				12,427,259	5,895,361
EXECUTIVE OFFICE OF THE PRESIDENT						
95.001	High Intensity Drug Trafficking Areas Program			AGA	777,139	
95.001	High Intensity Drug Trafficking Areas Program	City of Tucson, Arizona	HT-21	UAA	12,000	
	95.001 Subtotal				789,139	
	Total Executive Office of the President				789,139	
SOCIAL SECURITY ADMINISTRATION						
Disability Insurance/SSI Cluster						
96.001	Social Security—Disability Insurance			DEA	53,588,756	
	Disability Insurance/SSI Cluster Subtotal				53,588,756	
	Total Social Security Administration				53,588,756	
DEPARTMENT OF HOMELAND SECURITY						
97.008	Non-Profit Security Program			HLA	2,990,738	2,919,662
97.012	Boating Safety Financial Assistance			GFA	1,454,364	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)			WCA	274,239	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
97.029	Flood Mitigation Assistance			MAA	926	
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	1,169,675	1,169,675
97.036	COVID-19 - Disaster Grants—Public Assistance (Presidentially Declared Disasters)	Pima County, Arizona	CT-HD-21-512-00	UAA	1,240	
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	23,285	23,285
	97.036 Subtotal				1,194,200	1,192,960
97.039	Hazard Mitigation Grant			MAA	160,213	14,850
97.041	National Dam Safety Program			WCA	79,534	
97.042	Emergency Management Performance Grants			ASA	15,000	
97.042	Emergency Management Performance Grants			MAA	7,304,916	2,945,715
	97.042 Subtotal				7,319,916	2,945,715
97.045	Cooperating Technical Partners			WCA	173,738	
97.047	Building Resilient Infrastructure and Communities			MAA	420,057	258,331
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs			DEA	285,444	
97.067	Homeland Security Grant Program			HLA	24,202,037	21,817,021
97.067	Homeland Security Grant Program			MAA	368,015	58,643
97.067	Homeland Security Grant Program			PSA	4,380,916	
	97.067 Subtotal				28,950,968	21,875,664
97.082	Earthquake State Assistance			MAA	54,654	54,654
97.082	Earthquake State Assistance			UAA	36,417	
	97.082 Subtotal				91,071	54,654
97.132	Financial Assistance for Countering Violent Extremism			ASA	478,548	335,500
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program			HLA	360,238	
97.70RDAD21FR0000133	Policy Business Operations Support Services - IDIQ	Guidehouse	PO0100454	ASA	9,612	
97.AGR 2/5/2024	American University DHS Work - Year 2	American University	AGR 2/5/2024	ASA	4,961	
	Total Department of Homeland Security				44,248,767	29,597,336
AGENCY FOR INTERNATIONAL DEVELOPMENT						
Food For Peace Cluster						
98.007	Food for Peace Development Assistance Program	Save the Children Federation, Inc.	999003833	UAA	73,891	56,229
	Food For Peace Cluster Subtotal				73,891	56,229
Other Agency for International Development Programs						
98.001	USAID Foreign Assistance for Programs Overseas			ASA	12,617,519	3,705,143
98.001	USAID Foreign Assistance for Programs Overseas	Chemonics International Inc.	001	ASA	226,622	
98.001	USAID Foreign Assistance for Programs Overseas	Education Development Center (EDC)	Project # 12732 / Subaward # 2022-0183	ASA	134,345	
98.001	USAID Foreign Assistance for Programs Overseas	Institute of International Education	3000307685-UA	UAA	240,426	
	98.001 Subtotal				13,218,912	3,705,143
98.012	USAID Development Partnerships for University Cooperation and Development	National Opinion Research Center (NORC)		8361 ASA	7,546	
98.72049722CA00003	Higher Education Partnership Initiative (HEPI)			ASA	1,683,741	198,384
98.72061720C00001	Integrated Child and Youth Development (ICYD) Activity	Education Development Center (EDC)	2020-0204	ASA	28,303	
98.SECAGD23CA0013	2023 Fulbright Virtual PDO SCA	Institute of International Education	3000286040	ASA	42,869	
	Total Agency for International Development				15,055,262	3,959,756
Unknown Federal Agency						
99.U19	NeighborWorks America			HDA	322,310	322,310
	Total Unknown Federal Agency				322,310	322,310
STUDENT FINANCIAL ASSISTANCE CLUSTER						
Department of Education						
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)			ASA	11,266,931	
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)			NAA	964,463	
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)			UAA	2,382,312	
	84.007 Subtotal				14,613,706	
84.033	Federal Work-Study Program			ASA	6,611,356	
84.033	Federal Work-Study Program			NAA	1,410,939	
84.033	Federal Work-Study Program			UAA	3,726,633	
	84.033 Subtotal				11,748,928	
84.038	Federal Perkins Loan Program			ASA	1,587,822	
84.038	Federal Perkins Loan Program			NAA	580,871	
84.038	Federal Perkins Loan Program			UAA	3,234,662	
	84.038 Subtotal				5,403,355	
84.063	Federal Pell Grant Program			ASA	224,345,664	
84.063	Federal Pell Grant Program			NAA	41,238,354	
84.063	Federal Pell Grant Program			UAA	63,482,500	
84.063	Federal Pell Grant Program	United States Department of Education	Unknown	UAA	62,460	
	84.063 Subtotal				329,128,978	
84.268	Federal Direct Student Loans			ASA	766,911,674	
84.268	Federal Direct Student Loans			NAA	129,504,312	
84.268	Federal Direct Student Loans			UAA	276,214,653	
	84.268 Subtotal				1,172,630,639	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	1,641,701	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	1,011,057	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	18,860	
	84.379 Subtotal				2,671,618	
84.408	Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grant (ASG))			ASA	38,349	
	Department of Education Subtotal				1,536,235,573	
Department of Health and Human Services						
93.264	Nurse Faculty Loan Program (NFLP)			ASA	1,499,897	
93.264	Nurse Faculty Loan Program (NFLP)			UAA	6,303,440	
	93.264 Subtotal				7,803,337	
93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)			UAA	2,824,775	
93.364	Nursing Student Loans (NSL)			ASA	255,236	
93.364	Nursing Student Loans (NSL)			NAA	17,500	
93.364	Nursing Student Loans (NSL)			UAA	307,164	
	93.364 Subtotal				579,900	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds - Scholarships for Disadvantaged Students (SDS)			NAA	1,350,000	
	Department of Health and Human Services Subtotal				12,558,012	
	Total Student Financial Assistance Cluster				1,548,793,585	

RESEARCH AND DEVELOPMENT CLUSTER

Department of Agriculture

10.RD	Agricultural Marketing Service			ASA	52,500	21,013
10.RD	Agricultural Research Service			ASA	252,738	
10.RD	Agricultural Research Service			NAA	14,654	
10.RD	Agricultural Research Service			UAA	1,674,722	
10.RD	Agricultural Research Service	Colorado State University	G297-23-W9981	NAA	47,943	
10.RD	Animal and Plant Health Inspection Service			NAA	274,479	
10.RD	Animal and Plant Health Inspection Service			UAA	382,384	
10.RD	Department of Agriculture			ASA	482,444	
10.RD	Department of Agriculture			NAA	413,548	
10.RD	Department of Agriculture	Dine College	SUB 2021-33-351	NAA	53,694	
10.RD	Department of Agriculture	Navajo Technical University	30924, 30932, 30931	NAA	83,450	
10.RD	Department of Agriculture	Research Corporation for Science Advancement	28333, 28370	NAA	34,520	
10.RD	Department of Agriculture	University of Nevada Reno	UNR-19-04	NAA	38,399	
10.RD	Department of Agriculture	University of Wyoming	1005290-AU	NAA	9,003	
10.RD	Economic Research Service			ASA	24,131	9,089
10.RD	Foreign Agricultural Service			UAA	14,357	
10.RD	Forest Service			ASA	392,346	
10.RD	National Institute of Food and Agriculture			ASA	1,588,611	240,492
10.RD	National Institute of Food and Agriculture			NAA	404,476	3,235
10.RD	National Institute of Food and Agriculture			UAA	4,078,908	719,398
10.RD	National Institute of Food and Agriculture	University of Idaho	NS5519651816	NAA	454	
10.RD	Natural Resource Conservation Service			NAA	71,519	
10.RD	Natural Resource Conservation Service			UAA	3,539,333	792,037
10.RD	Rural Business-Cooperative Service			ASA	39,827	
10.RD	Rural Business-Cooperative Service	Alphacore, Inc.	7113- AF STTR PH1	ASA	29,065	
10.RD	Rural Business-Cooperative Service	Arizona Association of Conservation Districts, Inc. (AACD)	NR243A750004G012	ASA	1,714	
10.RD	Rural Business-Cooperative Service	Arizona Department of Agriculture	SCBGP-HR21-04	ASA	26,152	
10.RD	Rural Business-Cooperative Service	Arizona Department of Forestry and Fire Management	UCF-RIO 22-102	ASA	27,591	
10.RD	Rural Business-Cooperative Service	AZ: City of St. John's	AGR 2/5/2024	ASA	5,657	
10.RD	Rural Business-Cooperative Service	AZ: City of Tempe	C2022-271	ASA	28,349	
10.RD	Rural Business-Cooperative Service	California Certified Organic Farmers (CCOF)	AGR 06/05/2023	ASA	288,706	
10.RD	Rural Business-Cooperative Service	Emory University	A724361	ASA	23,478	
10.RD	Rural Business-Cooperative Service	Johns Hopkins University (JHU)	2003761098	ASA	59,158	
10.RD	Rural Business-Cooperative Service	KBR Wyle Services, LLC	LX21000029	ASA	1,977	
10.RD	Rural Business-Cooperative Service	Local First Arizona Foundation	AGR 11/1/2023	ASA	2,190	
10.RD	Rural Business-Cooperative Service	Michigan State University	RC115822 - ASU	ASA	10,861	
10.RD	Rural Business-Cooperative Service	Navajo Technical University (NTU)	30601-00-1174	ASA	317	
10.RD	Rural Business-Cooperative Service	Pennsylvania Certified Organic	AGR 12/19/2023	ASA	20,892	
10.RD	Rural Business-Cooperative Service	Pennsylvania State University	S004019-USDA	ASA	24,930	
10.RD	Rural Business-Cooperative Service	Research Corporation for Science Advancement	29022, 28374, SA-MZT-2023-075a, 28381	ASA	117,719	
10.RD	Rural Business-Cooperative Service	Texas A&M AgriLife Research	M2301673	ASA	2,250	
10.RD	Rural Business-Cooperative Service	Troy University	2040005-002	ASA	10,710	
10.RD	Rural Business-Cooperative Service	University of Delaware	UDR0000413	ASA	63,591	
10.RD	Rural Business-Cooperative Service	University of Nevada: Reno	UNR-19-01	ASA	29,109	
10.RD	Rural Business-Cooperative Service	Westat, Inc.	6922-05-IMPROVE-S001	ASA	220,560	112,331
10.RD	United States Department of Agriculture			UAA	1,914,460	
10.RD	United States Forest Service			NAA	4,485,990	869,470
10.RD	United States Forest Service			UAA	377,015	
10.RD	United States Forest Service	Aerodyne Research, Inc.	ARI12035	UAA	31,262	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
			SCBGP20-39, SCBGP20-47, SCBGP2202, SCBGP22-04, SCBGP2211, SCBGP2219, SCBGP2220, SCBGP22-27, SCBGP2229, SCBGP22-36, SCBGP2240, SCBGP22-41, SCBGP22-43, SCBGP23-03, SCBGP23-04, SCBGP23-12, SCBGP23-13, SCBGP23-17, SCBGP23-18, SCBGP23-19/23SCBPAZ1170, SCBGP23-21, SCBGP23-23, SCBGP23-24/23SCBPAZ1170, SCBGP23-29, SCBGP23-30, SCBGP23-31, SCBGP23-32, SCBGP23-39, SCBGP-FB21-07, SCBGP-FB21-09, SCBGP-FB21-12, SCBGP-FB21-15, SCBGP-FB21-19, SCBGP-FB21-21, SCBGP-FB21-24, SCBGP-FB21-27, SCBGP-FB21-29, SCBGP-FB21-32, SCBGP-FB21-46, SCBGP-FB21-49, SCBGP-HR21-25, SCBGP-HR21-26, SCBGP-HR21-33, SCBGP-HR21-34, SCBGP-HR21-35, SCBGP-HR21-39, SCBGP-HR21-40, SCBGP-HR21-51, SCBGP-HR21-54/21SCBPAZ1084, SCBGP-HR21-58/21SCBPAZ1084, SCBGP-HR21-60/21SCBPAZ1084, SCBGP-HR21-69/21SCBPAZ1084, SCBGP-HR21-72/21SCBPAZ1084, SCBGP-HR21-77/21SCBPAZ1084, SCBGP-HR21-83/21SCBPAZ1084, SCMP19-08	UAA	1,690,135	10,953
10.RD	United States Forest Service	Arizona Department of Agriculture				
10.RD	United States Forest Service	Arizona Department of Forestry and Fire Management	IPG 22-703, IPG 22J-702	UAA	10,498	
10.RD	United States Forest Service	Boyce Thompson Institute	21-01	UAA	4,240	
10.RD	United States Forest Service	Center for Produce Safety	2021CPS02/20-0001-053-SF,	UAA	279,934	11,381
10.RD	United States Forest Service	Colorado State University	G-20311-02	UAA	305	
10.RD	United States Forest Service	Dine College	2021-38424-33465	UAA	9,049	
10.RD	United States Forest Service	Extension Foundation	NTAE:2024-2482	UAA	2,638	
10.RD	United States Forest Service	Fort Peck Community College	2021-38424-34955-2	UAA	45,304	
10.RD	United States Forest Service	Iowa State University	021296A, 022840C, 024408A, 026418E/2022-70412-38454, 2020-68013-30934	UAA	537,566	61,208
10.RD	United States Forest Service	Kansas State University	A23-0075-S003	UAA	6,408	
10.RD	United States Forest Service	Michigan State University	RC110566UA	UAA	86,542	
10.RD	United States Forest Service	Monarch Joint Venture	LTR DTD 030122	UAA	3,483	
10.RD	United States Forest Service	Montana State University	G102-24-W9986, G129-23-W9212, G269-22-W8618, G355-21-W8617, G390-22-W9214	UAA	99,859	514
10.RD	United States Forest Service	New Mexico State University	Q02414, Q02554	UAA	26,629	
10.RD	United States Forest Service	Ohio State University	SPC100007054/GR129265	UAA	190,309	
10.RD	United States Forest Service	Oklahoma State University	2-569830.UAZ	UAA	79,372	
10.RD	United States Forest Service	Oregon State University	C0595B-D, C0602B-A	UAA	119,881	
10.RD	United States Forest Service	Princeton University	SUB0000464	UAA	155,531	
10.RD	United States Forest Service	Purdue University	24035399/17001012-029/02641	UAA	26,155	
10.RD	United States Forest Service	Research Corporation for Science Advancement	28366-T1, SA-MZT-2023-076a	UAA	52,309	
10.RD	United States Forest Service	South Dakota School of Mines & Technology	SDSMT-UAZ 23-13	UAA	88,701	
10.RD	United States Forest Service	State University of New York	3-92866	UAA	20,285	
10.RD	United States Forest Service	Texas A&M University	06-M1703387, M2002510	UAA	1,958	
10.RD	United States Forest Service	Texas A&M AgriLife Research	M900060	UAA	1,768	
10.RD	United States Forest Service	United Sorghum Checkoff Program	CI008-23	UAA	15,000	
10.RD	United States Forest Service	University of Arkansas	AWD-104201-04/2023-51181-41	UAA	15,111	
10.RD	United States Forest Service	University of California, Davis	A21-0144-S004	UAA	25,587	
10.RD	United States Forest Service	University of California, Davis	A21-1456-S001, A22-0776-S002, A221139S001, A22-1253-S004, A22-1782-S002, A23-0509-S002, A23-1051-S002, A23-1605-S002, A23-3172-S001	UAA	464,291	
10.RD	United States Forest Service	University of California, Riverside	S-001296, S-001529	UAA	291,319	
10.RD	United States Forest Service	University of Connecticut	153545230	UAA	48,270	
10.RD	United States Forest Service	University of Florida	20224640137743, SUB00002386	UAA	26,462	
10.RD	United States Forest Service	University of Georgia	SUB00002977/20207002038645	UAA	34,866	
10.RD	United States Forest Service	University of Illinois	106174-18631	UAA	765,075	
10.RD	United States Forest Service	University of Maryland	91308-75208202	UAA	18,972	
10.RD	United States Forest Service	Utah State University	204572-836	UAA	9,330	
10.RD	United States Forest Service	Washington State University	134194WSU001033/134194SPC00, 139259 SPC003092	UAA	36,351	
	Department of Agriculture Subtotal				27,061,636	2,851,121
	Department of Commerce					
11.RD	Department of Commerce			ASA	1,140,819	391,692
11.RD	Department of Commerce	Arizona Commerce Authority	2024-39	NAA	112,093	
11.RD	DOC NOAA - ERA Production			ASA	85,782	
11.RD	Economic Development Administration			ASA	203,548	
11.RD	National Institute of Standards			NAA	115,457	
11.RD	National Institute of Standards and Technology			ASA	266,387	11,942
11.RD	National Institute of Standards and Technology			UAA	6,483	
11.RD	National Oceanic and Atmospheric Administration			NAA	228,590	
11.RD	National Oceanic and Atmospheric Administration			UAA	994,859	103,752
11.RD	National Oceanic and Atmospheric Administration	University Corporation for Atmospheric Research	SUBAWD001396	NAA	14,629	
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)			ASA	609,495	576,295
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)	National Fish & Wildlife Foundation	0310.21.072424	ASA	42,720	
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)	University of Alaska: Fairbanks	UA 24-0013	ASA	51,941	
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)	University of Hawaii at Manoa	MA1962	ASA	21,522	
11.RD	ODNI: Intelligence Advanced Research Projects Activity (IARPA)	US Department of Commerce (DOC)	NA210AR4590208	ASA	136,572	108,649
11.RD	United States Patent and Trademark Office			UAA	137,530	
11.RD	United States Patent and Trademark Office	City of Tucson, Arizona	23455	UAA	14,562	
11.RD	United States Patent and Trademark Office	Desert Research Institute	GR16077	UAA	10,547	
11.RD	United States Patent and Trademark Office	University of Alabama	A22310S006	UAA	172,723	
11.RD	United States Patent and Trademark Office	University Corporation for Atmospheric Research	SUBAWD002659	UAA	1,664	
	Department of Commerce Subtotal				4,367,923	1,192,330

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients	
	Department of Defense						
12.RD	AFRL Kirtland AFB			ASA	100,626		
12.RD	Air Force -- Research Lab			ASA	413,206	22,743	
12.RD	Air Force Research Laboratory			UAA	1,541,400	327,767	
12.RD	Air Force Research Laboratory	Northeastern University	504340-78052	NAA	105,427		
12.RD	Air Force Office of Scientific Research			ASA	2,558,492	69,478	
12.RD	Air Force Office of Scientific Research			NAA	255,001	255,001	
12.RD	Air Force Office of Scientific Research			UAA	5,602,790	150,028	
12.RD	Air Force Office of Scientific Research	University of Utah	PO# U000440721	NAA	107,289		
12.RD	Army Contracting Command- New Jersey			NAA	67,993	67,993	
12.RD	DARPA - Defense Sciences Office			ASA	450,199		
12.RD	DARPA - Information Innovation Office			ASA	2,431,195	549,609	
12.RD	DARPA - Microsystems Technology Office			ASA	1,332,975	1,074,876	
12.RD	DARPA - Strategic Technology Office			ASA	3,081,419	1,794,714	
12.RD	Defense Advanced Research Projects Agency			ASA	2,120,374	339,933	
12.RD	Defense Advanced Research Projects Agency			UAA	277,018	99,022	
12.RD	Defense Threat Reduction Agency			NAA	5,110,699	2,394,909	
12.RD	Defense Threat Reduction Agency			UAA	368,528	136,030	
12.RD	Defense Threat Reduction Agency	Texas A&M University	M2001950	NAA	63,455		
12.RD	Department of the Army			NAA	52,530		
12.RD	Department of Defense			ASA	1,759,959	331,321	
12.RD	Department of Defense			NAA	2,591,243	2,460	
12.RD	Department of Defense	Johns Hopkins University Applied Physics		183318	NAA	3,651,538	1,419,453
12.RD	Department of Defense	Northeastern University	555097-78051	NAA	2,375,110		
12.RD	Department of Defense	University of Florida	SUB00003069	NAA	76,188		
12.RD	Department of the Navy			NAA	39,322		
12.RD	Dept of the Army -- Materiel Command			ASA	2,790,305	530,491	
12.RD	Dept. of the Army -- Corps of Engineers			ASA	1,912,976	675,503	
12.RD	Dept. of the Army -- USAMRAA			ASA	2,079,038	221,285	
12.RD	DOD: Environmental Security Technology Certification Program (ESTCP)			ASA	110,177	15,390	
12.RD	DOD: National Security Agency (NSA)			ASA	213,656		
12.RD	DOD: Washington Headquarters Services Acquisition Directorate			ASA	641,085	143,117	
12.RD	DOD-ARMY-AMC: Army Contracting Command (ACC)			ASA	147,011		
12.RD	DOD-ARMY-ARL: Army Research Office (ARO)			ASA	427,439		
12.RD	DOD-NAVY: Naval Postgraduate School (NPS)			ASA	98,109		
12.RD	DOD-USAF: Air Education & Training Command (AETC)			ASA	151,458		
12.RD	Interior Business Center			UAA	57,209		
12.RD	Maryland Procurement Office			UAA	152,075		
12.RD	Naval Supply Systems Command			UAA	19,447		
12.RD	NSWC Indian Head			ASA	249,024		
12.RD	Office of Naval Research			ASA	7,164,937	530,721	
12.RD	Office of Naval Research	Advanced Regenerative Manufacturing Institute (ARMI)	T0260-A	ASA	94,851		
12.RD	Office of Naval Research	Advent Diamond, LLC	AGR 11/10/2022	ASA	84,718		
12.RD	Office of Naval Research	Alion Science and Technology Corporation	P000031945	ASA	121,777		
12.RD	Office of Naval Research	Alphacore, Inc.	7111, 7115, 7110, 7095, 7115, 7108, 7085, 7120, 7108, AGR 09/22/20	ASA	219,836		
12.RD	Office of Naval Research	Aptima, Inc	1678-2324, 1369-2130, 1675-2323	ASA	387,286		
12.RD	Office of Naval Research	Arizona Commerce Authority (ACA)	2024-37	ASA	5,278,634		
12.RD	Office of Naval Research	Astrobotic	FA8810-21-R-0001-SUB-0001	ASA	5,164		
12.RD	Office of Naval Research	ATA Engineering, Inc.	69049-020	ASA	37,545		
12.RD	Office of Naval Research	Booz-Allen Hamilton	A17602, A42099, A17602-TO2, A8172	ASA	758,519		
12.RD	Office of Naval Research	BRIDG	BRIDG2023-1011	ASA	59,991		
12.RD	Office of Naval Research	California Institute of Technology	S589790 / S479450	ASA	17,969		
12.RD	Office of Naval Research	Charles River Analytics	SC2306701	ASA	99,354		
12.RD	Office of Naval Research	Clemson University	2455-200-2015033	ASA	193,357		
12.RD	Office of Naval Research	Colorado School of Mines	401466-5801	ASA	157		
12.RD	Office of Naval Research	CoolCAD Electronics, LLC	ASU23-01	ASA	31,735		
12.RD	Office of Naval Research	Dartmouth College	R1388	ASA	285,067		
12.RD	Office of Naval Research	DOD: Defense Advanced Research Projects Agency (DARPA)	HR001118C0060	ASA	27,681		
12.RD	Office of Naval Research	DOE: National Renewable Energy Laboratory (NREL)	SUB-2023-10308	ASA	30,560		
12.RD	Office of Naval Research	DOE: Oak Ridge National Laboratory (ORNL)	CW54467	ASA	14,154		
12.RD	Office of Naval Research	Duke University	313-000073, 313-1045	ASA	108,256		
12.RD	Office of Naval Research	Emory University	A876442	ASA	7,202		
12.RD	Office of Naval Research	Florida Certified Organic Growers and Consumers, Inc. (FOG)	AGR 02/28/2024	ASA	13,743		
12.RD	Office of Naval Research	George Mason University	E2060283	ASA	102,183		
12.RD	Office of Naval Research	Georgia Institute of Technology (Georgia Tech)	AWD-000084-G1, AWD-001799-G1	ASA	220,420		
12.RD	Office of Naval Research	Hill Corporate	P000050426	ASA	638,996		
12.RD	Office of Naval Research	Intelligent Automation, Inc. (IAI)	2628-1, 2547-002-1	ASA	70,845		
12.RD	Office of Naval Research	Iowa State University	4212070B	ASA	1,476		
12.RD	Office of Naval Research	Jackson (Henry M.) Foundation - Adv. of Military Med.	1074208	ASA	100,630		
12.RD	Office of Naval Research	Kitware Inc.	K003088-00-S02	ASA	253,929		
12.RD	Office of Naval Research	L3 Technologies, Inc.	4500253050	ASA	131,318		
12.RD	Office of Naval Research	Lockheed Martin Corporation	4104584381	ASA	214,508		
12.RD	Office of Naval Research	Massachusetts Institute of Technology (MIT)	PO 7000555165	ASA	62,768		
12.RD	Office of Naval Research	Mayo Clinic Arizona	ARI-259318	ASA	220,083		
12.RD	Office of Naval Research	Mayo Clinic Rochester	ARI-273330	ASA	89,226		
12.RD	Office of Naval Research	Michigan State University	RC113209-ASU	ASA	194,193		
12.RD	Office of Naval Research	Missouri University of Science and Technology	00074546-01	ASA	43,011		
12.RD	Office of Naval Research	MXD USA	2013-17	ASA	37,580		
12.RD	Office of Naval Research	National Cooperative Business Association CLUSA International (NCBA CLUSA)	USA072-ASU-PO001	ASA	32,743		
12.RD	Office of Naval Research	National Fish & Wildlife Foundation	81561	ASA	123,083		
12.RD	Office of Naval Research	National Security Technology Accelerator (NSTXL)	2216_ASU_Microelectronics Commons	ASA	5,108,677		
12.RD	Office of Naval Research	Northern Arizona University (NAU)	1005122-01, LOU No. 1005330-02	ASA	1,504,638		
12.RD	Office of Naval Research	Nou Systems, Inc.	8117-2024-S1	ASA	45,071		
12.RD	Office of Naval Research	Oak Ridge Associated Universities (ORAU)		609255	ASA	142,898	
12.RD	Office of Naval Research	Oregon State University	N0353A-A	NAA	53,187		
12.RD	Office of Naval Research	Oregon Tilth	ASU 1	ASA	11,103		
12.RD	Office of Naval Research	Paxauris	PAXC010	ASA	139,225		
12.RD	Office of Naval Research	Princeton University	SUB0000666, SUB0000636	ASA	114,429		

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
			13001218-094, 13001218-078, 13000844-042; AGR 10/21/22, 13000844-023, 13000844-023, 13000844-042; AGR 10/21/22, 40001859-024 (Formerly 4301-83284), 13001218-078, 13001218-137, 13001218-078, 13000844-023, 13001039-018			
12.RD	Office of Naval Research	Purdue University		ASA	784,223	
12.RD	Office of Naval Research	Rayn Innovations	AGR 02/05/2024	ASA	110,607	
12.RD	Office of Naval Research	Rhode Island Hospital	7137601	ASA	2,474	
12.RD	Office of Naval Research	Southwest Autism Research & Resource Center	AGR 6/3/2020	ASA	29,375	
12.RD	Office of Naval Research	Space Micro, Inc.	AGR 6/8/2022, 18577, AGR 8/11/2022	ASA	296,605	
12.RD	Office of Naval Research	Stevens Institute of Technology	2103399-04	ASA	25,986	
12.RD	Office of Naval Research	Stony Brook University	99693/1187809/2	ASA	9,598	
12.RD	Office of Naval Research	TechSource, Inc.	MA.TRIAD.2018TS.ASU	ASA	130,512	
12.RD	Office of Naval Research	Teuvonet Technologies, LLC	AGR 3/26/2024	ASA	16,883	
12.RD	Office of Naval Research	Texas A&M Engineering Experiment Station (TEES)	AB0696716	ASA	82,764	
12.RD	Office of Naval Research	Texas A&M University (TAMU)	M2203552	ASA	522,897	
12.RD	Office of Naval Research	TUFTS University	AR0007_PO EP0231394	ASA	25,841	
12.RD	Office of Naval Research	University of Arizona	618197	ASA	115,397	
12.RD	Office of Naval Research	University of Arkansas	UA2020-119	ASA	403,396	
12.RD	Office of Naval Research	University of California: San Diego	703688	ASA	51,890	
12.RD	Office of Naval Research	University of Florida	SUB00004156	ASA	3,858	
12.RD	Office of Naval Research	University of Illinois: Urbana-Champaign (UIUC)	113550-19567	ASA	79,922	
12.RD	Office of Naval Research	University of Kentucky	3200004997-23-037	ASA	41,198	
12.RD	Office of Naval Research	University of Maryland: Baltimore	20887	ASA	327,163	
12.RD	Office of Naval Research	University of Maryland: College Park	104772-Z8418201	ASA	130,185	
12.RD	Office of Naval Research	University of Massachusetts: Lowell	S5800041772S229	ASA	60,716	
12.RD	Office of Naval Research	University of Michigan	SUBK00008690	ASA	4,542	
12.RD	Office of Naval Research	University of New Mexico	282109-8705, 282109-8705	ASA	851,146	138,361
12.RD	Office of Naval Research	University of Notre Dame	208198ASU	ASA	187,862	
12.RD	Office of Naval Research	University of Oklahoma	2023-73	ASA	65,199	
12.RD	Office of Naval Research	University of Oklahoma: Health Science Center	RS20212461-01 P.O. OUHSC-000021210	ASA	35,756	
12.RD	Office of Naval Research	University of Pittsburgh	AWD00008697 -420861-1	ASA	22,503	
12.RD	Office of Naval Research	University of Southern California	107235268, 92675527	ASA	161,691	
12.RD	Office of Naval Research	University of Virginia	GR102198.SUB00000800	ASA	498,088	
12.RD	Office of Naval Research	VentureWell	AGR 09/29/2022	ASA	11,424	
12.RD	Office of Naval Research	Virginia Polytechnic Institute and State University	450959-19007, 450874-19007	ASA	257,754	
12.RD	Office of Naval Research			UAA	4,323,779	24,527
12.RD	United States Air Force Academy			UAA	136,444	60,596
12.RD	United States Army Contracting Command			UAA	986,348	
12.RD	United States Army Corps of Engineers			UAA	562,218	203,931
12.RD	United States Army Material Command			UAA	212,815	
12.RD	United States Army Medical Research Acquisition Activity			UAA	6,693,916	558,330
12.RD	United States Army Research Office			UAA	2,128,714	1,529,882
12.RD	United States Navy			UAA	120,664	53,945
12.RD	United States Navy	Advanced Technology International	2019-693/1	UAA	1,805,014	437,283
12.RD	United States Navy	Applied Energetics, Incorporated	LTR DTD 121923	UAA	206,105	
			ASUB00000088, ASUB00000744, ASUB00001009, ASUB00001153/FA86501827860, ASUB00001266, ASUB00001457,			
12.RD	United States Navy	Arizona State University	ASUB00001513	UAA	543,415	
12.RD	United States Navy	BEM Systems, Inc.	FA8903-16-D-0041	UAA	122,027	
12.RD	United States Navy	Borderlands Restoration	LTR DTD 032824	UAA	136,832	
12.RD	United States Navy	Clemson University	2201-202-2013886	UAA	17,873	
12.RD	United States Navy	Colorado School of Mines	W912HZ-23-2-0009	UAA	44,942	
12.RD	United States Navy	EPIR Technologies	0042-SUOA-23-0002	UAA	67,282	
12.RD	United States Navy	Henry M Jackson Foundation for Advancement of Military Medicine	1073225-6273-67330, 6086-67203-1057700	UAA	12,771	
12.RD	United States Navy	Investment Casting Institute	LTR DTD 042624	UAA	10,350	
12.RD	United States Navy	Johns Hopkins University	2004730872	UAA	167,894	
12.RD	United States Navy	LIFT	C1004/22002, C2005/22003	UAA	179,542	
12.RD	United States Navy	Lincoln Laboratory	7000564506	UAA	122,780	
12.RD	United States Navy	Massachusetts Institute of Technology	S4917 PO# 339424	UAA	13,964	
12.RD	United States Navy	Mayachitra, Inc.	UA-NAVAIR-0090	UAA	126,433	
12.RD	United States Navy	Mayo Foundation for Medical Education and Research (Mayo Clinic)	UAZ-292636, UNI-259318	UAA	79,553	
12.RD	United States Navy	MSI STEM, Research & Development Consortium	W911SR1420001, W911SR22F0104 (0064)	UAA	1,817,477	109,703
12.RD	United States Navy	National Center for Manufacturing Sciences	2022133-142232, 2023202-142386	UAA	908,305	
12.RD	United States Navy	NP Photonics, Incorporated	LTR DTD 092721	UAA	137,450	
			SPC-1000006713/GR128414, SPC1000006876/GR128879, SPC-1000007026/GR129266, SPC-1000011895 I GR131731/F, SPC-1000012816/GR133544			
12.RD	United States Navy	Ohio State University		UAA	439,392	
12.RD	United States Navy	Palo Alto Veterans Institute for Research	HT94252320014	UAA	19,389	
12.RD	United States Navy	Pennsylvania State University	UAWH2210253	UAA	60,784	
12.RD	United States Navy	Raytheon Company	90367, 2610677	UAA	53,183	
12.RD	United States Navy	Rutgers, The State University of New Jersey	SUB00002346	UAA	167,247	
12.RD	United States Navy	San Diego State University Foundation	D7589-03SA005AI75A7802/E002	UAA	5,280	
12.RD	United States Navy	Sandia National Laboratories	2434302	UAA	93,113	
12.RD	United States Navy	State University of New York Research Foundation	LTR DTD 111323	UAA	51,236	
12.RD	United States Navy	Steel Founders' Society of America	2017-105	UAA	95,281	
12.RD	United States Navy	Stevens Institute of Technology	2103417-01, 2103546-02, 2103578-01	UAA	285,127	
12.RD	United States Navy	Systems & Technology Research	2022-0029/HR001123C0021	UAA	114,446	
12.RD	United States Navy	Texas Engineering Experiment Station	M2100481, M2303533	UAA	109,000	
12.RD	United States Navy	The Donald Dantorth Plant Science Center	23107-AZ	UAA	2,414	
12.RD	United States Navy	The University of Memphis	A22-0063-S002	UAA	9,581	
12.RD	United States Navy	UES, Inc.	S-119-005-002, S-237-118-001	UAA	100,187	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
12.RD	United States Navy	University at Buffalo	R1318332	UAA	158,428	
12.RD	United States Navy	University of Alabama at Birmingham	000529527-SC001	UAA	16,750	
12.RD	United States Navy	University Of Alabama In Huntsville	2023-1719	UAA	70,363	
12.RD	United States Navy	University of Arizona Applied Research Corporation	1001	UAA	20,098	
12.RD	United States Navy	University of California, San Diego	706535	UAA	9,483	
12.RD	United States Navy	University of Central Florida	65016A49-02	UAA	77,687	
12.RD	United States Navy	University of Cincinnati	015843-00002	UAA	2,072	
12.RD	United States Navy	University of Florida	SUB00004100, SUB00004178/P0328940	UAA	186,878	
12.RD	United States Navy	University of Maryland	1802254	UAA	5,807	
12.RD	United States Navy	University of Maryland, Baltimore County	ONR00010-01	UAA	80,044	
12.RD	United States Navy	University of Michigan	SUBK00016417	UAA	419,133	
12.RD	United States Navy	University of Notre Dame	204836UAW911NF-23-1-0369	UAA	46,751	
12.RD	United States Navy	University of Pennsylvania	587975	UAA	122,846	
12.RD	United States Navy	University of Pittsburgh	AWD000037634176012, AWD00006474-2	UAA	527,759	
12.RD	United States Navy	University of Texas at El Paso	226351993B	UAA	10,808	
12.RD	United States Navy	University of Texas Health Science Center at San Antonio	170195169837	UAA	73,547	
12.RD	United States Navy	University of Virginia	GO13209.170187/M2201560/HQ0	UAA	9,221	
12.RD	United States Navy	Utah State University	203111708	UAA	44,805	
12.RD	United States Navy	Virginia Polytechnic Institute and State University	450844-19101	UAA	35,921	
12.RD	United States Navy	Wake Forest University	2386-45829-11000002365	UAA	276,624	
12.RD	U.S. Army Engineer Research and Development Center - ERDC			UAA	2,223,468	17,903
Department of Defense Subtotal					103,338,213	14,286,305
United States Department of Housing and Urban Development						
14.RD	Department of Housing and Urban Development	Arizona State University	ASU-B00001490	NAA	89,576	40,594
14.RD	Department of Housing and Urban Development	Arizona State University	ASUB00001492	NAA	58,105	
14.RD	Department of Housing and Urban Development	Arizona State University	ASUB00001492	UAA	73,308	
14.RD	Department of Housing and Urban Development	City of Tucson, Arizona	19096, 19452	UAA	41,594	
14.RD	Department of Housing and Urban Development	Cornell University	141524-21589/86614122C00001	UAA	32,567	
14.RD	Department of Housing and Urban Development	Loma Linda University Medical Center	2220265	UAA	26,411	
14.RD	Department of Housing and Urban Development	Northern Arizona University	LOU No. 1005630-01	ASA	24,178	
14.RD	Department of Housing and Urban Development	Northern Arizona University	100563003	UAA	14,090	
14.RD	Department of Housing and Urban Development	Sonora Environmental Research Institute, Incorporated	HHT001	UAA	74,852	
14.RD	Department of Housing and Urban Development	University of Iowa	S01193-01	ASA	4,183	
United States Department of Housing and Urban Development Subtotal					438,864	40,594
Department of the Interior						
15.RD	Bureau of Indian Affairs			ASA	124,552	
15.RD	Bureau of Indian Affairs			UAA	73,347	
15.RD	Bureau of Land Management			UAA	272,015	44,974
15.RD	Bureau of Land Management			NAA	319,097	2,096
15.RD	Bureau of Land Management	History Colorado	2024-AS-002	NAA	8,312	
15.RD	Bureau of Reclamation			ASA	19,931	
15.RD	Bureau of Reclamation			UAA	174,884	49,351
15.RD	Bureau of Reclamation - Lower Colorado Region			ASA	721	
15.RD	Department of the Interior			NAA	204,608	21,532
15.RD	Department of the Interior	University of Arizona		562862	NAA	21,288
15.RD	National Park Service	New Mexico Institute of Mining and Technology		NAA	2,950	
15.RD	EA Engineering Sciences, and Technology	National Park Service	0000002810	NAA	10,796	
15.RD	Fish and Wildlife Service			ASA	12,043	
15.RD	Fish and Wildlife Service			NAA	200,373	
15.RD	Geological Survey			ASA	484,364	17,900
15.RD	International Boundary and Water Commission			UAA	202,452	86,618
15.RD	National Park Service			ASA	379	
15.RD	National Park Service			NAA	687,634	
15.RD	National Park Service			UAA	1,094,229	1,837
15.RD	United States Fish and Wildlife Service			UAA	166,940	
15.RD	United States Geological Survey			UAA	4,953,236	1,401,597
15.RD	United States Geological Survey	Arizona Department of Environmental Quality	EV230012	UAA	180,199	
15.RD	United States Geological Survey	Arizona Game and Fish Department	23-6	UAA	123,487	
15.RD	United States Geological Survey	Northern Arizona University	100534802	UAA	327	
15.RD	United States Geological Survey	University of Oklahoma	2022-37, 2024-17	UAA	65,234	
15.RD	United States Geological Survey	University of Southern California	SCON-00006460	UAA	3,259	
15.RD	United States Geological Survey	University of Vermont	AWD00001641SUB00000532	UAA	22,253	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ			ASA	29,507	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	Arizona Alliance of Boys & Girls Clubs	AGR 6/1/2022	ASA	20,256	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	CESU: Colorado Plateau Cooperative Ecosystem Study Unit	P22AC00442, R19AC00052	ASA	65,244	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	Cooperative Ecosystem Studies Units (CESU)	P23AP01782-01, P23AP01769-00,	ASA	198,474	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	DOI-USBR-LCR: Yuma Area Office	G21AC10639-01	ASA	83,305	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	National Opinion Research Center (NORC)	R23AC00315	ASA		
15.RD	U.S. Bureau of Reclamation - Yuma, AZ		9335.ASU.01, 9335.ASU.01, 9335.ASU.01	ASA	65,091	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	North Carolina State University	2022-0426-01	ASA	29,936	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	Rice University	X03038140	ASA	1,806	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	University of Alaska: Fairbanks	UA 22-0045, PO554676	ASA	16,249	
15.RD	U.S. Bureau of Reclamation - Yuma, AZ	University of Southern California	SCON-00006461	ASA	4,138	
15.RD	US Department of Interior	University of Idaho	NS6899-651775	NAA	1,213	
15.RD	US Geological Survey			NAA	1,314,310	
15.RD	US Geological Survey	University of Southern California	SCON-00004924	NAA	18,263	
15.RD	US Geological Survey	University of Colorado Boulder		1565140	NAA	1,959
Department of the Interior Subtotal					11,278,861	1,625,905
Department of Justice						
16.RD	Department of Justice			ASA	9,099	
16.RD	National Institute of Justice			ASA	801,275	
16.RD	Office of Justice Programs			ASA	111,981	
16.RD	Office of Justice Programs	American Institutes for Research (AIR)	0425400004	ASA	8,929	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
Equal Employment Opportunity Commission Subtotal					1,308,229	27,485
National Aeronautics and Space Administration						
43.RD	NASA: Ames Research Center			ASA	311,079	
43.RD	NASA Ames Research Center			UAA	518,093	229,717
43.RD	NASA Armstrong Flight Research Center			UAA	1,370,471	85,230
43.RD	NASA Goddard Space Flight Center			ASA	11,301,882	1,280,994
43.RD	NASA Goddard Space Flight Center			UAA	7,113,254	1,587,620
43.RD	NASA Headquarters			ASA	3,508,059	312,861
43.RD	NASA Headquarters			UAA	25,313,586	2,960,056
43.RD	NASA John C. Stennis Space Center			UAA	65,438	
43.RD	NASA Johnson Space Center			ASA	44,692	
43.RD	NASA Johnson Space Center			UAA	129,071	30,374
43.RD	NASA Langley Space Center			UAA	94,389	
43.RD	NASA Marshall Space Flight Center			UAA	16,595,643	7,589,689
43.RD	NASA Marshall Space Flight Center			ASA	4,114,598	958,077
43.RD	NASA: Shared Services Center (NSSC)			ASA	3,691,670	310,233
43.RD	National Aeronautics Space Administration (NASA)			ASA	3,270,543	394,556
43.RD	National Renewable Energy Laboratory			ASA	29,946	
43.RD	National Aeronautics and Space Administration			NAA	3,338,122	259,887
43.RD	National Aeronautics and Space Administration	Jet Propulsion Laboratory	1690542, 1681513	NAA	30,683	
			HST-GO-16720.001-A, JWST-GO-01568.005-A, JWST-GO-02418.005-A, JWST-AR-02537.005-A, JWST-GO-02574.007-A			
43.RD	National Aeronautics and Space Administration	Space Telescope Science Institute		NAA	116,076	
43.RD	National Aeronautics and Space Administration	Lowell Observatory	2019-81105-NAU, 2021-81491	NAA	143,542	
			121430-Z6487203, 46332-Z6927003, 84551-Z6236205			
43.RD	National Aeronautics and Space Administration	University of Maryland		NAA	84,787	
43.RD	National Aeronautics and Space Administration	Space Science Institute	SUBAWD 01012, SUBAWD 01104	NAA	112,528	
43.RD	National Aeronautics and Space Administration	University Space Research Association	02330-03.75_0104 NNA17BF53C	NAA	139,523	
			AWD00008558 420754-1, AWD00009031 421040-2			
43.RD	National Aeronautics and Space Administration	University of Pittsburgh		NAA	7,927	
43.RD	National Aeronautics and Space Administration	Dartmouth College	R1595	NAA	20,468	
43.RD	National Aeronautics and Space Administration	Smithsonian Astrophysical Observatory	SV1-21014	NAA	47,995	
43.RD	National Aeronautics and Space Administration	Purdue University	12000382-023, 1200470-027	NAA	48,071	
43.RD	National Aeronautics and Space Administration	California Institute of Technology	S465828	NAA	21,360	
43.RD	National Aeronautics and Space Administration	Southwest Research Institute	N99003DS, L99040JRG	NAA	117,780	
43.RD	National Aeronautics and Space Administration	Planetary Science Institute	1641-NAU	NAA	724	
43.RD	National Aeronautics and Space Administration	Yale University	CON-80005001	NAA	29,302	
43.RD	National Aeronautics and Space Administration	Stony Brook University	86437/3/1157645/3	NAA	39,062	
43.RD	National Aeronautics and Space Administration	Johns Hopkins University Applied Physics		173314 NAA	28,954	
43.RD	National Aeronautics and Space Administration	Johns Hopkins University		2006041767 NAA	6,216	
43.RD	National Aeronautics and Space Administration	University of Washington	UWSC10436 0100014842	NAA	69,317	
43.RD	National Aeronautics and Space Administration	University of Arizona	PO 709306	NAA	123,575	
43.RD	National Aeronautics and Space Administration	AZ State University	LOU No 17-122	NAA	60,394	
			7054, 7131, 7132, 7128, 7080 NASA STTR PH2 Harsh Environments-80NSSC21C0023			
43.RD	National Renewable Energy Laboratory	Alphacore, Inc.		ASA	132,859	
43.RD	National Renewable Energy Laboratory	California Institute of Technology	S442556	ASA	240,369	
43.RD	National Renewable Energy Laboratory	CoolCAD Electronics, LLC	4200797752, S4.04-2330, AGR 5/29/2020	ASA	300,562	
43.RD	National Renewable Energy Laboratory	Cornell University	91579-20458, 136105-22359	ASA	80,649	
43.RD	National Renewable Energy Laboratory	Georgia Institute of Technology	(Georgia Tech)	AWD-005316-G3	ASA	97,464
43.RD	National Renewable Energy Laboratory	H2O Insights	TBD, AGR 10/13/23 - FP00037240	ASA	270,000	
43.RD	National Renewable Energy Laboratory	Intuitive Machines, LLC	2021-ASU-001	ASA	226,436	
			1228404, 1511125, 1531839, 1531839, 1228404, 1531839, 1531839, RSA No. 1703902, 1693806, 1682292, 1276419, 1511125, 1531839, 1531839, 1675091, 1511125, 1531839, 1601756, 1228404, 1706717, 1706819, 1669475, 1670129 / 1688104, 1686833, 1705083, 1706197, 1672559, 1661996, 1511125, 1228404, 1704988, 1228404, 1655924, 1511125, 1531839, 1531839, 1511125, 1531839, 1228404, 1228404, 1228404, 1683391, 1670129 / 1688104, 1700645, 1228404, 1228404, 1709410, 1705655, 1690551, RSA No. 1670895, 1681078, 1693728, 1704036, 1511125, 1511125, 1711237, 1704657			
43.RD	National Renewable Energy Laboratory	Jet Propulsion Laboratory (JPL)		ASA	11,376,573	4,580,655
43.RD	National Renewable Energy Laboratory	JHU: Applied Physics Laboratory	170100, 185994, 186382	ASA	121,761	
43.RD	National Renewable Energy Laboratory	Malin Space Science Systems, Inc.	11-0124	ASA	165,246	
			80NSSC19K1082, 80NSSC20K0826, 80NSSC22M0187			
43.RD	National Renewable Energy Laboratory	NASA: Goddard Space Flight Center		ASA	360,262	
43.RD	National Renewable Energy Laboratory	Northern Arizona University (NAU)	1005279-01	ASA	11,752	
			Northwest Research Associates (NWRA)			
43.RD	National Renewable Energy Laboratory	NWRA	NWRA-24-S-230	ASA	5,931	
43.RD	National Renewable Energy Laboratory	Pennsylvania State University	S002551-NASA	ASA	45,369	
43.RD	National Renewable Energy Laboratory	Planetary Science Institute	1726-ASU	ASA	21,258	
			H99065CT, R99028SIS, Q99009EH, K99056JRG, Q99017N			
43.RD	National Renewable Energy Laboratory	Southwest Research Institute		ASA	1,027,506	
			HST-GO-16646.004-A, HST-GO-16252.001-A, HST-GO-15955.004-A, HST-GO-15819.001-A, JWST-ERS-01366.032-A, HST-GO-16220.004-A, HST-GO-16083.004-A, JWST-AR-02074.006-A, HST-AR-17050.001-A, JWST-GO-02158.002-A, JWST-GO-02883.002-A, JWST-GO-04446.002-A, HST-AR-16139.001-A, HST-AR-15810.001-A, HST-GO-16194.008-A			
43.RD	National Renewable Energy Laboratory	Space Telescope Science Institute		ASA	561,056	
43.RD	National Renewable Energy Laboratory	Stony Brook University	86437/1157645/3	ASA	18,689	
			17011-82719-1, 17011-82719-1, 23005-84039-1			
43.RD	National Renewable Energy Laboratory	Texas State University		ASA	133,846	
			Universities Space Research Association			
43.RD	National Renewable Energy Laboratory		03605-06, SUBK-24-0006	ASA	44,147	
			569109, PO 753377, PO 647523, 569109, 125837, 569109, 730330, PO No. 628764, PO No. 628764			
43.RD	National Renewable Energy Laboratory	University of Arizona		ASA	626,499	
43.RD	National Renewable Energy Laboratory	University of California: Los Angeles (UCLA)	0995000089512 / 0995 G XB193, 1000 G LD340	ASA	127,853	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD	National Renewable Energy Laboratory	University of Central Florida	GR107263, GR107263, GR107263	ASA	1,596,356	1,013,510
43.RD	National Renewable Energy Laboratory	University of Colorado: Boulder	1555628, 1564031	ASA	20,706	
43.RD	National Renewable Energy Laboratory	University of Hawaii at Manoa	MA1758	ASA	57,520	
43.RD	National Renewable Energy Laboratory	University of Illinois: Chicago	097657-17659	ASA	169,916	
43.RD	National Renewable Energy Laboratory	University of Maine	UMS1430, UMS1430	ASA	64,621	
43.RD	National Renewable Energy Laboratory	University of Maryland: College Park	131539-Z6158203, 125705-Z6512207, 125049-Z6521202, 124904-Z6508201	ASA	205,535	
43.RD	National Renewable Energy Laboratory	University of Puerto Rico	2022-000041, AGR 09/01/20, 2022-000041, 2022-000041	ASA	135,235	
43.RD	National Renewable Energy Laboratory	University of Rochester	417860G/URFAO: GR511135	ASA	27,238	
43.RD	National Renewable Energy Laboratory	University of Tennessee	A23-0803-S001	ASA	31,992	
43.RD	National Renewable Energy Laboratory	University of Washington	UWSC10431	ASA	75,309	
43.RD	National Renewable Energy Laboratory	University of Wisconsin: Madison	0000002168	ASA	153,383	
43.RD	National Renewable Energy Laboratory	Wesleyan University	5011053197_ASU	ASA	19,941	
43.RD	National Renewable Energy Laboratory	Woods Hole Oceanographic Institute	A101607/23163100, A101472	ASA	72,418	
43.RD	Smithsonian Astrophysical Observatory			UAA	303,767	
43.RD	Smithsonian Astrophysical Observatory	Aerodyne Industries, LLC	MISTII-0042	UAA	35,874	
43.RD	Smithsonian Astrophysical Observatory	American College of Sports Medicine Foundation	LTR DTD 040820	UAA	170	
43.RD	Smithsonian Astrophysical Observatory	Arizona State University	7790, 17178, 18320, ASUB00001058, ASUB00001107	UAA	267,258	
43.RD	Smithsonian Astrophysical Observatory	Association of Universities for Research in Astronomy, Incorporated	STScI51534	UAA	115,792	
43.RD	Smithsonian Astrophysical Observatory	Ball Aerospace And Technologies Corporation	22MES0004	UAA	91,404	
43.RD	Smithsonian Astrophysical Observatory	Bay Area Environmental Research Institute	80NSSC20M0037 - UoA, NNX16AO96A	UAA	79,199	
43.RD	Smithsonian Astrophysical Observatory	Boston University	4500003540, 4500004479	UAA	76,340	
43.RD	Smithsonian Astrophysical Observatory	California Institute of Technology	S507259, S583626	UAA	252,170	
43.RD	Smithsonian Astrophysical Observatory	Columbia University	1GG015592, 1GG01942901, 1GG01944901	UAA	36,816	
43.RD	Smithsonian Astrophysical Observatory	Duke University	343-0915	UAA	6,923	
43.RD	Smithsonian Astrophysical Observatory	Jet Propulsion Laboratory	1228726, 1272218, 1319248, 1494629, 1607971, 1608017, 1644767, 1656371, 1669277, 1670614, 1687402, 1695510, 1709936	UAA	4,525,691	383,994
43.RD	Smithsonian Astrophysical Observatory	Johns Hopkins Applied Physics Laboratory	130313, 164327, 164328, 168905, 173214, 174767, 184953, 186328/80NSSC24K0062	UAA	280,303	
43.RD	Smithsonian Astrophysical Observatory	La Universidad de Puerto Rico en Humacao	202200043	UAA	26,109	
43.RD	Smithsonian Astrophysical Observatory	Massachusetts Institute of Technology	s5879/PO #841485	UAA	81,676	
43.RD	Smithsonian Astrophysical Observatory	National Space Grant Foundation	NEBP140	UAA	10,000	
43.RD	Smithsonian Astrophysical Observatory	New Mexico State University	Q02261	UAA	173,665	
43.RD	Smithsonian Astrophysical Observatory	Planetary Science Institute	1576UA, 1881-UAZ, 1945-UAZ, 1967-UAZ	UAA	102,255	
43.RD	Smithsonian Astrophysical Observatory	Princeton University	SUB0000159, SUB0000314	UAA	128,442	
43.RD	Smithsonian Astrophysical Observatory	Seti Institute	SC3529	UAA	90,028	
43.RD	Smithsonian Astrophysical Observatory	Southwest Research Institute	699053X, P99010JAR, 52670, HSTAR15036005A, HSTAR16603002A, HST-AR-17551.003-A, HST-GO-15645.001-A, HSTGO15646001A, HSTGO15654027A, HSTGO15829001A, HST-GO-15846.005-A, HSTGO15874004A, HSTGO15875012A, HSTGO15906001A, HSTGO15911006A, HSTGO15921002A, HST-GO-15936.006-A, HSTGO15938003A, HSTGO15947001A, HSTGO16078001A, HST-GO-16174.001-A, HSTGO16174003A, HST-GO-16187.001-A, HSTGO16237007A, HST-GO-16273.004-A, HSTGO16274004A, HSTGO16276002A, HSTGO16296004A, HSTGO16507002A, HSTGO16508002A, HSTGO16641001A, HST-GO-16646.003-A, HSTGO16649001A, HSTGO16663002A, HSTGO16665002A, HST-GO-16666.001-A, HST-GO-16677.001-A, HST-GO-16695.010-A, HSTGO16699005A, HSTGO16747001A, HST-GO-16754.002-A, HSTGO16755003A, HSTGO16758002A, HST-GO-16879.002-A, HSTGO16890001A, HSTGO17077003A, HSTGO17080003A, HSTGO17132002A, HST-GO-17159.003-A, HSTGO17183003A, HSTGO17183007A, HSTGO17267002A, HSTGO17313001A,	UAA	3,178,728	
43.RD	Smithsonian Astrophysical Observatory	Stanford University	62536333-195657	UAA	80,753	
43.RD	Smithsonian Astrophysical Observatory	Stony Brook University	117696292911, 8579511563362	UAA	116,731	
43.RD	Smithsonian Astrophysical Observatory	The Research Corporation of the University of Hawaii	6856	UAA	1,336	
43.RD	Smithsonian Astrophysical Observatory	Universities Space Research Association	8154, 90027, 90121, 90155, SUBK240013	UAA	57,033	
43.RD	Smithsonian Astrophysical Observatory	University Corporation for Atmospheric Research	SUBAWD002452	UAA	35,784	
43.RD	Smithsonian Astrophysical Observatory	University of Alabama	A21-0187-S001	UAA	2,078	
43.RD	Smithsonian Astrophysical Observatory	University of California, Berkeley	00010825	UAA	84,728	
43.RD	Smithsonian Astrophysical Observatory	University of California, Riverside	S-001579	UAA	27,538	
43.RD	Smithsonian Astrophysical Observatory	University of California, San Diego	704355	UAA	56,363	
43.RD	Smithsonian Astrophysical Observatory	University of Central Florida	66016067-03	UAA	127,611	
43.RD	Smithsonian Astrophysical Observatory	University of Colorado	1559280	UAA	8,492	
43.RD	Smithsonian Astrophysical Observatory	University of Colorado, Boulder	1564295, 1000008166, 1001495658/1559148	UAA	469,648	
43.RD	Smithsonian Astrophysical Observatory	University of Illinois	09765717660	UAA	254,480	
43.RD	Smithsonian Astrophysical Observatory	University of Iowa	S02012-01, S0313001	UAA	44,060	
43.RD	Smithsonian Astrophysical Observatory	University of Maryland	84480Z6236202	UAA	66,761	
43.RD	Smithsonian Astrophysical Observatory	University of Minnesota	D010837901	UAA	42,619	
43.RD	Smithsonian Astrophysical Observatory	University of Mississippi Medical Center	SP13674-SB1	UAA	62,531	
43.RD	Smithsonian Astrophysical Observatory	University of New Hampshire	PZL0216	UAA	131,593	
43.RD	Smithsonian Astrophysical Observatory	University of Tennessee	A210101S003	UAA	19,466	
43.RD	Smithsonian Astrophysical Observatory	University of Texas at Austin	UTA17000731	UAA	3,641	
43.RD	Smithsonian Astrophysical Observatory	University of Washington	UWSC15193	UAA	49,999	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD	Smithsonian Astrophysical Observatory	University of Wisconsin-Madison	0000002186	UAA	42,882	
	National Aeronautics and Space Administration Subtotal				112,465,009	21,977,453
	National Endowment for the Arts					
45.RD	National Endowment for the Arts			UAA	4,416	
	National Endowment for the Arts Subtotal				4,416	
	National Endowment for the Humanities					
45.RD	National Endowment for the Humanities			UAA	95,609	8,569
45.RD	National Endowment for the Humanities	Arizona Humanities	30852022	ASA	505	
45.RD	National Endowment for the Humanities	Arizona Sonora Desert Museum	LTR DTD 092321	UAA	7,166	
45.RD	National Endowment for the Humanities	Arizona State Library, Archives, and Public Records	2022-0010-01, 2023-0010-01, 2024-0010-01	UAA	63,560	
45.RD	National Endowment for the Humanities	Boise State University	10491PO142025	UAA	5,992	
	National Endowment for the Humanities Subtotal				172,832	8,569
	National Foundation for the Arts and Humanities					
45.RD	Institute of Museum and Library Services			ASA	30,402	
45.RD	National Endowment for the Arts			ASA	66,983	4,067
45.RD	National Endowment for the Humanities			ASA	325,822	5,051
45.RD		Louisiana State University	PO-000022779	ASA	24,325	
45.RD		University of Maryland: College Park	124540-29036301	ASA	36,913	
45.RD		Vanderbilt University	OSA00000078	ASA	2,258	
	National Foundation for the Arts and Humanities Subtotal				486,683	9,118
	Institute of Museum and Library Services					
45.RD	Institute of Museum and Library Services			UAA	220,903	83,679
	Institute of Museum and Library Services Subtotal				220,903	83,679
	National Science Foundation					
47.RD	Covid-19 - National Science Foundation			ASA	978,760	108,275
47.RD	COVID-19 - National Science Foundation			UAA	1,716	
47.RD	DOD: National Security Agency (NSA)			ASA	1,462,027	437,104
47.RD	National Science Foundation			ASA	78,936,369	6,426,117
47.RD	National Science Foundation			NAA	11,512,960	887,517
47.RD	National Science Foundation			UAA	56,898,022	8,034,267
47.RD	National Science Foundation	Alaska Pacific University	142146-NAU	NAA	1,988	
47.RD	National Science Foundation	Archaeology Southwest	2121925	UAA	26,634	
47.RD	National Science Foundation	Arizona State University	ASUB00000435, ASUB00001188, ASUB00001325, ASUB00001438, ASUB00001472, SUB00002157/2229385, V2023gp0001, V2024sb0005	UAA	436,396	
47.RD	National Science Foundation	Association of Universities for Research in Astronomy, Incorporated	N00026894C	UAA	32,153	
47.RD	National Science Foundation	AZ State University	ASUB00000215, ASUB00000602,	NAA	221,732	
47.RD	National Science Foundation	Battelle Memorial Institute	US0001-0000701436	NAA	68,453	
47.RD	National Science Foundation	Battelle Memorial Institute	0000864215	UAA	25,751	
47.RD	National Science Foundation	Boston University	4500003627	UAA	19,140	
47.RD	National Science Foundation	Boyce Thompson Institute	20-03	UAA	82,477	
47.RD	National Science Foundation	Brown University	1543, 2292	UAA	101,141	
47.RD	National Science Foundation	California Institute of Technology	S455656	UAA	84,383	
47.RD	National Science Foundation	Chapman University	500818-Sub01	UAA	67,515	
47.RD	National Science Foundation	Clemson University	23722062015106, 24092062015381,	NAA	54,744	
47.RD	National Science Foundation	Colorado State University-Pueblo	2430-206-2015112	NAA	130,372	
47.RD	National Science Foundation	Columbia University	5368058A	NAA	5,513	
47.RD	National Science Foundation	Columbia University	105H	NAA	5,513	
47.RD	National Science Foundation	Columbia University	09(GG016228-09), 2(GG014070), 2(GG016611-01), 3(GG016716-01), 8(GG016228-08)	UAA	308,186	
47.RD	National Science Foundation	Cornell University	92226-20523	UAA	757,577	
47.RD	National Science Foundation	Florida State University	R000003362/2327754	UAA	1,371	
47.RD	National Science Foundation	Giant Magellan Telescope Organization	GMTCON04535, GMT-CON-04535/Task Order A	UAA	588,431	
47.RD	National Science Foundation	Harvard University	131721-5109138	NAA	15,314	
47.RD	National Science Foundation	Indiana University	9667, 8712-UA	UAA	204,045	
47.RD	National Science Foundation	Iowa State University	023902D	UAA	203,518	
47.RD	National Science Foundation	Massachusetts Institute of Technology	S5355	UAA	745,311	
47.RD	National Science Foundation	Michigan State University	RC109891NAU	NAA	7,980	
47.RD	National Science Foundation	National Radio Astronomy Observatory	SOSPA9004, SOSPA9007	UAA	31,306	
47.RD	National Science Foundation	North Carolina State University	PAM-P19-001558-SA01	UAA	9,872	
47.RD	National Science Foundation	Northwestern University	60062957 UA/2216298	UAA	13,811	
47.RD	National Science Foundation	Ohio State University	SPC100005496GR121055,	UAA	465,920	
47.RD	National Science Foundation	Oregon State University	SPC1000012873 GR134721	UAA	134,115	
47.RD	National Science Foundation	Paramium Technologies	S2205A-A, S2420AA	UAA	4,014	
47.RD	National Science Foundation	Prima Community College	PO2200101	UAA	10,803	
47.RD	National Science Foundation	Princeton University	1928400	UAA	413,408	
47.RD	National Science Foundation	Purdue University	SUB0000408	UAA	413,408	
47.RD	National Science Foundation	Purdue University	10001383002, 10002333050, 10001772-037	UAA	203,257	
47.RD	National Science Foundation	Rensselaer Polytechnic Institute	A20-0030-S001	UAA	3,775	
47.RD	National Science Foundation	Rutgers University		NAA	16,547	
47.RD	National Science Foundation	San Francisco State University	S180001	UAA	3,087	
47.RD	National Science Foundation	Texas A and M University	M1903184	UAA	51,494	
47.RD	National Science Foundation	Texas Tech University	21P626-01, 21P626-02	UAA	49,698	
47.RD	National Science Foundation	The Association of Public and Land-grant Universities	7028NSFSubUAZ	UAA	15,999	
47.RD	National Science Foundation	The Catholic University of America	408316 Sub 1	UAA	13,248	
47.RD	National Science Foundation	The Council on Undergraduate Research		UAA	3,656	
47.RD	National Science Foundation	The Morton Arboretum	11637	UAA	5,140	
47.RD	National Science Foundation	Texas State University	0835-01	NAA	3,787	
47.RD	National Science Foundation	Texas State University	19009-83071-1	NAA	3,787	
47.RD	National Science Foundation	Texas Tech University	21P683-01	NAA	31,779	
47.RD	National Science Foundation	The Trustees of Columbia University	105G(GG009393-04)	NAA	3,359	
47.RD	National Science Foundation	University Corporation for Atmospheric Research	SUBAWD003063	NAA	113,606	
47.RD	National Science Foundation	University of Alaska Fairbanks	UAF 23-0083	NAA	128,502	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD	National Science Foundation	University of Alaska Southeast	JS 2024-57188	NAA	12,730	
47.RD	National Science Foundation	University of Arizona	PO 448899, PO 582255, PO 663233	NAA	422,905	
47.RD	National Science Foundation	University of California Irvine	2024-2152	NAA	99,765	
47.RD	National Science Foundation	University of California Santa Cruz	A23-0226-S002	NAA	42,694	
47.RD	National Science Foundation	University of Colorado Boulder	1564379-PO1001889038	NAA	6,824	
47.RD	National Science Foundation	University of Denver	SC38416-01 PO181798	NAA	5,551	
47.RD	National Science Foundation	University of Massachusetts	017819-9128	NAA	9,130	
47.RD	National Science Foundation	University of Nevada Las Vegas	19-GR06224-01	NAA	17,145	
47.RD	National Science Foundation	University of New Mexico	286085-8747	NAA	252,291	
47.RD	National Science Foundation	University of Southern California	SCON-00002747	NAA	12,645	
47.RD	National Science Foundation	University of Washington	UWSC13947-BPO67834	NAA	9,187	
47.RD	National Science Foundation	University of California, Berkeley	00010381, 00010751, 00011397	UAA	233,183	
47.RD	National Science Foundation	University of California, Los Angeles	05180000098946/2344350	UAA	85,328	
47.RD	National Science Foundation	University of California, Riverside	S-001353	UAA	119,495	
47.RD	National Science Foundation	University of California, Santa Barbara	KK1825	UAA	20,831	
47.RD	National Science Foundation	University of Chicago	AWD100221/SUB00000065, AWD104277	UAA	195,661	
47.RD	National Science Foundation	University of Colorado, Boulder	SUB00000965	UAA	301,973	
47.RD	National Science Foundation	University of Denver	1562555, 1555695/PO:1000887309	UAA	16,325	
47.RD	National Science Foundation	University of Georgia Research Foundation, Incorporated	SC38416-03/PO181797	UAA	51,754	
47.RD	National Science Foundation	University of Maryland	AWD-003829-G5	UAA	100,712	
47.RD	National Science Foundation	University of Michigan	111504-Z3811203/OIA2134891	UAA	366,226	
47.RD	National Science Foundation	University of Mississippi	SUBK00021097	UAA	1,615	
47.RD	National Science Foundation	University of Missouri	19-03-036	UAA	27,555	
47.RD	National Science Foundation	University of New Mexico	C00077927-1	UAA	250,912	
47.RD	National Science Foundation	University of North Dakota	286085-873W	UAA	17,730	
47.RD	National Science Foundation	University of Pennsylvania	UND0028607	UAA	24,116	
47.RD	National Science Foundation	University of San Francisco	577419	UAA	11,837	
47.RD	National Science Foundation	University of Southern Mississippi	425113B	UAA	65,069	
47.RD	National Science Foundation	University of Texas at Dallas	8007304-01.01 AZ	UAA	49,524	
47.RD	National Science Foundation	University of Utah	23011013	UAA	48,449	
47.RD	National Science Foundation	University of Vermont	10066185UAZ	UAA	62,636	
47.RD	National Science Foundation	UT Battelle LLC	AWD0000206SUB00000112	UAA	98,807	
47.RD	National Science Foundation	Virginia Commonwealth University	PO# 0000885531	NAA	2,124	
47.RD	National Science Foundation	Virginia Polytechnic	FP00014692_SA001	NAA	1,450	
47.RD	National Science Foundation	West Virginia University	480165-19D64	UAA	3,546	
47.RD	National Science Foundation	Yale University	23124UA	NAA	7,318	
47.RD	NSF: Directorate for Biological Sciences (BIO)		CON-80004926	ASA	249,218	
47.RD	NSF-CISE: Computer and Network Systems (CNS)			ASA	198,781	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)			ASA	30,016	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Lifelab Studios	AGR 12/1/2023	ASA	71,543	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Advent Diamond, LLC	1951263	ASA	19,983	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	American Modeling Teachers Association	2021-1001-ASU	ASA	73,034	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	American Society for Engineering Education (ASEE)	769-2084	ASA	129,368	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Axilea, LLC	Project 101	ASA	1,561	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Battelle: National Ecological Observatory Network (NEON)	0000884849, PO US001-0000718040, PO US001-0000718040, PO US001-0000718040	ASA	1,247,053	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Baylor College of Medicine	P700001162 / P7000001291 / P700000718	ASA	282,615	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Bermuda Institute of Ocean Sciences (BIOS), Inc.	NOA Msg 12/20/2023, 2227766, 2127299, ASU-BIOS Internal Grant	ASA	85,715	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Board of Trustees of Western Michigan University	10114-ASU	ASA	46,318	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Boise State University	11159-PO142698	ASA	30,283	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	California State University: Los Angeles	AGR 1/11/2022	ASA	77,564	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Clemson University	2529-206-2014460	ASA	2,109	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Colorado School of Mines	402011-5802	ASA	10,956	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Columbia University	34B(GO09393-04)	ASA	14,044	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Computing Research Association	CCC-1734706-ASU-Bliss	ASA	101,525	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Cornell University	145602-22023, 164190-22702, OSP # 75548, 77853-11349	ASA	679,595	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Duke University	333-2727, 333000123, 333-000117	ASA	244,941	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Emory University	A879956	ASA	10,990	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Florida State University	R000003015	ASA	5,013	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Georgia Institute of Technology (Georgia Tech)	AWD-002244-G2, AWD-100683-G1, AWD-004670-G2	ASA	135,784	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Gettysburg College	ASU_01	ASA	7,787	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Global Cooling Technology Group, LLC (GCTG)	10042021-02, NSF - 10042021	ASA	9,836	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	H. T. Harvey & Associates	1016-17	ASA	16,319	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Hampton University	HU-230014	ASA	13,846	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Haskell Indian Nations University (HINU)	HFAZ-01	ASA	145,279	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Hauptman-Woodward Medical Research Institute	6215, 6215	ASA	39,221	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	HelioBioSys	NSF STTR 2222582	ASA	189,968	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Hypersound Medical, Inc. (HMI)	AGR 10/1/2022	ASA	58,795	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Indiana University	8709-ASU	ASA	81,118	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Iowa State University	025979A	ASA	3,291	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Kansas State University	A00-0361-S006	ASA	5,711	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Krell Institute	2154495-04	ASA	20,213	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Lowell Observatory	2020-83005	ASA	25,446	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Loyola University	522945-ASU	ASA	73,653	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Maricopa County Community College District (MCCCD)	10000804-ASU, 10000730-ASU, 10000487-ASU	ASA	256,682	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Massachusetts Institute of Technology (MIT)	S4775 - PO 276392	ASA	4,272	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Max-IR Labs, Inc.	AGR 3/28/2022	ASA	177	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Middlebury College	2021-00111-510327	ASA	64,877	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Mount Holyoke College	GE1281	ASA	11,113	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	National Radio Astronomy Observatory	PO 378015	ASA	33,710	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	National Science Foundation (NSF)	1914841	ASA	1,680	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Navajo Technical University (NTU)	NTU-42561, PO# 2447083	ASA	100,659	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	New Mexico State University (NMSU)	Q02299	ASA	2,681	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	New York Institute of Technology (NYIT)	1856032-1ASU	ASA	45,162	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	North Carolina State University	20020-0165-02, PAM-P23-001128-SA01,	ASA	854,399	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	North Dakota State University	20020-0165-02, 2022-2260-01	ASA	34,229	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Northern Arizona University (NAU)	AGR 5/30/2023, AGR 5/30/2023	ASA	34,229	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	NSF: National Center for Atmospheric Research (NCAR)	1005251-01, 1005175-01, 1005444-01	ASA	484,631	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Ohio State University	SUBAWD004897	ASA	37,267	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Old Dominion University	SPC-1000007195 GR128217	ASA	12,776	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Open Molecular Software Foundation	18-130-100688-010	ASA	30,231	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Oregon State University	AGR 11/17/2023	ASA	5,407	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	OxByEi, Inc.	S2295C-G, S2295C-G, S2411A-A	ASA	163,927	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Pennsylvania State University	TBD	ASA	138	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Point Blue Conservation Science	S003199-NSF	ASA	45,703	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Precient Technologies LLC	AGR 04/21/21	ASA	41,381	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Purdue University	AGR 7/28/2022	ASA	35,882	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	ReSuture Inc.	10001677-026	ASA	24,301	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Rice University	AGR 5/10/2022	ASA	106,868	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	San Diego Supercomputer Center	R3F80A, X03133195	ASA	713,907	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Sequitur Health Corp	KR 704453	ASA	21,230	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Southern Illinois University: Carbondale	NSF2111884	ASA	32,397	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Stanford University	3TC121	ASA	21,074	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	State University of New York: Buffalo	SIUC 22-05	ASA	3,209	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Stillman College	63195177-269598	ASA	26,022	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Texas A&M AgrLife Research	R1092326	ASA	884,930	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Texas A&M University (TAMU)	2022-Y01	ASA	20,304	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	The Hastings Center	M2300455	ASA	24,837	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Alabama: Birmingham	M2301287	ASA	92,723	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Arizona	22019-83915-1	ASA	43,600	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of California: Davis	421, 421	ASA	58,402	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of California: Regents	R1285595	ASA	71,554	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of California: Santa Barbara (UCSB)	000538213-SC001, 000535503-SC001	ASA	297,915	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of California: San Diego	A22-0251-S001, A22-0375-S001, A22-0375-S001	ASA	67,200	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Central Florida	0375-S001	ASA	82,693	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Cincinnati	PO No. 673957, PO 679743	ASA	11,141	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Colorado: Boulder	UA2022-284	ASA	11,141	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Connecticut	A22-2930-S001	ASA	70,592	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Georgia	00009998	ASA	75,239	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Hawaii at Manoa	705685, 125901647	ASA	222,376	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Houston	KK 1927, KK2440, KK2114	ASA	92,829	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Illinois: Board of Trustees	16206076	ASA	6,498	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Kansas (KU)	015531-00002	ASA	10,002	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Maryland: College Park	1564252, 1559632	ASA	195,059	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Massachusetts: Amherst	373763, 465385-2	ASA	45,600	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Montana	SUB00002689, SUB00002458,	ASA	519,008	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Nevada: Reno	SUB00002726	ASA	295,541	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of New Mexico	SUB00003436, SUB00002673	ASA	29,261	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of North Carolina: Greensboro	MA1705	ASA	29,261	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Oklahoma	R-23-0062, No. R-23-0042, R-24-0156, R-23-0018	ASA	115,244	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Oregon	110444-19484	ASA	116,085	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Pennsylvania	BSA18014, BSA23006, BSA21072	ASA	73,152	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Pittsburgh	131649-Z4154201, 66536-Z3302201, 103464-Z3794202, 83120-Z3468201,	ASA	272,999	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of South Florida	115341-Z3953201	ASA	272,999	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Tennessee	17-009589 A	ASA	35,668	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Texas: Austin	PG23-66510-01	ASA	35,723	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Texas: Dallas	UNR-21-80, UNR-22-96	ASA	121,216	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Wisconsin: Madison	133660-8705	ASA	39,637	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Wisconsin: Oshkosh	A21-0112-S001-A02	ASA	3,243	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Wisconsin: Stevens Point	204597ASU	ASA	33,443	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	University of Wisconsin: Stout	2021-50	ASA	6,123	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	588167, 589491, 589326 / 587516	ASA	481,432	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	AWD00000927 012362-3, AWD00000702 (012322-01)	ASA	159,712	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	2105-1164-00-A	ASA	45,601	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	SCON-00002563, SCON-00002563, SCON-00002563, SCON-00002563, SCON-00003786	ASA	93,208	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	A20-0162-S001, A23-0007-S001	ASA	61,739	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	UTAUS-SUB00000223, UTAUS-SUB00000800	ASA	141,432	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	1907389	ASA	577	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	1000005710	ASA	864	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	UWSC13338 - BPO61317, UWSC13366 ; PO BPO43015 ; PO BPO55743, UWSC14562 / BPO73676, UWSC13081	ASA	302,492	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	000002280, 0000000170	ASA	41,363	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	FSA.20.037.A, FSA.20.037.A	ASA	100,067	
47.RD	NSF-GEO-PLR: Office of Polar Programs (OPP)	Virginia Polytechnic Institute and State University	480476-19007, 479498-19007	ASA	4,156	
National Science Foundation Subtotal					171,982,081	15,893,280
Smithsonian Institution						
60.RD	Smithsonian Astrophysical Observatory			UAA	1,649,796	
60.RD	Smithsonian Institution			UAA	2,678	
Smithsonian Institution Subtotal					1,652,474	
Department of Veterans Affairs						
64.RD	VA: Department of Veterans Affairs			ASA	36,509	
64.RD	United States Department of Veterans Affairs			UAA	1,156,902	
Department of Veterans Affairs Subtotal					1,193,411	
Environmental Protection Agency						
66.RD	Environmental Protection Agency			ASA	401,454	79,218
66.RD	Environmental Protection Agency			NAA	54,392	
66.RD	Environmental Protection Agency	Arizona, State of	ISA-CPRG-ASU-102123-01	ASA	167,301	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
66.RD	Environmental Protection Agency	Arizona Department of Environmental Quality	EV22-0005	UAA	5,283	
66.RD	Environmental Protection Agency	City of Tucson, Arizona	LTR DTD 041323	UAA	1,988	
66.RD	Environmental Protection Agency	North American Development Bank (NADB)	TAA21-018/NADBC22-051	ASA	35,245	
66.RD	Environmental Protection Agency	North Carolina Agricultural and Technical State University	270178A	UAA	140,373	
66.RD	Environmental Protection Agency	San Diego State University	D10542-08 SA1031 A0 5B228A 7809 / D10542-11 SA1031 A1 5B228A 7809, D10542-08 SA1031 A0 5B228A 7809 / D10542-11 SA1031 A1 5B228A 7809	ASA	134,093	
66.RD	Environmental Protection Agency	The Water Research Foundation	5126	UAA	357,790	
Environmental Protection Agency Subtotal					1,297,919	79,218
Department of Energy						
81.RD	Advanced Research Projects Agency Energy			ASA	159,349	
81.RD	Argonne National Laboratory			ASA	5,053	
81.RD	Department of Energy			NAA	2,654,099	1,044,447
81.RD	Department of Energy	Arizona State University	ASUB00001262	NAA	467,236	
81.RD	Department of Energy	Lawrence Berkeley National Laboratory		7692259	NAA	2,568
81.RD	Department of Energy	Lawrence Livermore National Laboratory	B649772, B657367	NAA	421,975	
81.RD	Department of Energy	Los Alamos National Laboratory	CW31116/ PO EP191169	NAA	448,788	
81.RD	Department of Energy	National Renewable Energy Laboratory	SUB-2024-1024	NAA	8,093	
81.RD	Department of Energy	University of Arizona		716186	NAA	125,984
81.RD	Department of Energy	University of California Berkeley	0000011409	NAA	187,942	
81.RD	Department of Energy	University of Georgia	SUB00002515	NAA	245,965	
81.RD	Department of Energy	University of Minnesota	D010256401	NAA	29,559	
81.RD	Department of Energy	UT Battelle LLC		4000192794	NAA	88,642
81.RD	DOE: Department of Energy			ASA	1,767,718	
81.RD	DOE: Office of Energy Efficiency and Renewable Energy (EERE)			ASA	5,549,700	1,294,026
81.RD	DOE: Sandia National Laboratories (SNL)			ASA	897,225	
81.RD	Headquarters			ASA	637,156	32,883
81.RD	Idaho Field Office			ASA	6,672	
81.RD	National Energy Technology Laboratory			ASA	323,441	81,588
81.RD	National Renewable Energy Laboratory			ASA	108,350	
81.RD	NNSA			ASA	235	
81.RD	Office of Science			ASA	7,768,485	1,976,799
81.RD	Pacific Northwest National Laboratory (PNNL)			ASA	44,778	
81.RD	Pacific Northwest National Laboratory (PNNL)	Advanced Material Analysis LLC	20231013	ASA	59,656	
81.RD	Pacific Northwest National Laboratory (PNNL)	Advent Diamond, LLC	AGR 12/7/2023	ASA	35,525	
81.RD	Pacific Northwest National Laboratory (PNNL)	Battelle Memorial Institute	673896, 697519	ASA	145,616	
81.RD	Pacific Northwest National Laboratory (PNNL)	Bigelow Laboratory for Ocean Sciences	480190A	ASA	10,116	
81.RD	Pacific Northwest National Laboratory (PNNL)	Boise State University	10948-PO142821	ASA	21,353	
81.RD	Pacific Northwest National Laboratory (PNNL)	Carbon Collect Limited	AGR 10/1/2021	ASA	207,620	
81.RD	Pacific Northwest National Laboratory (PNNL)	Case Western Reserve University	RES600449	ASA	7,396	
81.RD	Pacific Northwest National Laboratory (PNNL)	Colorado School of Mines	401453-5801	ASA	235	
81.RD	Pacific Northwest National Laboratory (PNNL)	Colorado State University	G-70288-02	ASA	119,691	
81.RD	Pacific Northwest National Laboratory (PNNL)	Dioxide Materials	2020-02-2	ASA	71,931	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Ames Laboratory	SC-20-521, SC-24-595	ASA	161,339	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Argonne National Laboratory (ANL)	2F-60206 ; 1F-60504	ASA	144,772	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Lawrence Berkeley National Laboratory (LBNL)	7727396	ASA	1,314	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Lawrence Livermore National Laboratory (LLNL)	B644146	ASA	111,178	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Los Alamos National Laboratory (LANL)	C4314 (CW44981), 7291, 631824	ASA	154,354	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: National Renewable Energy Laboratory (NREL)	SUB-2022-10015, SUB-2024-10039, XAT-9-92058-01, SUB-2022-10066, SUB-2022-10066, SUB-2022-10057, ZDC-8-82043-01	ASA	297,795	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Oak Ridge National Laboratory (ORNL)	CW36564, CW43362	ASA	293,740	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Pacific Northwest National Laboratory (PNNL)	667894, DE-AR0001703, DE-AR0001703 PO 2450549, 2146683, PO 2431757, PO 2421178, 2000965, 2173283, 2228566, PO 2363628, 2228566	ASA	420,356	147,416
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: Sandia National Laboratories (SNL)		ASA	421,283	
81.RD	Pacific Northwest National Laboratory (PNNL)	DOE: SLAC National Accelerator Laboratory	202833, 225397	ASA	23,524	
81.RD	Pacific Northwest National Laboratory (PNNL)	EPiXC, LLC	DE-EE0010725, DE-EE0010725, DE-EE0010725	ASA	1,480,726	
81.RD	Pacific Northwest National Laboratory (PNNL)	Higher Wire	AGR 11/7/2023, AGR 9/6/2023	ASA	122,784	
81.RD	Pacific Northwest National Laboratory (PNNL)	Honeywell Federal Manufacturing & Technologies, LLC (KCNSC)	N000477935, N000469801, N000422052	ASA	184,295	
81.RD	Pacific Northwest National Laboratory (PNNL)	Inhibikase Therapeutics	AGR 01/03/2022	ASA	69,450	
81.RD	Pacific Northwest National Laboratory (PNNL)	Mission Support and Test Services LLC	297516	ASA	19,339	
81.RD	Pacific Northwest National Laboratory (PNNL)	Missouri University of Science and Technology	00072613-01 / 00072614-01, 00071158-01	ASA	366,785	
81.RD	Pacific Northwest National Laboratory (PNNL)	New Mexico State University (NMSU)	Q02578	ASA	9,810	
81.RD	Pacific Northwest National Laboratory (PNNL)	Northern Arizona University (NAU)	LOU No. 1005183-01	ASA	539,037	
81.RD	Pacific Northwest National Laboratory (PNNL)	NTECT	DE-EE0009526	ASA	276,248	
81.RD	Pacific Northwest National Laboratory (PNNL)	Princeton University	SUB0000290	ASA	171,014	
81.RD	Pacific Northwest National Laboratory (PNNL)	Sandia Research Corporation	PO 2415332	ASA	115,784	
81.RD	Pacific Northwest National Laboratory (PNNL)	Skywater Technology	AGR 12/13/2021	ASA	244,275	
81.RD	Pacific Northwest National Laboratory (PNNL)	TechSource, Inc.	#MA,TRIAD,2018TS,ASU, 212M02- ASU, WRO #212M02-ASU, GS10F00384	ASA	468,231	
81.RD	Pacific Northwest National Laboratory (PNNL)	Texas A&M University (TAMU)	M200197, M200197	ASA	125,276	
81.RD	Pacific Northwest National Laboratory (PNNL)	The REMADE Institute	21-01-MM-5005, 21-01-MM-5005	ASA	185,357	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of Arizona	PO No. 716181	ASA	83,107	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of Arkansas	UA2023-347, UA2023-347	ASA	247,297	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of California: Berkeley	00011241, 00011172	ASA	289,418	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of California: Davis	A23-3056-S001	ASA	3,796	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of California: Regents	7648014	ASA	239,452	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of California: San Diego	706518	ASA	98,512	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of Central Florida	20126A13	ASA	15,876	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of Colorado: Boulder	1564666, 1564666, 1564666	ASA	46,314	
81.RD	Pacific Northwest National Laboratory (PNNL)	University of Minnesota	H007829702	ASA	51,808	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
81.RD		University of North Carolina: Charlotte	20230404-01-ASU	ASA	45,057	
81.RD		Washington University in St. Louis	WU-24-0346	ASA	91,413	
81.RD		Xerox PARC	P317301	ASA	120,021	
81.RD	National Nuclear Security Administration			UAA	475,708	2,599
81.RD	United States Department of Energy			UAA	7,400,340	1,895,788
81.RD	United States Department of Energy	Alliance for Sustainable Energy, LLC.	SUB-2022-10027 SC-21-556/DE-AC02-07CH11358, SC-23-581/DE-AC02-07CH11358, SC-24-627,	UAA	1,245	
81.RD	United States Department of Energy	Ames Laboratory	Task Order No. 1/SC-24-594	UAA	403,032	
81.RD	United States Department of Energy	Arizona State University	ASUB00001261	UAA	623,818	
81.RD	United States Department of Energy	Battelle Energy Alliance	271933	UAA	239,618	
81.RD	United States Department of Energy	Brookhaven National Laboratory	415688, 417642, 418695	UAA	424,569	
81.RD	United States Department of Energy	Columbia University	2GG017021	UAA	60,054	
81.RD	United States Department of Energy	Duke University	323-000021	UAA	2,026	
81.RD	United States Department of Energy	Fermi National Accelerator Laboratory	679615	UAA	64,443	
81.RD	United States Department of Energy	Georgia Institute of Technology	AWD-004089-G1	UAA	22,648	
81.RD	United States Department of Energy	Lawrence Berkeley National Laboratory	7548981, 7573499, 7751506	UAA	216,448	
81.RD	United States Department of Energy	Lawrence Livermore National Laboratory	652874, B641630, B645527, B654597, B656621/DEAC5207NA27344, B659770	UAA	330,505	
81.RD	United States Department of Energy	Los Alamos National Laboratory	531988, 1987789233218CNA000001, C3990, C4193, C718-738790, CW16709	UAA	417,610	
81.RD	United States Department of Energy	Mission Support and Test Services, LLC	295767, 291551/297240, 291551/305509/DE-NA0003624	UAA	148,479	
81.RD	United States Department of Energy	National Renewable Energy Laboratory	DE-AC36-08GO28308, SUB-2022-10397, SUB-2024-10056	UAA	72,049	
81.RD	United States Department of Energy	New Mexico Institute of Mining and Technology	PO019567	UAA	18,270	
81.RD	United States Department of Energy	Ohio State University	SPC-1000003955/GR117632, SPC-1000007384/GR129464	UAA	22,688	
81.RD	United States Department of Energy	Old Dominion University Research Foundation	23-116-500477-010	UAA	35,291	
81.RD	United States Department of Energy	Opticslah, LLC	LTR DTD 110422	UAA	208,614	
81.RD	United States Department of Energy	Pacific Northwest National Laboratory	516978, 516992, 622093, 667981, 674406, 730699	UAA	316,843	
81.RD	United States Department of Energy	Sandia National Laboratories	1968807, 2094239, 2429907, 2461780, 2479646, 2538119, 2538760, 2561040, 2572727, 1968807/2458788, 1968807/2459881, 1968807/2460436, 1968807/2463512, 1968807/2463550, 1968807/2463844, 1968807/2480343, 1968807/PO#2329118, PO	UAA	1,463,231	
81.RD	United States Department of Energy	Stevens Institute of Technology	2527869/Master1968807	UAA	132,068	
81.RD	United States Department of Energy	Temple University	2103086-01	UAA	48,522	
81.RD	United States Department of Energy	The Donald Danforth Plant Science Center	270454-UA	UAA	184,386	
81.RD	United States Department of Energy	University of New Hampshire	22827-A, 23706-A, 23707-A PZL0283/DE-SC0023456	UAA	23,479	
81.RD	United States Department of Energy	University of Texas Rio Grande Valley	DE-NA0004003 (01)	UAA	127,957	
81.RD	United States Department of Energy	Utah Geological Survey	216427, 246024	UAA	34,997	
81.RD	United States Department of Energy	UT-Battelle	4000178321, CW38221, CW54069	UAA	159,126	
Department of Energy Subtotal					44,046,353	6,721,356
Department of Education						
84.RD	Department of Education			ASA	7,873,187	738,545
84.RD	Department of Education			NAA	375,329	
84.RD	Department of Education	Ames National Laboratory	SC-24-598	NAA	5,857	
84.RD	Department of Education	GlycoSurf LLC		NAA	4,477	
84.RD	Department of Education	University of Hawaii	MA1642	NAA	50,872	
84.RD	Institute of Education Sciences			UAA	307,817	
84.RD	Office of Special Education Programs			UAA	253,247	
84.RD	United States Department of Education			UAA	1,151,263	
84.RD	United States Department of Education	American Council on Education	LTR DTD 010821	UAA	8,806	
84.RD	United States Department of Education	Arizona Department of Education	BPM004016	UAA	1,027,070	
84.RD	United States Department of Education	Arizona State University	ASUB00001558	UAA	15,632	
84.RD	VA: Department of Veterans Affairs			ASA	36,842	
84.RD	VA: Department of Veterans Affairs	Arizona Department of Education (ADE)	CTR059832 ; PO0000576680 ; PO0000458381 ; PO0000452846, 16-02-ED	ASA	418,631	8,500
84.RD	VA: Department of Veterans Affairs	Arizona Department of Education (ADE)	CTR059832	ASA	52,834	
84.RD	VA: Department of Veterans Affairs	Blackwater Community School	AGR 11/02/2022; AGR 1/20/22 ; AGR 12/10/20 ; AGR 11/1/19 ; FP00017162, AGR 04/12/2023	ASA	41,838	
84.RD	VA: Department of Veterans Affairs	DOE: National Renewable Energy Laboratory (NREL)	SUB -2024- 10038	ASA	40,448	
84.RD	VA: Department of Veterans Affairs	Florida International University	800011810-01UG/000326	ASA	158,508	
84.RD	VA: Department of Veterans Affairs	Making Cents International	LAC-APS-015	ASA	24,643	
84.RD	VA: Department of Veterans Affairs	Michigan State University	RC113591 - ASU	ASA	33,727	
84.RD	VA: Department of Veterans Affairs	Rutgers University	1729 ; PO 1422029 ; PO 25277276	ASA	25,989	
84.RD	VA: Department of Veterans Affairs	Texas State University	22025-83977-1	ASA	250,575	
84.RD	VA: Department of Veterans Affairs	University of California: Irvine (UCI)	2021-1541, PO223329, 2021-1528, 2019-3726	ASA	217,176	
84.RD	VA: Department of Veterans Affairs	University of Florida	SUB00001886	ASA	105,393	
84.RD	VA: Department of Veterans Affairs	University of Kansas (KU)	FY2019-103, FY2019-107, FY2022-081	ASA	188,475	
84.RD	VA: Department of Veterans Affairs	University of North Carolina: Chapel Hill	5126644	ASA	186,861	
Department of Education Subtotal					12,855,497	747,045
Smithsonian Institution						
85.RD	Stewart L. Udall and Morris K. Udall Foundation			UAA	2,123	
Smithsonian Institution Subtotal					2,123	
National Archives and Records Administration						
89.RD	U.S. Senate			ASA	1,184,666	
89.RD	U.S. Senate	DOE: Idaho National Laboratory (INL)	300846	ASA	743	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
	National Archives and Records Administration Subtotal				1,185,409	
	Department of Health and Human Services					
93.RD	Administration for Children and Families - OPRE			ASA	208,466	
93.RD	Administration for Children and Families - ORR			ASA	77,935	38,819
93.RD	Administration for Community Living			NAA	74,409	
93.RD	Administration for Children and Families			UAA	33,642	
93.RD	Administration for Community Living			UAA	602,969	
93.RD	Advanced Research Projects Agency for Health			ASA	1,791,331	
93.RD	Agency for Health Care Research and Quality			ASA	59,979	
93.RD	Centers for Disease Control and Prevention			ASA	2,517,822	644,556
93.RD	Centers for Disease Control and Prevention			NAA	168,465	11,957
93.RD	Centers for Disease Control and Prevention			UAA	3,647,485	591,772
93.RD	Centers for Disease Control and Prevention - ERA			ASA	24,239	
93.RD	Covid-19 - Centers for Disease Control and Prevention			ASA	289,054	36,872
93.RD	Covid-19 - Centers for Disease Control and Prevention			ASA	1,493,098	
93.RD	Covid-19 - Centers for Disease Control and Prevention			ASA	30,576	
93.RD	Covid-19 - Health Resources and Services Administration			ASA	919,649	
93.RD	Covid-19 - National Institutes of Health			ASA	2,905,110	742,914
93.RD	Department of Health and Human Services	AZ Developmental Disabilities Planning Council	ADDP-0810-10-2023, ADDPC-FFY23 PRTSPT-0	NAA	98,259	
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	3,207,495	87,852
93.RD	Food and Drug Administration			UAA	26,161	
93.RD	Health Resources and Services Administration			ASA	387,016	
93.RD	Health Resources and Services Administration			UAA	29,145	9,952
93.RD	HHS: Office of Minority Health (OMH)			ASA	44,401	
93.RD	HHS-NIH: All of Us Research Program			ASA	49,037	
93.RD	HHS-NIH: National Cancer Institute (NCI)			ASA	621,391	384,643
93.RD	HHS-NIH: National Institute of General Medical Sciences (NIGMS)			ASA	1,613,684	88,778
93.RD	HHS-NIH: National Institute on Minority Health and Health Disparities (NIMHD)			ASA	2,067,691	46,996
93.RD	John E. Fogarty International Center			UAA	155,263	
93.RD	National Cancer Institute			NAA	1,591,031	
93.RD	National Cancer Institute			UAA	22,428,905	3,242,546
93.RD	National Center for Advancing Translational Sciences			UAA	279,482	
93.RD	National Center for Complementary and Integrative Health			UAA	1,279,205	131,979
93.RD	National Eye Institute			UAA	2,200,512	116,216
93.RD	National Heart, Lung, and Blood Institute			UAA	22,761,147	4,953,321
93.RD	National Human Genome Research Institute			UAA	143,670	88,731
93.RD	National Library of Medicine			UAA	319,256	54,528
93.RD	National Institute for Occupational Safety and Health			UAA	236,680	
93.RD	COVID-19 - National Institute of Allergy and Infectious Disease			UAA	76,464	71,758
93.RD	National Institute of Allergy and Infectious Disease			UAA	15,643,733	3,330,042
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	3,195,406	978,411
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	1,512,939	244,141
93.RD	National Institute of Dental and Craniofacial Research			UAA	1,291,801	172,447
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	11,317,600	1,066,340
93.RD	National Institute of Environmental Health Sciences			UAA	8,590,583	792,300
93.RD	National Institute of General Medical Sciences			UAA	10,461,097	128,164
93.RD	National Institute of Mental Health			UAA	3,873,195	94,724
93.RD	National Institute of Neurological Disorders and Stroke			UAA	10,106,498	1,603,981
93.RD	National Institute of Nursing Research			UAA	2,944,675	593,162
93.RD	National Institute on Aging			UAA	41,674,618	13,555,073
93.RD	National Institute on Alcohol Abuse and Alcoholism			UAA	815,277	240,994
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	2,362,144	
93.RD	National Institute on Drug Abuse			UAA	5,489,909	505,233
93.RD	National Institute on Minority Health and Health Disparities			ASA	1,792,190	172,615
93.RD	National Institutes of Health			ASA	51,231,013	8,805,231
93.RD	National Institutes of Health			NAA	11,063,307	2,047,383
93.RD	National Institutes of Health			UAA	16,511,700	3,541,978
93.RD	National Institutes of Health	Aneuvus Technologies Inc.		23.0087	NAA	94,543
93.RD	National Institutes of Health	BIOMOTUM		23.0247	NAA	108,504
93.RD	National Institutes of Health	Boston Childrens Hospital	GENFD0002379044,		NAA	102,889
93.RD	National Institutes of Health	Case Western Reserve University	GENFD0002558715		NAA	176,857
93.RD	National Institutes of Health	Dine College	RESS15877		NAA	567,475
93.RD	National Institutes of Health	Montana State University	2021-41-522		NAA	12,224
93.RD	National Institutes of Health	Northeast Ohio Medical University	G190-19-W7658		NAA	152,319
93.RD	National Institutes of Health	Oregon Health and Science University	G0483-A		NAA	
93.RD	National Institutes of Health		1023381_NAU		NAA	128,151
93.RD	National Institutes of Health	Penn State University	S003668-UWM		NAA	44,122
93.RD	National Institutes of Health	Southcentral Foundation	2022-381		NAA	158,551
93.RD	National Institutes of Health	TGEN	HLMNIAID2301, NIH-05-02		NAA	115,129
93.RD	National Institutes of Health	University of Arizona	581690, 620611, PO644894		NAA	441,756
93.RD	National Institutes of Health	University of California San Francisco	13398sc		NAA	93,136
93.RD	National Institutes of Health	University of Connecticut		394387	NAA	4,342
93.RD	National Institutes of Health	University of Florida	SUB00002533		NAA	87,222
93.RD	National Institutes of Health	University of Massachusetts	SUB00000250, SUB000237- WA01338419		NAA	65,768
93.RD	National Institutes of Health	University of Miami	PO#SPC-003363		NAA	6,552
93.RD	National Institutes of Health	University of New Mexico	3R0T2		NAA	975
93.RD	National Institutes of Health	University of Pennsylvania	582672 PO4911016		NAA	616
93.RD	National Institutes of Health	University of South Florida	5830-1665-00-A		NAA	50,817
93.RD	National Institutes of Health	University of Washington	UWSC13911 BPO67860,		NAA	20,831
93.RD	National Institutes of Health	Washington State University	UWSC14102 / BPO69212		NAA	37,131
93.RD	National Science Foundation		143567-WSU001227		ASA	42,716
93.RD	Substance Abuse and Mental Health Services Adminis			ASA	1,076,090	97,980
93.RD	Substance Abuse and Mental Health Services Adminis	Allen Institute for Brain Science	2022-0614		ASA	38,983
93.RD	Substance Abuse and Mental Health Services Adminis	Amydis	AGR 4/14/2022		ASA	46,689
93.RD	Substance Abuse and Mental Health Services Adminis	Ann & Robert H. Lurie Children's Hospital of Chicago	A23-0083-S001		ASA	23,170
93.RD	Substance Abuse and Mental Health Services Adminis	Arete Associates	AZ-401789		ASA	210,319
93.RD	Substance Abuse and Mental Health Services Adminis	Arizona Department of Education	21-28-ED / CTR055604		ASA	151,679
93.RD	Substance Abuse and Mental Health Services Adminis	Arizona Department of Health Services (ADHS)	CTR053417 / PO0000511375 / PO0000364518/PO0000689007, ADHS18- 187412		ASA	238,899
93.RD	Substance Abuse and Mental Health Services Adminis	Arizona Health Care Cost Containment System (AHCCCS)	YH23-0024, YH20-0020, YH23-0164, YH23- 0022, YH23-0017, YH22-0097, YH22- 0019, YH23-0099		ASA	2,767,769
93.RD	Substance Abuse and Mental Health Services Adminis	Arizona Veterans Research and Education Foundation	ASUR01AG077768		ASA	422,639

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	Substance Abuse and Mental Health Services Adminis	AZ-Maricopa County: Department of Public Health	C-86-23-094-X-00, PH NOI 21021, C-86-23-076-X-00, C-86-23-088-X-00; PO: DO 23000005320-1	ASA	940,383	72,288
93.RD	Substance Abuse and Mental Health Services Adminis	Banner Alzheimer's Institute	0432-06-169415	ASA	182,745	
93.RD	Substance Abuse and Mental Health Services Adminis	Baylor College of Medicine	P700000283, P700000635, P700000649, PO 7000001015	ASA	139,391	
93.RD	Substance Abuse and Mental Health Services Adminis	Biosensing Instrument, Inc.	NIH NOA 1R44GM139535-01A1, AGR 9/30/2021	ASA	501,296	
93.RD	Substance Abuse and Mental Health Services Adminis	Boys Town National Research Hospital	96512-B / GRT-00307	ASA	11,250	
93.RD	Substance Abuse and Mental Health Services Adminis	Carnegie Mellon University	1090686-449413	ASA	49,677	
93.RD	Substance Abuse and Mental Health Services Adminis	ChangeLab Solutions	MSA0226-1	ASA	13,874	
93.RD	Substance Abuse and Mental Health Services Adminis	Chapman University	500786-ASU	ASA	748,204	
93.RD	Substance Abuse and Mental Health Services Adminis	ChildHelp	CH-SC-H-001	ASA	18,324	
93.RD	Substance Abuse and Mental Health Services Adminis	Children's Hospital Los Angeles	12943-B	ASA	62,973	
93.RD	Substance Abuse and Mental Health Services Adminis	Childsplay, Inc	AGR 7/1/2022	ASA	62,808	
93.RD	Substance Abuse and Mental Health Services Adminis	Columbia University	3(GG014239-01) ; PO G13015	ASA	81,062	
93.RD	Substance Abuse and Mental Health Services Adminis	Cornell: Weill Medical College	212095-05 / 220225-5 / 223323-5	ASA	74,390	
93.RD	Substance Abuse and Mental Health Services Adminis	Creare LLC	S682 ; PO 104374 ; PO 121869	ASA	18,498	
93.RD	Substance Abuse and Mental Health Services Adminis	DOE: Los Alamos National Laboratory (LANL)	635305 ; Basic Agreement No. 451357	ASA	33,454	
93.RD	Substance Abuse and Mental Health Services Adminis	Drexel University	900237, 900237	ASA	49,092	
93.RD	Substance Abuse and Mental Health Services Adminis	Duke University	A033649, A030744, 303000892	ASA	191,795	
93.RD	Substance Abuse and Mental Health Services Adminis	Embry Riddle Aeronautical University	61670-02	ASA	56,391	
93.RD	Substance Abuse and Mental Health Services Adminis	Emory University	A891431	ASA	60,371	
93.RD	Substance Abuse and Mental Health Services Adminis	Florida International University	000608	ASA	25,190	
93.RD	Substance Abuse and Mental Health Services Adminis	Fort McDowell Yavapai Nation	AGR 9/26/2023	ASA	21,391	
93.RD	Substance Abuse and Mental Health Services Adminis	Fred Hutchinson Cancer Center	0001109973	ASA	136,085	
93.RD	Substance Abuse and Mental Health Services Adminis	George Washington University	21-M136, 17-M101	ASA	158,500	
93.RD	Substance Abuse and Mental Health Services Adminis	Georgetown University	414844_GR413644-ASU; 413827_GR413644-ASU ; 424767_GR413644-ASU ; 414749 / GR413644-ASU	ASA	74,411	
93.RD	Substance Abuse and Mental Health Services Adminis	Georgia Institute of Technology (Georgia Tech)	AWD-101271	ASA	81,339	
93.RD	Substance Abuse and Mental Health Services Adminis	Georgia State University	SP00015075-01 ; PM00849670,	ASA	209,514	
93.RD	Substance Abuse and Mental Health Services Adminis	Gila River Health Care Corporation	SP00014947-01	ASA	123,512	
93.RD	Substance Abuse and Mental Health Services Adminis	Harvard University	FP00036652, FP24707_Rev1	ASA	51,097	
93.RD	Substance Abuse and Mental Health Services Adminis	Hospice of the Valley	113146-5111854	ASA	4,991	
93.RD	Substance Abuse and Mental Health Services Adminis	Howard University	AGR 04/04/2023	ASA	47,011	
93.RD	Substance Abuse and Mental Health Services Adminis	Icahn School of Medicine at Mount Sinai	15842	ASA	47,011	
93.RD	Substance Abuse and Mental Health Services Adminis	Illinois Institute of Technology	0255-4524-4609	ASA	184,452	
93.RD	Substance Abuse and Mental Health Services Adminis	Illuminos Therapeutics, LLC	A21-0038-S001	ASA	9,957	
93.RD	Substance Abuse and Mental Health Services Adminis	ImmunoShield Therapeutics, Inc.	ASU001	ASA	112,936	
93.RD	Substance Abuse and Mental Health Services Adminis	InterTribal Council of Arizona, Inc.	AGR 11/01/2023	ASA	40,197	
93.RD	Substance Abuse and Mental Health Services Adminis	Johns Hopkins University (JHU)	S06GM142123, S06GM127980	ASA	365,256	
93.RD	Substance Abuse and Mental Health Services Adminis	Kitware Inc.	2005697661, 2006220638, 2005335291	ASA	36,160	
93.RD	Substance Abuse and Mental Health Services Adminis	Leidos	K003518-00-S08	ASA	124,919	
93.RD	Substance Abuse and Mental Health Services Adminis	Massachusetts General Hospital	21X089	ASA	979,761	206,771
93.RD	Substance Abuse and Mental Health Services Adminis	Massachusetts Institute of Technology (MIT)	244114	ASA	47,409	
93.RD	Substance Abuse and Mental Health Services Adminis	Max-IR Labs, Inc.	S5669 PO #741034	ASA	68,200	
93.RD	Substance Abuse and Mental Health Services Adminis	Mayo Clinic Arizona	AGR 7/5/2022	ASA	32,594	
93.RD	Substance Abuse and Mental Health Services Adminis	Mayo Clinic Rochester	ARI-259345, ASU-317958, ASU-319258	ASA	334,608	
93.RD	Substance Abuse and Mental Health Services Adminis	MD Anderson Cancer Research	P000574318, ARI-277352, ASU-287596	ASA	92,173	
93.RD	Substance Abuse and Mental Health Services Adminis	Michigan State University	ARI-315853 PO: 000319985, ARI-206945,	ASA	52,883	
93.RD	Substance Abuse and Mental Health Services Adminis	MS Technologies Corporation	ARI-324170 P000715092	ASA	192,063	
93.RD	Substance Abuse and Mental Health Services Adminis	Native American Connections Administration	3002242988	ASA	90,066	
93.RD	Substance Abuse and Mental Health Services Adminis	New York University (NYU)	RC115872AZ, RC109129ASU,	ASA	23,758	
93.RD	Substance Abuse and Mental Health Services Adminis	North Carolina State University	RC114688ASU	ASA	350,566	
93.RD	Substance Abuse and Mental Health Services Adminis	Northeastern University	301.0003.05, 301.0003.04	ASA	147,535	
93.RD	Substance Abuse and Mental Health Services Adminis	Oklahoma Medical Research Foundation (OMRF)	FP00015617	ASA	98,020	
93.RD	Substance Abuse and Mental Health Services Adminis	Oregon Research Institute	19-A0-00-1002081, F0998-60, F1995-02 ; PO IB00544684, F2441-01	ASA	51,834	
93.RD	Substance Abuse and Mental Health Services Adminis	Pennsylvania State University	AGR 1/1/2023	ASA	36,440	
93.RD	Substance Abuse and Mental Health Services Adminis	Prevent Child Abuse RAND Corporation	S004081-DHHS, S004157-HRSA, S004391-HRSA	ASA	210,690	
93.RD	Substance Abuse and Mental Health Services Adminis	REAL Prevention, LLC	AGR 3/1/2024	ASA	15,763	
93.RD	Substance Abuse and Mental Health Services Adminis	Rice University	ASU07012023-1, ASU07012023-1, B4BHRSA2023, ASU07012023-1,	ASA	207,806	
93.RD	Substance Abuse and Mental Health Services Adminis	Rutgers University: New Brunswick	B4BHRSA2023	ASA	13,864	
93.RD	Substance Abuse and Mental Health Services Adminis	San Diego State University Foundation	SCON-00000384	ASA	74,400	
93.RD	Substance Abuse and Mental Health Services Adminis	Seattle Children's Research Institute	ORRSPIL.4	ASA	61,996	
93.RD	Substance Abuse and Mental Health Services Adminis	Sequitur Health Corp	R23471	ASA	71,271	
93.RD	Substance Abuse and Mental Health Services Adminis	Sonoran Biosciences	69-312-0218952-67462L ; PO 67462L ; Vendor 004423	ASA	91,875	
93.RD	Substance Abuse and Mental Health Services Adminis	Stanford University	1695 / SUB00002606, 1695 / SUB00002606	ASA	91,875	
93.RD	Substance Abuse and Mental Health Services Adminis	Tempe Police Department	D10026-06 SA1023 A1 5A238D 7803	ASA	4,230	
93.RD	Substance Abuse and Mental Health Services Adminis	Texas Tech University (TTU)	12549SUB, 12746SUB, 12969SUB, 12832SUB	ASA	524,436	
93.RD	Substance Abuse and Mental Health Services Adminis	TF Health Corporation	AGR 10/28/2021	ASA	81,217	
93.RD	Substance Abuse and Mental Health Services Adminis	The Desmond Tutu Health Foundation (DTHF)	R43GM145020-01	ASA	14,379	
93.RD	Substance Abuse and Mental Health Services Adminis	The Jackson Laboratory for Genomic Medicine	63307732-233304	ASA	188,593	
93.RD	Substance Abuse and Mental Health Services Adminis	The Methodist Hospital Research Institute	AGR 12/12/2019, C2024-12	ASA	49,363	8,514
93.RD	Substance Abuse and Mental Health Services Adminis	The Miriam Hospital	AGR 12/16-01	ASA	49,328	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	FP28890	ASA	95,896	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	NIH-WISEPILLS-UA-01	ASA	13,517	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	210280-1222-02	ASA	152,753	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	AGMT00009888	ASA	18,388	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	7147348	ASA	76,298	
93.RD	Substance Abuse and Mental Health Services Adminis	Translational Genomics Research Institute (TGen)	DISTEFANO-22-01-ASU	ASA	91,519	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	Substance Abuse and Mental Health Services Adminis	TUFTS University	EP0237847, EP0223555, PO EP0234230	ASA	121,104	
93.RD	Substance Abuse and Mental Health Services Adminis	United States Energy Association (USEA)	USEA/USAID-2021-801-01	ASA	302,460	75,000
93.RD	Substance Abuse and Mental Health Services Adminis	University of Alabama: Birmingham	000522731-SC006	ASA	15,520	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Arizona	LTR 7/1/2022, PO. 652914, PO 644893, R01AG067926, 580309, PO 582113, 712846, 625120, LTR 6/23/2022, 636487, 723796, 518121, 721155	ASA	1,051,943	
93.RD	Substance Abuse and Mental Health Services Adminis	University of California: Davis	A23-0798-S001, A20-3069-S001, A16-0127-S002, A23-0462-S001, A22-0257-S002, A23-0750-S012	ASA	414,132	
93.RD	Substance Abuse and Mental Health Services Adminis	University of California: Los Angeles (UCLA)	21050000123615, 1445 G LA531, 20000000045065	ASA	592,959	
93.RD	Substance Abuse and Mental Health Services Adminis	University of California: San Diego	118304560, KR 704433, 706427, 131286579, 704107	ASA	141,634	
93.RD	Substance Abuse and Mental Health Services Adminis	University of California: San Francisco	13970sc	ASA	518	
93.RD	Substance Abuse and Mental Health Services Adminis	University of California: Santa Cruz		13364479	68,534	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Colorado: Denver	FY21.566.001 / PO 1001405253	ASA	6,802	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Florida	SUB00003447	ASA	138,968	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Georgia Research Foundation (UGARF)	SUB00003220	ASA	35,267	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Kansas: Medical Center (KUMC)	AWD10000268	ASA	266,662	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Kansas: Medical Center Research Institute (KUMCRI)	ZAB00070	ASA	29,141	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Kentucky	3200005861-24-096	ASA	26,909	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Kentucky Research Foundation	3200005207-23-123, 3200003998-21-309 ; PO 7800005882	ASA	38,846	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Massachusetts: Amherst	016677-9310	ASA	62,158	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Miami	OS00001470	ASA	1,110	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Michigan	SUBK00015301	ASA	31,736	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Minnesota	N006750803, N006344001, A010021901	ASA	102,343	28,506
93.RD	Substance Abuse and Mental Health Services Adminis	University of New Mexico	3RMC9, 3FGJ7, 286066-8705	ASA	153,336	
93.RD	Substance Abuse and Mental Health Services Adminis	University of North Carolina: Chapel Hill	5124412, 5128892, AGR 4/1/2023	ASA	49,381	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Oregon	217940A	ASA	120,403	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Pennsylvania	578006 ; PO 4585999 ; PO 4681608 AWD00005658 (139164-4), AWD00007903 (139535-1)	ASA	41,559	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Pittsburgh		ASA	206,533	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Puerto Rico: School of Medicine	2021-000826, 2021-001500	ASA	213,878	
93.RD	Substance Abuse and Mental Health Services Adminis	University of San Diego	KR 704906	ASA	8,230	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Southern California	SCON-00005640, SCON-00004726 / SCON-00005322	ASA	53,468	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Texas: Health Science Center at San Antonio	171876/171653	ASA	62,231	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Texas: MD Anderson Cancer Center	3002056965	ASA	48,569	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Texas: Medical Branch at Galveston	23-86650-16, 23-86464-01	ASA	47,284	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Texas: Rio Grande Valley	5UG3DE031247-01(003), 1R01DE031117 (01)	ASA	45,377	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Washington	UWSC9288, UWSC12278 ; PO-0100062780 ; BPO51765 ; BPO51763 ; BPO61155 ; BPO69923, UWSC11962, UWSC12278, UWSC14045, UWSC12304 / PO-51930, UWSC11490, BPO69168 ; BPO58569 ; PO BPO52333 ; PO BPO43842, UWSC14852, , UWSC13326- BPO61180, UWSC11621, UWSC12392, UWSC14968/BPO0100045659	ASA	430,178	
93.RD	Substance Abuse and Mental Health Services Adminis	University of Wisconsin: Madison	0000003511, 0000003197, 0000002135	ASA	333,877	
93.RD	Substance Abuse and Mental Health Services Adminis	Urban Design 4 Health, Inc. (UD4H)	0001-SBIR-NHLBI-ASU-UD4H	ASA	76,922	
93.RD	Substance Abuse and Mental Health Services Adminis	Utah State University	204998-893	ASA	51,394	
93.RD	Substance Abuse and Mental Health Services Adminis	Vanderbilt University Medical Center	VUMC95054	ASA	132,893	
93.RD	Substance Abuse and Mental Health Services Adminis	VaxSyna LLC	7000-01	ASA	23,237	
93.RD	Substance Abuse and Mental Health Services Adminis	Virginia Commonwealth University	FP00009907_SA001	ASA	36,428	
93.RD	Substance Abuse and Mental Health Services Adminis	Virginia Polytechnic Institute and State University	412758-19007, 412908-19007, 432143-19007, 412710-19007	ASA	171,771	
93.RD	Substance Abuse and Mental Health Services Adminis	Washington University in St. Louis	WU-24-0100 / WU - 23 - 0267, WU-22-0437	ASA	53,420	
93.RD	Substance Abuse and Mental Health Services Adminis	Yale School of Medicine	CON-80003709 (GR116631)	ASA	176,581	
93.RD	Substance Abuse and Mental Health Services Adminis	Yale University	CON-80004638 (GR121650)	ASA	10,289	
93.RD	Substance Abuse and Mental Health Services Adminis	Yeshiva University: Albert Einstein College of Medicine	312513 / 312399	ASA	16,993	
93.RD	Substance Abuse and Mental Health Services Adminis	Zero To Three	2020100036 PO1463, 2022090162	ASA	292,393	
93.RD	United States Department of Health and Human Services	Albert Einstein College of Medicine	312048, 312482, 332776, 333154	UAA	737,855	52,660
93.RD	United States Department of Health and Human Services	Albuquerque Area Indian Health Board	LTR DTD 012324	UAA	66,226	
93.RD	United States Department of Health and Human Services	Arny Foundation	LTR DTD 022219	UAA	42,753	
93.RD	United States Department of Health and Human Services	Applied Universal Dynamics, Corp.	AUD23-RatHealth1-01	UAA	51,189	
93.RD	United States Department of Health and Human Services	Aqualung Therapeutics, Corp.	1R41HL164154-01, 1R42DK135208-01, LTR DTD 102622	UAA	66,930	
93.RD	United States Department of Health and Human Services	ArgosMD, INC	LTR DTD 091422	UAA	118,135	
93.RD	United States Department of Health and Human Services	Arizona Department of Health Services	CTR038429/ADHS18-201484, CTR051841, CTR055628, CTR057111, CTR067702	UAA	1,160,274	28,665
93.RD	United States Department of Health and Human Services	Arizona Developmental Disabilities Planning Council	ADDPC-0701-02-2023, ADDPC-FFY22-RFGE-00A 1, ADDPC-FFY23-PRTSPT-0300-03	UAA	188,706	84,548
93.RD	United States Department of Health and Human Services	Arizona Health Care Cost Containment System	YH22-0018, YH23-0070 / H79TI085739, YH24-0013	UAA	1,572,258	
93.RD	United States Department of Health and Human Services	Arizona State University	ASUB00000118, ASUB00000243 / SUB00000679, ASUB00000613	UAA	45,614	
93.RD	United States Department of Health and Human Services	Banner Health System	043209152711, 0432-06152707/1F30AG072980, LMS04350271557	UAA	195,716	
93.RD	United States Department of Health and Human Services	Banner Research Institute	043206152705	UAA	18,299	
93.RD	United States Department of Health and Human Services	Baylor College of Medicine	P700000296	UAA	44,526	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	United States Department of Health and Human Services	Beckman Research Institute of The City of Hope	65636.2013091.669301	UAA	28,498	
93.RD	United States Department of Health and Human Services	Boston Children's Hospital	GENFD0002059272, GENFD0002145577	UAA	101,796	
93.RD	United States Department of Health and Human Services	Boston Medical Center	6619-UAZ-01NCEA1	UAA	12,060	
93.RD	United States Department of Health and Human Services	Boys Town National Research Hospital	GRT-00388	UAA	152,187	
93.RD	United States Department of Health and Human Services	Brigham and Women's Hospital	123915, 129629	UAA	12,353	
93.RD	United States Department of Health and Human Services	Brown University	00001712	UAA	27,745	
93.RD	United States Department of Health and Human Services	California Institute of Technology	S619986	UAA	53,528	
93.RD	United States Department of Health and Human Services	Campeños Sin Fronteras	TP1AH000236	UAA	15,740	
93.RD	United States Department of Health and Human Services	Carnegie Mellon University	1090641-444469	UAA	30,357	
93.RD	United States Department of Health and Human Services	Case Western Reserve University	RESS15519, RES602723	UAA	46,676	
93.RD	United States Department of Health and Human Services	Cedars-Sinai	CSP0432860	UAA	32,943	
93.RD	United States Department of Health and Human Services	Ceria Therapeutics	LTR DTD 050724, LTR DTD 081823	UAA	29,261	
93.RD	United States Department of Health and Human Services	Children's Hospital Los Angeles	RGF011590-A	UAA	80,597	
93.RD	United States Department of Health and Human Services	Cincinnati Children's Hospital Medical Center	314517	UAA	52,408	
93.RD	United States Department of Health and Human Services	City of Hope	62404.2009737.669301, 63443.2009937.6693XX	UAA	170,134	
93.RD	United States Department of Health and Human Services	Cleveland Clinic Foundation	CCF21142450/4U01HL125177-06	UAA	12,978	
93.RD	United States Department of Health and Human Services	Cleveland Clinic Lerner College of Medicine	CCF23822811	UAA	12,714	
93.RD	United States Department of Health and Human Services	CND Life Sciences	1R44NS127696	UAA	5,021	
93.RD	United States Department of Health and Human Services	Collaborations Pharmaceuticals Inc	R42GM131433	UAA	218,960	
93.RD	United States Department of Health and Human Services	Colorado State University	G-10839-01, G-70239-01/236498	UAA	340,271	
93.RD	United States Department of Health and Human Services	Columbia University	11(GG014746-57)	UAA	170,384	
93.RD	United States Department of Health and Human Services	Duke University	243950, 303002771, 383001132, 383001453, A030456, A032429, A032623	UAA	372,556	
93.RD	United States Department of Health and Human Services	El Rio Community Health Center	1H79SM08073204UASIFROW, 1H79SM08842301UASIFROW, 1H8GCS48557-01-NCSSCYH	UAA	202,746	
93.RD	United States Department of Health and Human Services	Electrosonix LC	UA-NIH-09212020	UAA	14,585	
93.RD	United States Department of Health and Human Services	FAKnostics, LLC	LTR DTD 092722, R42CA240124	UAA	304,880	
93.RD	United States Department of Health and Human Services	Florida Atlantic University	AR-K332	UAA	9,200	
93.RD	United States Department of Health and Human Services	Florida International University	000606	UAA	32,550	
93.RD	United States Department of Health and Human Services	Fred Hutchinson Cancer Research Center	0001170219	UAA	30,049	
93.RD	United States Department of Health and Human Services	George Washington University	23-M44/UM1CA181255	UAA	86,016	
93.RD	United States Department of Health and Human Services	Georgetown University	424929_GR424783-UA/U01A1148, 425319_GR425135-UA	UAA	310,435	
93.RD	United States Department of Health and Human Services	Georgia State University	SP00013704-02	UAA	593,533	
93.RD	United States Department of Health and Human Services	Glycosurf	LTR DTD 071222, LTR DTD 081120	UAA	16,175	
93.RD	United States Department of Health and Human Services	HMH Hospitals Corporation	G20200-2244 / 1U19A1171401-	UAA	102,547	
93.RD	United States Department of Health and Human Services	Hospital for Sick Children (Canada)	6610100225/6610100200	UAA	109,355	
93.RD	United States Department of Health and Human Services	Houston Methodist Research Institute	AGMTOOO11545	UAA	26,541	
93.RD	United States Department of Health and Human Services	Icahn School of Medicine at Mount Sinai	0255-E822-4609, 0255-I681-4609	UAA	223,985	
93.RD	United States Department of Health and Human Services	Illuminos Therapeutics, LLC	LTR DTD 120722	UAA	18,005	
93.RD	United States Department of Health and Human Services	Indiana University	8081_AZ, 9308_AZ	UAA	129,948	
93.RD	United States Department of Health and Human Services	Institute for Systems Biology	2022.0008, 2022.0009, 2024.0002	UAA	418,350	
93.RD	United States Department of Health and Human Services	Inter Tribal Council of Arizona, Incorporated	LTR DTD 011819, NXII-UA-CE-01, NXII-UA-RP-02, NXII-UA-SD-02, NXI-UA-FD-02, NXI-UA-SD-01	UAA	1,296,121	
93.RD	United States Department of Health and Human Services	Intermountain Centers	69705	UAA	123,804	
93.RD	United States Department of Health and Human Services	Jaeb Center for Health Research	LTR DTD 073120	UAA	165,774	
93.RD	United States Department of Health and Human Services	Johns Hopkins University	2006091255	UAA	23,192	
93.RD	United States Department of Health and Human Services	Joslin Diabetes Center	100114	UAA	4,812	
93.RD	United States Department of Health and Human Services	Kaiser Permanente	RNG084165-UA-01	UAA	176,934	
93.RD	United States Department of Health and Human Services	Kent State University	403040-UAZ	UAA	43,615	
93.RD	United States Department of Health and Human Services	Klein Buendel, Incorporated	0341-0188-001	UAA	163,548	
93.RD	United States Department of Health and Human Services	Laidos Biomedical Research Incorporated	23X091	UAA	36,159	
93.RD	United States Department of Health and Human Services	Light Research Inc	1R44CA265514-01	UAA	126,406	
93.RD	United States Department of Health and Human Services	COVID-19 - Local Initiatives Support Corporation	55284-0001	UAA	87,540	
93.RD	United States Department of Health and Human Services	Loma Linda University Medical Center	2210249-UIC	UAA	327,684	
93.RD	United States Department of Health and Human Services	Lundquist Institute for Biomedical Innovation	PU-32459-02/PO# 24004967	UAA	7,315	
93.RD	United States Department of Health and Human Services	Mass General Brigham	244157	UAA	121,343	
93.RD	United States Department of Health and Human Services	Massachusetts General Hospital	233737, 243579, 244536	UAA	226,463	
93.RD	United States Department of Health and Human Services	Mayo Clinic Jacksonville	UNA-290195/5U01NS119169-02	UAA	516	
93.RD	United States Department of Health and Human Services	Mayo Foundation for Medical Education and Research (Mayo Clinic)	BAN-224063-04, BAN-305533-01, THE-300811-01/PO#000375596, UNA-224063, UN1257790, UN1-259090-06	UAA	229,511	
93.RD	United States Department of Health and Human Services	Memorial Sloan Kettering Cancer Center	C22533447	UAA	18,552	
93.RD	United States Department of Health and Human Services	Metfora, LLC	LTR DTD 051022	UAA	52,777	
93.RD	United States Department of Health and Human Services	Michigan State University	RC110679UAZ, RC115229AZ	UAA	222,106	
93.RD	United States Department of Health and Human Services	MiraVista Diagnostics	LTR DTD 011724	UAA	149,721	
93.RD	United States Department of Health and Human Services	Montana State University	G235-23-W7798	UAA	17,999	
93.RD	United States Department of Health and Human Services	Morgan State University	msu-ua-57434	UAA	3,309	
93.RD	United States Department of Health and Human Services	Mount Sinai School of Medicine	0255-1741-4609	UAA	219,254	
93.RD	United States Department of Health and Human Services	National Bureau of Economic Research	47870.01.Arizona	UAA	6,851	
93.RD	United States Department of Health and Human Services	National Jewish Health	20112505, 20125604_ UnivAZ Sub	UAA	661,513	
93.RD	United States Department of Health and Human Services	Nationwide Children's Hospital	700324062400	UAA	29,661	
93.RD	United States Department of Health and Human Services	New England Research Institutes	A032731, BEST-CLI	UAA	3,755	
93.RD	United States Department of Health and Human Services	New Mexico Institute of Mining and Technology	P0022044	UAA	104,473	
93.RD	United States Department of Health and Human Services	New York University	20-A1-00-1002855	UAA	84,056	
93.RD	United States Department of Health and Human Services	Northern Arizona University	100525702, 1004847-01, 1005111-01, 1005432-01	UAA	167,281	
93.RD	United States Department of Health and Human Services	Northwestern University	60053528 UA, 60054957 AZ	UAA	239,715	
93.RD	United States Department of Health and Human Services	Nuvox Pharma, LLC	LTR DTD 121021	UAA	37,803	
93.RD	United States Department of Health and Human Services	Ohio State University	GR126463 SPC-1000006279, SPC-1000012650 GR132824	UAA	123,233	
93.RD	United States Department of Health and Human Services	Oregon Health and Science University	1013624_ARIZONA, 1019509_UAZ_A3, 1019989_UAZ, 1022170_UAZ, CA-32102	UAA	267,397	
93.RD	United States Department of Health and Human Services	Oregon Research Behavioral Intervention Strategies	ClickCity: Marijuana 01	UAA	7,107	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	United States Department of Health and Human Services	PARmedics Inc	1R41NS127637-01A1, LTR DTD 073124	UAA	113,696	
93.RD	United States Department of Health and Human Services	Path Biotech, LLC	LTR DTD 041923	UAA	134,387	
93.RD	United States Department of Health and Human Services	Photonic Pharma, LLC.	S1/2022/1R43HL 62329-01A1	UAA	23,751	
93.RD	United States Department of Health and Human Services	Pima Council on Aging	LTR DTD 012121	UAA	11,073	
93.RD	United States Department of Health and Human Services	Pima County Attorney Office	CT-PCA-19-515	UAA	21,497	
93.RD	United States Department of Health and Human Services	Princeton University	SUB0000646/R01HD092347	UAA	31,215	
93.RD	United States Department of Health and Human Services	Procyon Technologies, LLC	LTR DTD 102523	UAA	82,652	
93.RD	United States Department of Health and Human Services	Purdue University	11001041-065	UAA	1,400	
93.RD	United States Department of Health and Human Services	Radiation Detection Technologies, Inc.	LTR DTD 012224	UAA	131,168	
93.RD	United States Department of Health and Human Services	RaeSedo, LLC	2R42HL 132942-02	UAA	492,997	
93.RD	United States Department of Health and Human Services	Rush University Medical Center	20012006-Sub02	UAA	524,649	
93.RD	United States Department of Health and Human Services	Rutgers, The State University of New Jersey	1052, 2425, 2655, 3030, 3127, 3254, 2048/833942/7R01MH123451-02	UAA	397,303	
93.RD	United States Department of Health and Human Services	Saint Joseph's Hospital and Medical Center	UoIA33188	UAA	3,590	
93.RD	United States Department of Health and Human Services	Scripps Research Institute	5-54581	UAA	103,301	
93.RD	United States Department of Health and Human Services	St. Louis University	20823-43590, A01091-22255, eRS #22373-44896	UAA	66,043	
93.RD	United States Department of Health and Human Services	Stanford University	62346241-131009, 62856456-123571, 63106908-135057, 63438157-319717	UAA	163,246	
93.RD	United States Department of Health and Human Services	State University of New York Research Foundation	3-88226	UAA	29,798	
93.RD	United States Department of Health and Human Services	Sutter Bay Hospitals dba California Pacific Medical Center	280201030-S313	UAA	141,394	
93.RD	United States Department of Health and Human Services	Sutter Health	280201018-S301	UAA	9,241	
93.RD	United States Department of Health and Human Services	Terros, Inc.	LTR DTD 051223	UAA	34,072	
93.RD	United States Department of Health and Human Services	Texas State University	23001-83989-1/90SR0086, 23002-83990-1, 24002-84240-1	UAA	87,998	
93.RD	United States Department of Health and Human Services	The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2021HRSA-AZHSC	UAA	62,837	
93.RD	United States Department of Health and Human Services	The EMMES Company	13992	UAA	910,062	
93.RD	United States Department of Health and Human Services	The Spaulding Rehabilitation Hospital Corporation	500629	UAA	8,160	
93.RD	United States Department of Health and Human Services	The University of Tennessee Health Science Center	23-4314-UAZ, 24-0575	UAA	41,816	
93.RD	United States Department of Health and Human Services	Translational Sciences Inc	LTR DTD 051923	UAA	45,286	
93.RD	United States Department of Health and Human Services	Tulane University	TUL-HSC-557270-19/20, TUL-HSC-558360-20/21	UAA	61,086	
93.RD	United States Department of Health and Human Services	University of California, Davis	A21-1267-S002-A01, A22-1746-S001, A23-0750-S002, A23-0750-S017, A23-0786-S002	UAA	268,303	
93.RD	United States Department of Health and Human Services	University of California, Irvine	2019-3815/AG064228	UAA	10,688	
93.RD	United States Department of Health and Human Services	University of California, Los Angeles	0125 G LA363, 0125GLB090/RFIN128488, 1644GVA174, 1685 G LD314, 1930 G	UAA	446,435	7,663
93.RD	United States Department of Health and Human Services	University of California, San Diego	IA056, 1930GIA020	UAA	495,264	
93.RD	United States Department of Health and Human Services	University of California, San Francisco	12506sc	UAA	97,136	
93.RD	United States Department of Health and Human Services	University of Central Florida	GR107992	UAA	21,708	
93.RD	United States Department of Health and Human Services	University of Cincinnati	010785-135736, 011337-135736, 011337-135736/1U01NS099043, 012043-135736, 012340-135736, 013888-135736, 015151-00003	UAA	156,403	
93.RD	United States Department of Health and Human Services	University of Colorado Denver	FY22.1139.001, FY22.1174.001,	UAA	41,211	
93.RD	United States Department of Health and Human Services	Anschutz Medical University of Colorado, Boulder	FY24.1225.001	UAA	11,926	
93.RD	United States Department of Health and Human Services	University of Florida	1561054	UAA		
93.RD	United States Department of Health and Human Services	University of Georgia	SUB00001979, SUB00002868, SUB00003094, SUB00003787, SUB00004116, UFDSPO0011482	UAA	697,665	
93.RD	United States Department of Health and Human Services	University of Illinois at Chicago	SUB00003063	UAA	25,511	
93.RD	United States Department of Health and Human Services	University of Kentucky	18965, 19004, 19719, 19806	UAA	382,490	
93.RD	United States Department of Health and Human Services	University of Louisville	3200004583-22-240	UAA	25,511	
93.RD	United States Department of Health and Human Services	University of Maryland, Baltimore	R01EY035138	UAA	17,872	
93.RD	United States Department of Health and Human Services	University of Massachusetts Medical School	20765, 20588 Request:2058	UAA	62,789	
93.RD	United States Department of Health and Human Services	University of Michigan	OSP2017022/WA00461501, OSP29546-05, SUB00000328	UAA	385,942	
93.RD	United States Department of Health and Human Services	University of Minnesota	SUBK00008157, SUBK00012918-003, SUBK00013896, SUBK00018115	UAA	17,836	
93.RD	United States Department of Health and Human Services	University of Missouri	A008179303/90RT5039-05-02,	UAA		
93.RD	United States Department of Health and Human Services	University of Montana	N008293801, P007563202	UAA	34,640	
93.RD	United States Department of Health and Human Services	University of Nebraska	C00080222-1	UAA	71,887	
93.RD	United States Department of Health and Human Services	University of Nebraska Medical Center	PG23-61311-01	UAA	10,782	
93.RD	United States Department of Health and Human Services	University of New Mexico	34-5450-1001-101, 34-5507-2039-105	UAA	18,897	
93.RD	United States Department of Health and Human Services	University of North Carolina at Chapel Hill	34-5224-2009-001	UAA	39,596	
93.RD	United States Department of Health and Human Services	University of Pennsylvania	3RJH8, 3RJN7	UAA	118,965	
93.RD	United States Department of Health and Human Services	University of Pittsburgh	5129129, 5125917-H3AZTUCSON	UAA	362,514	
93.RD	United States Department of Health and Human Services	University of Rochester	53824, 576656, 580697, 584777, 588222	UAA	696,283	
93.RD	United States Department of Health and Human Services	University of Southern California	AWD00001719 (134088-1), AWD00006392 (138470-1), AWD00006914 (139266-5), AWD00008579 (139609-1)	UAA	322,090	
93.RD	United States Department of Health and Human Services	University of Texas	R01HL160795, SUB00000269AM2	UAA		
93.RD	United States Department of Health and Human Services	University of Texas at Dallas	GR531832	UAA	79,854	
93.RD	United States Department of Health and Human Services	University of Texas at MD Anderson Cancer Center	SCON00003315	UAA	187,813	
93.RD	United States Department of Health and Human Services	University of Utah	20-84917-01	UAA	64,749	
93.RD	United States Department of Health and Human Services	University of Virginia	2008169	UAA	127,564	
93.RD	United States Department of Health and Human Services	University of Washington	HHSN26120120000341	UAA	446	
93.RD	United States Department of Health and Human Services	University of Wisconsin-Madison	1005130601, 10059621-01, 10059876-01, 10060577-01/1R21NS121590-01, 10065380-02-AZ/U000444526/1, 10067906-03-UAZ	UAA	563,874	
93.RD	United States Department of Health and Human Services	Vanderbilt University Medical Center	AWD-000764 GR013571, GR101508, SUB00000539, GR101764, SUB00000685/2D43TW	UAA	70,025	
93.RD	United States Department of Health and Human Services	Virginia Commonwealth University	UWSC12558/5423, UWSC13240	UAA	254,854	
93.RD	United States Department of Health and Human Services		0000001027, 0000002437	UAA	255,055	
93.RD	United States Department of Health and Human Services		VUMC82583, VUMC97460	UAA	40,865	
93.RD	United States Department of Health and Human Services		FP00014116_SA003, FP00016937_SA005/2U24NS1006	UAA	205,665	

Assistance Listings/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD	United States Department of Health and Human Services	Virginia Polytechnic Institute and State University	412908-19101	UAA	57,039	
93.RD	United States Department of Health and Human Services	Vortex Biotechnology Corporation	LTR DTD 042224	UAA	13,143	
93.RD	United States Department of Health and Human Services	Washington University in St. Louis	WU-19-380-MOD-3, WU-21-331/ST00000194	UAA	24,191	
93.RD	United States Department of Health and Human Services	Wayne State University	WSU24096	UAA	62,239	
93.RD	United States Department of Health and Human Services	Westat, Incorporated	6922-03-COVID	UAA	1,487,301	741,397
			CON-80003860 (GR116386), CON-80003997 (GR117242), CON-80004970 (GR123297), CON-80005007 (GR123445), CON-80005145 (GR124553)			
93.RD	United States Department of Health and Human Services	Yale University		UAA	270,377	
93.RD	United States Department of Health and Human Services	Yuma County Public Health Services District	LTR DTD 020822	UAA	107,807	
	Department of Health and Human Services Subtotal				325,151,822	51,250,808
	Corporation for National and Community Service					
94.RD	AmeriCorps			ASA	1,642,153	706,781
94.RD	Covid-19 - AmeriCorps			ASA	1,133,965	287,250
94.RD		Governor's Office of Youth, Faith and Family GOYFF	ACCFX2109012101	UAA	435,504	
	Corporation for National and Community Service Subtotal				3,211,622	994,031
	Social Security Administration					
96.RD		University of Wisconsin: Madison	0000002577	ASA	106,054	
	Social Security Administration				106,054	
	Department of Homeland Security					
97.RD	Department of Homeland Security			ASA	3,893,373	1,554,793
97.RD	Department of Homeland Security - FEMA			ASA	231,722	81,917
97.RD	Office of Procurement Operations - Grants Division			ASA	39,532	
97.RD	Office of Procurement Operations - Grants Division	Boston Children's Hospital	GENFD0002111347	ASA	16,353	
97.RD	Office of Procurement Operations - Grants Division	Credence Management Solutions, LLC	101213-OASISUNRDHSSIL-ASU-01,	ASA	123,760	
97.RD	Office of Procurement Operations - Grants Division	George Mason University	E206378K, E206378C	ASA	135,580	
97.RD	Office of Procurement Operations - Grants Division	Guidehouse	PO0100670	ASA	28,730	
97.RD	Office of Procurement Operations - Grants Division	Medical Technology Enterprise Consortium (MTEC)	MTEC-210-05-CrossCutting-036 / 003 / MT21005.036 / 2017-608	ASA	406,768	78,192
97.RD	Office of Procurement Operations - Grants Division	University of Nebraska: Omaha	PRO-SERVICE-001025	ASA	14,376	
97.RD	Federal Emergency Management Agency			UAA	1,523,951	554,834
		Arizona Department of Emergency and Military Affairs	EMF-2020-BR-193-0007, EMF2020BR1930010, HMGFDR4524012008F, HMGFDR4524015010F, HMGPFM5434001001F	UAA	108,589	
97.RD	Federal Emergency Management Agency	Arizona Division of Emergency Management	518311_PDMCPL09AZ2018010	UAA	12,269	
97.RD	Federal Emergency Management Agency	Duke University	343-0849	UAA	280,399	
97.RD	Federal Emergency Management Agency	New York University	F2424-01	UAA	9,202	
97.RD	Federal Emergency Management Agency	Palo Alto Veterans Institute for Research	MCA0006-03/EMW-2020-FP-0020	UAA	53,172	
97.RD	Federal Emergency Management Agency	Rutgers, The State University of New Jersey	1714	UAA	36,372	
	Department of Homeland Security Subtotal				6,914,148	2,269,736
	Agency for International Development					
98.RD	Agency for International Development			ASA	5,879,150	3,139,531
98.RD	Egypt USAID-Cairo			ASA	3,747,706	
98.RD		Abt Associates, Inc.	TASK ORDER NO. 53980	ASA	18,448	
98.RD		Amref Health Africa	LOA 09-10-21/ 72066321CA00001	ASA	241,677	
98.RD		Applied Research Laboratory for Intelligence and Security (ARLIS)	110345-Z8429202	ASA	38,571	
98.RD		Boston Fusion Corp	BF-5065-SK001	ASA	378,919	
98.RD		CFD Research Corporation	0000001636	ASA	29,917	
98.RD		Conservation International Foundation	CI-112310	ASA	63,678	
98.RD		DAI Global, LLC	1005034-S23-39631-00	ASA	141,926	44,528
98.RD		Development Professionals, Inc.	LAC-APS-015	ASA	74,999	
98.RD		National Academy of Sciences (NAS)	SCON-10000776	ASA	79,300	
98.RD		Organic Crop Improvement Association (OCIA)	AGR 3/28/2024	ASA	6,737	
98.RD		Purdue University	F0004868402098	ASA	7,902	
98.RD		RTI International	5-330-0219186-67407L	ASA	220,858	
98.RD		The REMADE Institute	21-01-RR-5014	ASA	268,652	
98.RD	United States Agency for International Development			UAA	3,173,923	971,237
98.RD		University of California, Davis	A2018255022	UAA	188,404	163,644
	Agency for International Development Subtotal				14,560,767	4,318,940
	Miscellaneous Federal Agencies					
99.RD		350Solutions, Inc.	ASU-23-0001, ASU-23-0001	ASA	248,660	
99.RD		Fiji Ministry of Finance, Strategic Planning, National Development and Statistics	AGR 5/10/23	ASA	506,592	84,000
	Miscellaneous Federal Agencies Subtotal				755,252	84,000
	Total Research and Development Cluster				884,717,748	130,275,059
	Total Expenditures of Federal Awards				\$ 28,586,474,697	\$ 3,660,034,371

State of Arizona
Notes to the Schedule of Expenditures and Federal Awards
Year Ended June 30, 2024

Note 1 - Significant Accounting Policies

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

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

Basis of Accounting—The federal awards reported in the schedule were presented in the State’s governmental and business-type activities; governmental and proprietary funds; and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2024; and were accounted for using the modified accrual and full accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles with the following exceptions:

Northern Arizona University	84.425F	Education Stabilization Fund	4,887,447
-----------------------------	---------	---------------------------------	-----------

In this instance and amount, revenues were received during the fiscal year as reimbursement for lost revenues that were reduced or eliminated because of the COVID-19 pandemic are also reported as expenditures of federal awards.

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

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

Transfers of Federal Assistance Between State Agencies—When federal assistance is transferred from one state agency to another, the expenditure should be reported in the SEFA

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

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

Note 2 - Federal Assistance Listings (formerly CFDA)/Identifying Numbers

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

Note 3 - Research and Development Cluster

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

Note 4 - Loan Programs

Student Loan Programs

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

Loan Program	Assistance Listing	Loan Balances Outstanding at June 30, 2024
STEM Education (formerly Education and Human Resources)	47.076	\$390,807

ARRA—Trans-NSF Recovery Act Research Support	47.082	\$60,780
Federal Perkins Loan Program— Capital Contributions	84.038	\$3,398,478
Nursing Faculty Loan Program (NFLP)	93.264	\$6,445,291
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	\$12,403,224
Nursing Student Loans	93.364	\$687,099

Note 5 - Unemployment Insurance (Assistance Listings Number 17.225)

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

The amount presented in the schedule consists of the following:

Regular unemployment compensation benefits	\$ 309,170,618
COVID-19 – Unemployment compensation benefits	8,438,877
Federal Additional Compensation (FAC) Recoupment	(2,606,153)
Unemployment compensation for federal employees	1,477,001
Unemployment compensation for ex-service members	525,104
Administrative costs	36,466,218
COVID-19 – Administrative Costs	<u>24,281,547</u>
Total expenditures	<u>\$ 377,753,212</u>

Note 6 - Contingent Liabilities

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

Agency codes

Agency Code	Agency
ADA	Arizona Department of Administration
AGA	Arizona Attorney General
AHA	Arizona Department of Agriculture
ASA	Arizona State University
BNA	Arizona State Board of Nursing
BRA	Arizona Board of Regents
CAA	Arizona Commerce Authority
CCA	Arizona Corporation Commission
CDA	Arizona Early Childhood Development and Health Board
CHA	Arizona Department of Child Safety
CLA	Exposition and State Fair Board
CRA	Arizona Cotton Research and Protection Council
DCA	Arizona Department of Corrections
DEA	Arizona Department of Economic Security
DJA	Arizona Department of Juvenile Corrections
DTA	Arizona Department of Transportation
EDA	Arizona Department of Education
EOA	Office of Economic Opportunity
EVA	Arizona Department of Environmental Quality
FAA	Arizona Finance Authority
FOA	Arizona Department of Forestry and Fire Management
GFA	Arizona Game and Fish Department
GHA	Arizona Governor's Office of Highway Safety
GVA	Office of the Arizona Governor
HCA	Arizona Health Care Cost Containment System
HDA	Arizona Department of Housing
HIA	Arizona Historical Society
HLA	Arizona Department of Homeland Security
HSA	Arizona Department of Health Services
HUA	Arizona Commission of the Arts
ICA	Industrial Commission of Arizona
IDA	Arizona Department of Insurance and Financial Institution
JCA	Arizona Criminal Justice Commission
LLA	Arizona Department of Liquor Licenses and Control
MAA	Arizona Department of Emergency and Military Affairs
MIA	Arizona State Mine Inspector
NAA	Northern Arizona University
PMA	Arizona Board of Pharmacy
PRA	Arizona State Parks
PSA	Arizona Department of Public Safety
SDA	Arizona State Schools for the Deaf and the Blind
SPA	Arizona Supreme Court
STA	Arizona Secretary of State
TOA	Arizona Office of Tourism
UAA	University of Arizona
VSA	Arizona Department of Veterans' Services
WCA	Arizona Department of Water Resources

April 21, 2026

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

Dear Ms. Perry:

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

Sincerely,

Ashley DiMaggio Ruiz
Ashley DiMaggio Ruiz
Assistant Director
State Comptroller

ADR:ac

cc:

Katherine Edwards Decker, Financial Audit Director, Arizona Auditor General
Brian Stutsman, Financial Audit Manager, Arizona Auditor General
Angela Dillard, Statewide Chief Financial Officer, ADOA

State of Arizona
Corrective action plan
Year ended June 30, 2024

Financial statement findings

2024-01

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

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Economic Security (DES)
Arizona Health Care Cost Containment System (AHCCCS)
Office of the Arizona State Treasurer (ASTO)
Arizona Department of Education (DOE)

Name of contact persons and titles: Ashley DiMaggio Ruiz, ADOA Assistant Director
Kori Kappes, DES Chief Financial Officer
Jeff Tegen, AHCCCS Division of Business and Finance
Jackie Harding, ASTO Deputy State Treasurer
John Ward, DOE Executive Director Empowerment Scholarship Account (ESA) Program

Anticipated completion date: See below

Agency's Response: Concur

ADOA anticipated completion date: January 31, 2027

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

DES anticipated completion date: March 31, 2027

The Department will continue to prioritize the preparation and submission of required financial information to ADOA and ensure appropriate resources are dedicated to meeting established deadlines. The Department will continue to maintain regular communication with ADOA, promptly address any issues encountered during the financial reporting process, and seek guidance as needed.

AHCCCS anticipated completion date: December 31, 2026

Corrective Action Plan:

1. Continue to prioritize the preparation and timely submission of all required financial information to ADOA.
2. Evaluate current staffing and workflows and reallocate resources as appropriate to the financial statement preparation process.
3. Strive to meet the ADOA-established deadline while maintaining the integrity and accuracy of the financial statements.
4. Provide all requested documentation and information to ADOA and the auditors on a timely basis.
5. Maintain ongoing, direct coordination and communication with ADOA and auditors regarding any anticipated or encountered difficulties and proactively seek guidance or assistance as needed.

State of Arizona
Corrective action plan
Year ended June 30, 2024

ASTO anticipated completion date: June 15, 2026

The Treasurer's Office will formalize and document its process for preparing annual financial reports and cash reconciliations. In coordination with ADOA, ASTO will also work to establish agreed-upon roles, reconciliation methodology, and timelines to support timely completion of State financial reporting requirements.

DOE anticipated completion date: N/A

Throughout the audit, the ESA Management Team has spent extensive time explaining the program's structure, processes, and day-to-day operations to the auditors as well as complying with their countless documentation requests. Throughout the audit, ADE provided requested information, including access to key systems, audit methodologies, and conflict of interest information to auditors in a consistent and timely manner.

Auditor general omits key information in claiming that ADE did not provide the audit team access to Class Wallet's platform for 3 months

Here is what the auditor general did not state in this report. When the auditor general requested access to Class Wallet's system, ADE directed the auditor general to seek permission for that access to Class Wallet's system from the Arizona Treasurer's Office since the Treasurer holds the contract on behalf of the State. ADE's request was prudent and reasonable. The auditor general expressed frustration with ADE's request. After the auditor general sought access from the Treasurer, the Treasurer chose to authorize ADE to make the decision on Class Wallet access.

When the State's contract holder authorized ADE to decide on granting access to the auditor general, ADE promptly reached out to Class Wallet. As a private company with proprietary information in its system, along with sensitive student information, it agreed to provide access to the auditor general but required the auditor general's employees who sought access to sign a third-party access request agreement. The auditor general's team was initially resistant to sign such an agreement and took time to finally agree to sign it. Once signed, it was necessary for Class Wallet employees to meet with auditor general employees to provide access and information pertaining to its system since the access granted to auditors was essentially an "edit" access, which allows for information to be changed. There is no "read-only" access in the Class Wallet platform. So providing access to untrained users required proper preparation before providing access. As one can understand, the entire process explained here took time. For the auditor general to mischaracterize the situation in her report by omitting key information to make it appear that ADE was obstructionist is blatantly deceptive.

2024-02

Although the Empowerment Scholarship Account (ESA) Program's (Program) audit approach considers some elements of risk, it should utilize a comprehensive risk-based audit approach to decrease the likelihood the Program overlooks unallowable expenditures or those missing documentation or noncompliant with regulations, and reduce the risk of misuse of public monies

Agency: Arizona Department of Education (ADE)

Name of contact person and title: John Ward, Executive Director Empowerment Scholarship Account (ESA) Program

Anticipated completion date: N/A

Agency's Response: Do not concur

State of Arizona

Corrective action plan

Year ended June 30, 2024

Recommendation 1 response:

The auditor general premises her finding on 2 arguments. First, her team indicated that we randomly chose orders to audit. That is untrue. ADE conducts risk-based audits of the nearly 2 million orders submitted by ESA families annually. Current risk factors include:

- Keyword searches associated with unallowable items
- Audits weighted toward riskier transaction types and expense categories
- AI tools to identify orders that reflect anomalous behavior

Secondly, the auditor general states in her report:

Although the Program appears to have classified some lower-risk transactions appropriately and did identify 1 risk factor to consider for its audits, it did not appropriately assess the risk for the remaining factors, constituting 70% of the sample, resulting in all factors having an equal opportunity of being selected even though they do not have equal risk.

When conducting audits, the ESA program uses a variety of methods to identify risk, which are included in the bulleted list above. We do not treat all audit factors the same and they do not have an equal chance of being pulled for audit. In fact, the data would show otherwise. When using specific factors, rather than keywords or AI tools, to pull orders to audit, our process focuses on pulling orders that fall into the riskiest expense categories, which can be empirically demonstrated. Again, we have met with the auditor general's team and communicated that our audits were based on factors that we know through experience and data to be higher risk orders.

The ESA program's risk assessment is a continuous evaluation based on information learned from daily operation of the program by the ESA team and its management.

When the ESA program is provided adequate funding to expand its operations, formally documenting all its current policies and procedures will be one of its priorities. The program currently does not have resources to immediately complete this priority of documenting and consolidating its current policies and procedures in a manual.

Recommendation 2 response:

ADE continuously evaluates operating conditions, including any threshold that it implements. ADE has implemented various thresholds. \$2,000 is the most recent. We will continue to evaluate operational decisions on a frequent basis. We do so far more frequently than annually.

Additionally, the ESA program selecting 30 percent of orders for audit is not a statutory or regulatory requirement. Rather, it was an internal goal previously established based on the transaction volume and staffing levels at that time. The percentage of orders that we can review is fluid because it depends on weekly order volume.

The ESA program strives for as many audits as its staff can do to verify compliance of audited orders with program rules.

We have incorporated this recommendation before any recommendation was made.

Recommendation 3 response:

The auditor general's recommendation has been implemented, before it was made.

State of Arizona
Corrective action plan
Year ended June 30, 2024

Recommendation 4 response:

In our response to the first recommendation, we addressed that we have a process for conducting risk-based audits. The only new portion in this recommendation is to document formal policies and procedures. We agree that policies and procedures should be further documented. When we have adequate funding for additional resources to accomplish that we will do so, as we have always intended. We operate on four-tenths of 1 percent of funds distributed to operate this program. That extremely low level of funding does not allow for the Program to do much more than to prioritize day-to-day operations. The lack of a comprehensive policies and procedures manual is not a failure of program administration but rather a result of inadequate funding.

Recommendation 5 response:

This was implemented before it was suggested by the auditor general. The fact that we worked with Class Wallet to develop the metrics in the tool demonstrates that we have identified risk factors that meet the Program's needs. As we already do, we will continue to assess risk and work with our platform partner to meet evolving risk environments.

The recommendation to document that we have determined that risk factors in the Class Wallet tool meet program needs is already done. The inclusion of any risk factors in the tool is the documented evidence that the factor has been determined to meet program needs. We concur that we will continue to implement our practice of partnering with Class Wallet to include valuable risk-factors that we use to evaluate orders for audit.

2024-03

The Department of Education has not addressed discrepancies between reported conflicts of interest (COI) and the Empowerment Scholarship Account (ESA) Program's (Program) COI log nor ensured Program transactions with reported conflicts were independently reviewed

Agency: Arizona Department of Education (ADE)

Name of contact person and title: John Ward, Executive Director Empowerment Scholarship Account (ESA) Program

Anticipated completion date: N/A

Agency's Response: Do not concur

Recommendation 1 response:

The auditor general is recommending that the ESA program implement its existing procedures regarding conflicts of interest.

Employees submit disclosure forms to ADE's human resources office. Those forms are routed to employees' supervisors for review and to note any disclosure of ESA holders and students that may create a conflict of interest with an ESA employee. ESA supervisors document any noted conflicts of interest in a spreadsheet and inform ClassWallet so that it can direct associated orders to an independent reviewer on the ESA team. Because employees' disclosure forms are sent to their supervisor and the employees do not enter their own conflicts of interest in the spreadsheet where they are tracked and do not transmit conflict of interest information to ClassWallet, the review of conflicts of interest is independent.

"The COI log contained information for 2 Program account holders reported as conflicts for the Program's executive director; however, the executive director had not disclosed these conflicts in the 3 disclosure

State of Arizona

Corrective action plan

Year ended June 30, 2024

forms he submitted between October 2023 and October 2025."

As to the alleged inaccuracy of the conflict-of-interest log, there were 2 account holders listed as conflicts of interest for the ESA executive director who were, in fact, not conflicts of interest. ADE has concerns with how poorly this was presented in the auditor general's report.

The auditor general states that 2 program account holders were reported as conflicts but then the sentence goes on to say that they were not disclosed. The two situations cannot both be simultaneously true. If the executive director reported conflicts of interest, they were disclosed.

The executive director met two ESA families who were struggling to meet their children's educational needs because of long approval and reimbursement timelines that existed prior to December 2025. These two families indicated that they were under particular financial duress. The executive director directed his deputy director to place those families on the list of accounts that are given an independent review by a designated ESA employee, which meant that their orders would be reviewed very quickly, in the same way that orders associated with ESA employees' conflicts of interest are reviewed. Since the executive director did not have any relationship with the 2 account holders that created a conflict of interest, he rightfully did not disclose any relationship with the 2 account holders on his disclosure forms. Nonetheless, the 2 account holders were placed on the list, which the auditor general refers to as a "high risk/exclusion" list. These employees were not placed on a "high-risk" list. For those on the exclusion list, as the ESA team refers to it (rather than the term assigned by the auditor general), their orders are not allowed to be auto processed because of increased scrutiny of their orders. Their orders are assigned to ESA staff for regular review. The 2 families were not placed on that exclusion list. Instead, they were placed on a list for independent review by a single employee designated by the ESA management. Account holders on this list are those generally on the conflict-of-interest (COI) log.

The previous deputy director mistakenly placed the 2 account holders on the COI log because she conflated any account holder on the independent review list with a reported conflict of interest. Having the 2 account holders on the COI list created no risk to the program. It appears that the biggest gap in compliance is that it was not discovered sooner that 2 account holders should not have been on the COI list. We can agree with that. We will now have ADE's HR department review consistency between the COI list and their disclosures on file at least quarterly.

The auditor general is overstepping her authority by recommending policy to ADE rather than demonstrating gaps in compliance. The auditor general recommends that we include all ADE employees (i.e. employees in the food and nutrition unit or the accountability unit, etc.) with ESA-related conflicts of interest on our COI list. That is unnecessary and nowhere in her report does she explain the value of doing so. The purpose of the COI, as explained to the auditor general's team, is that no ESA employee can take action on an ESA account with which they have a close relationship that creates a conflict of interest. Since, for example, an employee in the food and nutrition unit does not have any access to any ESA system, they cannot action any ESA account. For this reason, we do not concur with the applicable portion of the recommendation.

Finally, to agree to send those on the COI list to ClassWallet is unnecessary, since the ESA program already does that.

Recommendation 2 response:

State of Arizona

Corrective action plan

Year ended June 30, 2024

The auditor general's recommendation is based on incorrect information presented in her report. In the auditor general's Table 2, of her 2024-03 report, she mistakenly reports that ADE did not ensure that 90 transactions associated with Program employees' disclosed conflicts were reviewed and approved.

In Table 2, the auditor general states that 64 orders associated with ESA employees' conflicts of interest were not reviewed according to the ESA programs policies. The 64 purchases are for orders made on an ESA prepaid debit card (prepaid transactions). When an ESA holder uses a debit card at a retailer or service provider, the transaction is immediately processed. Because prepaid transactions, like any debit or credit card transaction, are immediately processed, there is no need for an ESA employee to approve the order since the transaction has already been completed and funds have already been transmitted to the retailer or service provider. As a result, an ESA employee would never review and approve a prepaid transaction, which eliminates the need for such transactions to be put on any independent review and approval list. Prepaid transactions are subject to the normal risk-based audit procedures of the ESA program.

The auditor general also states in Table 2 that 25 transactions that were auto processed were not reviewed. Auto processed transactions are not prospectively reviewed by an ESA staff member. ADE explained to the auditor general that the purpose of the COI log is to ensure that no ESA employee can take action on an order with which they have a conflict of interest. Since these transactions were auto processed there was no risk that an ESA employee had taken action on an order with which they have a conflict of interest. However, these orders were still subject to risk-based auditing.

In a finding dedicated to conflicts of interest, the auditor general also reports on the spending associated with the executive director. The auditor general attempts to show disregard by the ESA director when she states that he submitted a receipt for reimbursement and did not include evidence that his child's piano teacher was accredited, which means that the piano teacher has a high school diploma. The auditor general is correct that no high school diploma was submitted. The reason is that the music store has its accreditation on file with the ESA program.

Similarly, the auditor general says that unallowable "explicit adult romance" books associated with an ESA manager's conflicts of interests was approved. To be clear, the ESA manager did not purchase these books. To attempt to impugn her because of purchases by an ESA holder who is related to her in some fashion is very low. Further, the auditor general's team has never been trained on reviewing allowable ESA purchases, so they should not presume to be the deciders of what is allowable and what is not in the ESA program. We do not believe there are any ESA families clamoring to have the auditor general decide which books their children should read. They had no basis to determine that the ESA program should deny these prepaid transactions and require repayment of these books. Instead, implication is used to imply that an ESA manager who did not even purchase these books is associated with books that potentially conjure up the idea that they may have been pornographic. Auditors are trained in numbers, not in principles of censorship. This was a false accusation.

Recommendation 3 response:

ADE's response to this recommendation has already been thoroughly covered in its response to recommendation 1.

Recommendation 4 response:

ADE's response to this recommendation has already been thoroughly covered in its response to recommendations 1 and 2.

State of Arizona
Corrective action plan
Year ended June 30, 2024

Recommendation 5 response:

When the ESA is funded at a level that allows us to direct more resources to additional documentation and compilation of all of our policies and procedures, we will do so. Operating on .4 percent of the size of the program we can only prioritize core operational responsibilities.

Additionally, the audit also clearly exceeds the Auditor General's statutory mandate under A.R.S. §41-1279. That is because it largely seeks to evaluate policy choices rather than compliance, as demonstrated in this recommendation. However, we will always strive to continuously improve our procedures to ensure a well-managed program. The Arizona ESA program operates with the fewest resources of any ESA program in the nation and has nonetheless demonstrated through its statistical analysis that the ESA program has less than a 2 percent unallowable spending rate. The robust growth of the program and its low rate of misuse despite systemic underfunding demonstrates our commitment to effective management on behalf of Arizona taxpayers.

Recommendation 6 response:

The recommendation appears to stem from the portion of the auditor general's report that states:

Further, as part of analyzing fraud risks, management should also assess the risk of management override of controls, such as adding families to a high-risk/exclusion list to inappropriately expedite processing time for their reimbursements requests and develop appropriate responses to address the risk.

ADE's response in recommendation 1 addresses the inaccurate information expressed in this sentence from the auditor general's report.

2024-04

The Arizona Department of Education's (Department) Empowerment Scholarship Account (ESA) Program (Program) did not conduct or timely conduct reviews of transactions that may be indicative of unallowable expenses or fraudulent activity and did not always take further required action, such as issuing a suspension notice or termination letter, which may have resulted in \$86,599 of ESA program monies we reviewed being misused

Agency: Arizona Department of Education (ADE)

Name of contact person and title: John Ward, Executive Director Empowerment Scholarship Account (ESA) Program

Anticipated completion date: N/A

Agency's Response: Do not concur

Recommendation 1 response:

The auditor general's recommendation implies that ADE does not conduct, document and take further due process action on unallowable items in the 2-year window prescribed in Arizona Administrative Code. That is incorrect.

Next, the recommendation states that we should "take the required further action" after we have identified unallowable items or orders missing required documentation. The implication is that we do not always take further action on these types of items or orders within the allowable time. The audit report presents examples of orders that were unallowable or missing required documentation that were not acted upon by ADE for months. Apparently, this is supposed to demonstrate some material level of operational failure

State of Arizona

Corrective action plan

Year ended June 30, 2024

by ADE. It is not. When ADE identifies and documents unallowable items and unsupported orders, those items or orders become part of a queue of orders that will need to receive suspension letters to start the due process to which account holders are entitled. Nothing in state law or administrative code states that ADE must send suspension notices to account holders within a specific time period after ADE identifies unallowable or unsupported items or orders. The only timeframe that is mentioned is the 2-year window. So any action within the 2-year window irrespective of its proximity to identifying an unallowable item is allowable. Nonetheless, the auditor general repeatedly and mistakenly stated that ADE did not take "timely" action on items that it identified as unallowable or unsupported.

ADE has to contend with due process requirements passed by the State Board. As ADE's methods for detecting and identifying unallowable items continue to improve, the due process requirements may easily outstrip program resources and without additional funding may result in too few resources to initiate account suspensions in the 2-year time period for all account holders associated with unallowable spending.

As it already does, ADE will continue to document its audits and initiate due process requirements for account holders.

Recommendation 2 response:

This recommendation is based on an inaccurate understanding by the auditor general.

ClassWallet staff have assisted ADE with reviewing very simple ESA purchases that have been submitted by account holders on behalf of students. This has assisted the ESA program with ameliorating order approval and reimbursement times for account holders. Any time complex orders are submitted which require review of a student's disability documentation or additional supporting documentation, ClassWallet staff who assist ADE will place those orders in the pool of orders from which ADE pulls its risk-based audit samples.

Despite ESA staff explaining this to the auditor general's team numerous times, they conflated ClassWallet not reviewing an order as tantamount to ClassWallet identifying the order as "escalated" and implying high-risk of unallowability. As a result, the auditor general presented in her report that ESA staff did not take action on orders "escalated" by ClassWallet with the implication that the ESA team was not addressing orders with known problems. This is false.

Recommendation 3 response:

The auditor general's recommendation implies that all auto-processed orders under \$2,000 are not eligible for audit. All orders submitted to the ESA program under \$2,000 that are auto-processed are included in the pool of orders that can be chosen for audit. During the audit we discovered that there were some reimbursement orders that were not placed in the pool of orders eligible for audit. This was the result of timing issues between when reimbursement orders were pulled for audit and when they were available in the audit pool. The problem was of a technical nature and has been corrected. However, all transaction types are subject to review through the AI tools ADE uses to identify orders that reflect anomalous behavior. Nonetheless, our audit documentation demonstrates that we audited orders under \$2,000. All account holders associated with items and orders identified as unallowable or unsupported will be provided due process within the 2-year window to the greatest extent that resources allow. Additionally, recommending that we use keyword searches, which we already do, is unnecessary. The auditor general is recommending that we keep doing what we are already doing.

State of Arizona
Corrective action plan
Year ended June 30, 2024

Recommendation 4 response:

This recommendation implies that we did not audit orders that were included in "batch approvals". According to the auditor general in her report, this is likely because we "did not have a plan." The auditor general's recommendation is based on false information presented in her report that is easily disprovable. For these reasons, ADE cannot concur with this recommendation.

Prior to the implementation of ADE's current \$2,000 threshold for auto-processing orders, ADE had implemented other thresholds for processing orders to manage the backlog that was caused by inadequate staffing to review every single order prospectively. All orders that were in the queue for review under the threshold were then automatically processed.

Specifically, the portion of the report that addresses this issue is written in such a way that it is difficult to identify which "batch" of orders the auditors are referring. But based on the totality of the report, we believe it refers to a backlog of orders processed in November 2025. The auditor general's report goes on to say that "...Program management did not have a plan to subsequently review these transactions to ensure they were allowable and complied with Program rules and guidelines."

The auditor general's statement is false. This group of orders that was auto processed was included in the pool of orders eligible for audit. In fact, orders in that group are documented in our spreadsheets as having been audited. Given the fact that we audited orders in this group, it is baseless for the auditor general to impugn the ESA management in stating that they "did not have a plan". If there was no plan, there would be no evidence of these orders being audited.

Recommendation 5 response:

The implementation of technology to help ESA operate at maximum efficiency and effectiveness is always at the top of our minds. This is why we have met week-in-and-week-out with ClassWallet to partner with it as it develops and implements the necessary tools to identify items and orders that are at high risk of being unallowable.

Further, the announcement of a Request for Information (RFI) by the Arizona Treasurer provides ADE an opportunity to continue to share our insights with the Treasurer about what technical capabilities the next ESA financial platform contractor must have to meet the needs of the Arizona ESA program.

Recommendation 6 response:

The auditor general's recommendation is based on incorrect information and is misleading. The recommendation implies that the ESA program has not developed training for its purchase review employees. That is not true. As explained to the auditor general's team, we train through direct instruction by experienced team members, demonstrations on live data in ClassWallet, and guided review and instruction of the ESA handbook. Although we cannot agree that we need to "develop" training for our purchase review staff as we already do this. We can state that when we have resources to hire additional operational positions, like a trainer, we will "document" by developing training manuals that can further support the training that we offer new staff.

Recommendation 7 response:

There is no basis for this recommendation. Nothing in ADE's operation of the ESA program indicates that we do not train staff when there are changes to the ESA parent handbook, which happens at most once annually. In fact, during weekly meetings of the ESA purchase review team, any changes that impact how staff are to perform their jobs are discussed then. Additionally, the ESA parent handbook adopted by the State Board of Education for fiscal year 2027 was the same handbook adopted for fiscal year 2026, with

State of Arizona
Corrective action plan
Year ended June 30, 2024

no substantive changes. So this recommendation would likely not even be applicable again until fiscal year 2028.

2024-05

The Department of Economic Security—Division of Employment and Rehabilitation Services did not prepare complete and accurate monthly bank reconciliations for 3 bank accounts holding unemployment insurance monies, resulting in a \$19.9 million difference between the bank records and cash and increasing its risk of fraudulent activity and undetected errors

Agency: Department of Economic Security

Name of contact person and title: Anna Hunter, Assistant Director of the Division of Employment and Rehabilitation Services

Anticipated completion date: December 31, 2026

Agency's Response: Concur

The Department of Economic Security will address the audit recommendations by addressing the following:

1. **Bank Reconciliations:** Preparing detailed, complete, accurate, and timely monthly bank reconciliations for all Unemployment Insurance accounts, and promptly investigating and resolving differences. Retaining source records to support reconciliations in adherence with the Department's record retention schedule.
2. **Unreconciled Cash:** Investigating and resolving the unreconciled cash as of June 30, 2024, posting necessary adjusting journal entries, and returning any required monies to the federal government.
3. **Policy and Procedure Development:** Developing and implementing comprehensive bank reconciliation policies and procedures.
4. **Staff Training and Automation:** Training staff on reconciliation processes, the purpose of reconciliation, understanding account activity, and resolving discrepancies. Actions also include automating benefit ledger input to reduce errors and working with programmers to extract necessary accounting records, including archived data.
5. **Management Oversight:** Ensuring Division management responsible for internal control procedures has the necessary skills, knowledge, and experience.

2024-06

Department of Economic Security did not maintain adequate records to support the classification of \$257.4 million in liabilities as unearned revenues reported in the State's financial statements, resulting in a qualified financial statement opinion and a risk that the State may be required to return all or a portion of the \$257.4 million to the federal government

Agency: Department of Economic Security

Name of contact persons and titles: Kori Kappes, Assistant Director of the Division of Financial Operations; Anna Hunter, Assistant Director of the Division of

State of Arizona
Corrective action plan
Year ended June 30, 2024

Employment and Rehabilitation Services; Jamie Carr,
Administrative Counsel for the Division of Appellate Services

Anticipated completion date: June 30, 2027

Agency's Response: Concur

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

The Department will ensure that reported unearned revenues are supported by detailed accounting records, extract and review underlying accounting records (including archived data), and return any unearned monies to the federal government that cannot be disbursed to eligible claimants. The Department will also continue to resolve outstanding pandemic federal program appeals in effort to minimize their impact on Unearned Revenues.

The Department will improve financial statement compilation to ensure consistency with Generally Accepted Accounting Principles and ensure that employees preparing financial statements have the necessary skills and knowledge.

2024-07

The Department of Economic Security did not accurately record unemployment insurance tax overpayments to support an estimated \$51.3 million of its \$173.8 million in accrued liabilities reported in the State's financial statements, resulting in a qualified financial statement opinion and an increased risk that DES may refund employers for unemployment insurance tax overpayments they are no longer legally entitled to

Agency: Department of Economic Security

Name of contact person and title: Anna Hunter, Assistant Director of the Division of Employment and Rehabilitation Services

Anticipated completion date: December 31, 2026

Agency's Response: Concur

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

Department programmers are developing a process within the current subsystem to accurately record unemployment insurance tax overpayments on the last day of the fiscal year, in accordance with State law.

The Department will also update its request and compilation process that will allow the Department to report the accrued liabilities and charges for services or other operating revenues accurately in alignment with the subsystem changes.

The Department will develop and implement written policies and procedures to track and evaluate overpayments of unemployment insurance taxes made by employers to ensure they are properly recorded in the benefits subsystem and the State's financial statements.

The Department will continue its investigation of its statutory authority for allowable uses of unemployment insurance tax overpayments. The Department will rely on the results of the investigation

State of Arizona
Corrective action plan
Year ended June 30, 2024

to assess whether the accrued liabilities reported in the State's financial statements are accurate and prepared in accordance with Generally Accepted Accounting Principles and State laws.

2024-08

Division of Developmental Disabilities did not separately account for or report to the Social Security Administration (SSA) each developmentally disabled member's invested social security disability insurance benefit payments, resulting in monies being held for members for whom it was no longer serving as the representative payee that may need to be returned to the SSA or transferred to the appropriate recipient

Agency: Department of Economic Security

Name of contact person and title: Patrick Hays, Deputy Assistant Director of Business Operations

Anticipated completion date: December 31, 2026

Agency's Response: Concur

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

The Department will update and follow its existing policies and procedures regarding member's invested benefits payments in accordance with the auditor's recommendations. The Department is also proceeding to contract with a private CPA firm to perform a complete reconciliation of the client funds to determine any potential monies owed to members and potentially any monies that need to be returned to SSA.

2024-09

The Arizona Department of Administration and Office of the Arizona State Treasurer (ASTO) were unable to support why cash and pooled investments reported in the ASTO's financial statements exceeded the State's accounting system by \$68 million, resulting in erroneous financial reporting and an increased risk of fraud and misuse of public monies

Agency: Arizona Department of Administration (ADOA)

Office of the Arizona State Treasurer (ASTO)

Name of contact persons and titles: Ashley DiMaggio Ruiz, ADOA Assistant Director
Jackie Harding, ASTO Deputy State Treasurer

Anticipated completion date: See below

Agency's Response: Concur

ADOA anticipated completion date: September 30, 2026

The ASTO and ADOA will meet on a recurring basis to discuss and document questions and issues related to the reconciliation of cash and investment balance variances between the ASTO general ledger system and the AZ360 financial system. These meetings will also be used to develop a standard methodology for reconciling the two systems. ADOA will review the reconciliation and supporting documentation provided, investigate any unreconciled differences at fiscal year- end and post any necessary adjustments in the statewide financial statements.

ASTO anticipated completion date: June 15, 2026

ASTO will take the following actions to address the audit recommendations:

- Formalize reconciliation policies and procedures to clearly define methodology, data sources, levels of detail, reconciling items, and documentation requirements.

State of Arizona

Corrective action plan

Year ended June 30, 2024

- Implement enhanced supervisory review controls, including independent review and approval of reconciliations.
- Provide targeted professional development and cross-training to strengthen institutional knowledge, continuity, and technical depth in reconciliation and financial reporting activities.
- Strengthen coordination with ADOA by aligning reconciliation timelines, data exchange expectations, and processes for resolving unreconciled differences prior to reporting deadlines.
- Management will monitor compliance to ensure sustained improvement in the accuracy, validity, and timeliness of cash and investment reconciliations.

2024-10

The Arizona Department of Corrections, Rehabilitation, and Reentry spent \$50.9 million of opioid settlement monies but lacks records supporting they were spent for approved purposes, increasing the risk of noncompliance with the opioid abatement agreement

Agency: Department of Corrections, Rehabilitation & Reentry (ADCRR)

Name of contact person and title: Richard Evitch, Assistant Director

Anticipated completion date: September 30, 2026

Agency's Response: Concur

1. ADCRR will continue to use the settlement monies for approved purposes outlined in the One Arizona Agreement.
ADCRR will increase transaction oversight and ensure additional documentation is attached to transactions when necessary. ADCRR will continue its periodic reviews of expenditures posted to opioid settlement monies.
2. ADCRR will continue to use the settlement monies for approved purposes outlined in the One Arizona Agreement.
ADCRR will continue to comply with all records retention rules, policies, and procedures, e.g. the State of Arizona Accounting Manual (SAAM) 00-45 Records Retention, the Arizona State Library retention schedules. ADCRR will update its internal procedures to specifically address the documentation to support expenditures made from opioid settlement monies.
3. ADCRR will update its internal procedures to clarify the supporting documentation required from other ADCRR divisions for expenditures made from opioid settlement monies.
4. ADCRR has provided the rationale and information used to support the original assessment of inmates with substance use disorders.

Information emailed to the Arizona Auditor General's Office on August 12, 2025:

“at least 95% of the Department's inmates who received Hepatitis C care contracted the infectious disease from intravenous opioid use” was based on internal discussions after receiving information from our former Medical Director. In a May 2, 2024 email, our former Medical Director noted that ADCRR had 3,900 known cases of hepatitis C in the nine state complexes and that 3,850 of these patients had a history of substance use disorder.”

ADCRR will document specific inmate medical information for diagnosed cases of Hepatitis C with history of substance use disorder.

5. ADCRR maintains that it appropriately used opioid settlement funds in accordance with the One Arizona Agreement. Hepatitis C treatment expenses are an example of approved funding uses in the One Arizona Agreement.

Information previously provided to the Arizona Auditor General's Office:

“As noted in the Introduction to Section H, these funds must be spent to “[s]upport efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based, evidence-

State of Arizona
Corrective action plan
Year ended June 30, 2024

informed, or promising programs or strategies that may include, but are not limited to, the following” In addition, Section H(9) cited in your email also does not limit to individuals with Hepatitis C resulting from intravenous opioid use, rather, that is provided as one of two examples of infectious diseases.”

ADCRR will document specific inmate medical information for diagnosed cases of Hepatitis C with a history of substance use disorder.

2024-11

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

Agency: Department of Revenue

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

Anticipated completion date: June 30, 2028

Agency’s Response: Concur

The Arizona Department of Revenue (Department) concurs with this audit finding. In December 2020, the Department completed a pilot project for collecting and capturing W-2 and Form 1099 data and developing a tool to perform a reconciliation process for withholding and individual income taxes. The Department began using this tool for the 2021 tax year. In order to further increase compliance with electronic filing requirements, for tax year 2022 the Department implemented a new electronic filing method that allows software vendors and payroll service providers to transmit W-2 and 1099 forms directly to the Department. As a result of this improvement, the Department has not offered a general withholding electronic filing waiver since the 2021 tax year. The Department will continue to engage in outreach and education efforts to assist employers in understanding and complying with requirements for electronic submission of withholding information in order to help ensure that all relevant accounts are included in the Department’s reconciliation process. Additionally, the Department is engaged in the implementation of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts.

2024-12

The Department of Revenue (Department) did not publish \$18.8 million of unclaimed individual income tax overpayments dating back as far as 2007, and they were not readily available for taxpayers to search and claim

Agency: Department of Revenue (ADOR)

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

Anticipated completion date: June 30, 2028

Agency’s Response: Concur

The Arizona Department of Revenue (Department) concurs with this audit finding. As noted in the finding, issues with ADOR’s tax administration system currently prevent the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department. The Department is engaged in the procurement of a new integrated tax system that will allow all individual income tax overpayments of at least \$50 to be posted online for taxpayers to search and claim.

State of Arizona
Corrective action plan
Year ended June 30, 2024

2024-13

The Department of Revenue and General Accounting Office did not properly account for \$212.1 million of income and sales tax overpayments, resulting in the risk that those relying on the State's financial statements could be misinformed

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Revenue (DOR)

Names of contact persons and titles: Ashley DiMaggio Ruiz, ADOA Assistant Director
Mike Devine, ADOR Chief Internal Auditor

Anticipated completion date: See below

Agency's Response: Concur

ADOA anticipated completion date: June 30, 2026

The General Accounting Office Financial Reporting team is currently enhancing its policies, procedures and standard work documentation for reviewing and posting journal entries for taxes receivable. Team members creating, posting and reviewing journal entries for taxes receivables will be trained accordingly.

DOR anticipated completion date: March 31, 2026

The Arizona Department of Revenue (Department) concurs with this audit finding. In accordance with Generally Accepted Accounting Principles, the Department will revise its procedures to accurately calculate taxes receivable and separately record income and sales tax overpayments as liabilities on the schedules submitted to the General Accounting Office. Responsible employees will receive training on these updated procedures.

2024-14

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

Agency: Arizona Department of Administration (ADOA)

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

Anticipated completion date: June 30, 2027

Agency's Response: Concur

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

2024-15

State of Arizona
Corrective action plan
Year ended June 30, 2024

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

Agency: Arizona Department of Administration (ADOA)

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

Anticipated completion date: June 30, 2027

Agency's Response: Concur

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

2024-16

One State agency and 2 State boards did not always prepare, approve, and/or retain required documentation supporting payroll costs, resulting in an elevated risk of fraud and misuse of public monies and possible violations of the Arizona Constitution

Agency: Department of Emergency and Military Affairs (DEMA)

Board of Occupational Therapy Examiners (BOTE)

Board of Athletic Training (BAT)

Central Services Bureau (CSB)

Name of contact persons and titles: Keith Tagaban, DEMA Audit Supervisor

Shaina Ganatra, BOTE Executive Director

Ashley DiMaggio Ruiz, ADOA Assistant Director

Anticipated completion date: See below

Agency's Response: Concur

DEMA anticipated completion date: June 30, 2026

The Department concurs with the audit finding and will implement corrective actions to strengthen compliance and documentation practices. The State Human Resources (HR) Director will review the 20 stipend payments that lack required Personnel Action Forms (PAFs) and approval signatures, resolve any unsupported payments, and potentially recover funds as appropriate within 45 days. The HR Director will ensure adherence to applicable laws and policies, train staff on proper PAF processing, and verify that all stipends or additional compensation are supported by complete documentation and approvals. Policies will be updated to clarify documentation expectations and designate primary and alternate approvers, and the State Human Resources Office will retain PAFs for five years in accordance with the State retention schedule. Internal Audit will report to the Director of Administrative Services, conduct periodic audits, review funding accounts open more than twelve months, and perform annual reviews of personnel receiving stipends or additional compensation to identify unsupported payments.

BOTE/BAT/CSB anticipated completion date: December 30, 2026

In accordance with the State's reporting protocols, the Arizona Department of Administration (ADOA) is submitting this corrective action response for the Board of Occupational Therapy Examiners (BOTE) and for the Board of Athletic Training (BAT).

State of Arizona
Corrective action plan
Year ended June 30, 2024

ADOA clarifies that while the Central Services Bureau (CSB) provides transactional data entry, the legal authority and management certification for payroll, incentive payments, record retention, and employee reimbursements remain the sole responsibility of the BOTE and BAT. ADOA's Central Services Bureau (CSB) agreements do not assume all management or legal responsibilities for its customers; however, CSB will follow the interagency service agreement and update policies and procedures as noted in the finding.

The BOTE and BAT are responsible for developing, documenting, and implementing policies and procedures for its payroll transactions that incorporate the Auditor General's recommendations. The BOTE, BAT and CSB will implement all recommendations noted within the finding and ADOA will work with the Board to implement those recommendations.

2024-17

Seven State agencies and their employees did not comply with the State's accounting manual for approving and issuing purchasing cards or making purchasing card and employee travel card purchases totaling \$48,357 for food, supplies and materials, and nontravel and travel purposes, of which the State paid at least \$47,344. Additionally, these State agencies did not document how \$13,135 of these purchases were necessary to serve a public purpose and to benefit the State and its residents, resulting in an elevated risk of misuse of public monies and possible violation of the Arizona Constitution

Agency: Arizona Department of Administration (ADOA)

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

Anticipated completion date: June 30, 2027

Agency's Response: Concur

State agencies are in the process of reviewing and updating policies and procedures, as applicable. Additionally, several agencies have implemented staffing changes to align with SAAM requirements.

2024-18

The Board of Occupational Therapy Examiners did not properly record its fixed assets within the State's accounting system, resulting in an increased risk that its fixed assets could be stolen, lost, or misused

Agency: Board of Occupational Therapy Examiners (BOTE)

Name of contact person and title: Shaina Ganatra, BOTE Executive Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

In accordance with the State's reporting protocols, the Arizona Department of Administration (ADOA) is submitting this corrective action response for the Board of Occupational Therapy Examiners (BOTE).

ADOA's Central Services Bureau (CSB) agreements do not assume all management or legal responsibilities for its customers. The BOTE is responsible for developing, documenting, and implementing policies and procedures for its fixed assets and therefore the Board will implement all recommendations noted within the finding. ADOA will work with the Board to implement those recommendations.

Other auditors' financial statement findings

2024-19

AHCCCS finding – qualification

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Anticipated completion date: December 31, 2027

Agency's Response: Concur

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

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

2024-20

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

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Completion date: December 31, 2025

Agency's Response: Concur

AHCCCS will be implementing the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and ARPA have contributed to the delay and will be continuing through the FY25 audits.

- Staffing
 - AHCCCS's current finance staff work efficiently, effectively and diligently on the audit. The audit team is a valuable asset to the agency. During FY 24, AHCCCS experienced significant employee turnover of AHCCCS' team which is responsible for coordinating and administering the audit AHCCCS reviewed the size, requisite

State of Arizona
Corrective action plan
Year ended June 30, 2024

- skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting.
- To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with yearend accruals, adjustments and financial statement preparation.
 - Overall Efficiencies
 - Increased collaboration with external auditing firm to develop comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Implemented certain procedural improvements which resulted in a significant improvement in the timing and accuracy of the fiscal 2024 audit.
 - Actions Remaining:
 - Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
 - Continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.
 - Continue to increase inter-agency, Arizona Department of Administration and external auditor collaboration to develop comprehensive workplans for meeting deadlines and ensuring that resources are available to meet targeted deadlines.

2024-21

Audit adjustments

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Completion date: December 31, 2025

Agency's Response: Concur

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

Actions Taken:

- During FY 24, AHCCCS experienced significant employee turnover of AHCCCS' team which is responsible for coordinating and administering the audit. AHCCCS reviewed the size, requisite

State of Arizona

Corrective action plan

Year ended June 30, 2024

skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting. To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with year-end accruals, adjustments and financial statement preparation.

- AHCCCS worked in partnership with the Arizona Department of Administration to establish a preliminary review of financial statements and supporting schedules prior to being submitted to our external auditors for their consideration.
- Implemented certain procedural improvements which resulted in a significant decrease in both the number and size of audit adjustments from the prior year.

Actions Remaining:

- Continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.

2024-22

Restatement of financial statements due to identification of errors

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Completion date: June 30, 2026

Agency's Response: Concur

AHCCCS acknowledges the restatement adjustments noted in the finding. These errors have been reviewed in detail by our financial management team. AHCCCS has taken immediate action to rectify the identified errors to ensure accuracy and compliance including enhancing its procedures for reviewing and reconciling accrual entries at year-end. This includes implementing more robust controls over the recording and classification of accruals, performing timely reconciliations to supporting documentation, and providing additional training and resources to staff involved in the financial reporting process, specifically for year-end contracted health plan risk reconciliation accruals.

2024-23

Reporting and Closing

Agency: Arizona Industrial Development Authority (AIDA)

Name of contact person and title: Daniel Dialiessi, Chief Financial Officer

Completion date: June 30, 2025

Agency's Response: Concur

The AIDA will commit additional resources/personnel to its accounting functions and will implement procedures to capture the timing and full detail of every transaction and accurately track all changes to the balance of every account. Specifically, within the escrow accounts for the TBA and MRB programs, MBS

State of Arizona
Corrective action plan
Year ended June 30, 2024

Settlements are entered into the accounting system as gross rather than net, as was recommended in the finding.

2024-24

Conduit Debt Administrative Fees

Agency: Arizona Industrial Development Authority (AIDA)

Name of contact person and title: Daniel Dialiessi, Chief Financial Officer

Completion date: June 30, 2025

Agency's Response: Concur

Management will implement additional controls for the process of reviewing client invoices. Management will review invoices for compliance with approved fee level, confirm the issue amount, and recalculate the fee amount to verify accuracy prior to submitting invoices to clients for payment.

2024-25

Material Weakness-Fund Balance Reconciliation and Financial Close

Agency: Arizona Commerce Authority

Name of contact person and title: Peter Montalvo, Chief Financial Officer

Completion date: June 30, 2025

Agency's Response: Concur

As a corrective measure, FY 2024 ending trial balance has already been generated and reconciled back to FY 2024 financial statements. The roll forward trial balance was reconciled back to financial statements, which restates the Arizona Commerce Authority's financial statements from Cash Basis to Accrual Basis. For FY 2025, prior to releasing the trial balance to the external auditors, the newly implemented procedures for the balance will be reviewed independently by both the Controller and CFO. Both the Controller and CFO will document that the trial balance ties back to the published prior year financial statements. Additionally, we have spoken with the external auditor to confirm that this internal control measure will alleviate the material weakness as documented.

2024-26

Material Adjustment

Agency: Arizona Department of Transportation

Name of contact person and title: Michelle Huckabay, Controller

Completion date: January 31, 2026

Agency's Response: Concur

The Arizona Department of Transportation (ADOT) agrees with the importance of providing accurate financial data. Management first identified the error when compiling the FY 2024 Annual Comprehensive Financial Report, and once identified took immediate steps to correct the financial statements, and internal processes. ADOT is committed to evaluating its current financial reporting processes to make sure that these processes are in alignment and compliant with the U.S. Generally Accepted Accounting Principles.

State of Arizona
Corrective action plan
Year ended June 30, 2024

2024-27

For 1 of 7 vendor payments for hospital or medical services over \$20,000, initiated by the third-party administrator and requiring approval by the Fund, documentation of approval was not retained.

Agency: Department of Insurance and Financial Institutions

Name of contact person and title: Glen Gabrielson, Executive Director

Completion date: July 31, 2024

Agency's Response: Concur

The current procedure to ensure approval documentation for vendor payments initiated by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill, or charged to single claimant over \$20,000 has been reviewed and updated. The administrator will be required to provide a corrective action plan to the APCIGF Claims Manager. Approvals will be documented both in the claim file and in a separate record maintained by the APCIGF Claims Manager to help ensure that vendor payments, initiated by the third-party administrator for hospital bills and medical services, are properly approved.

2024-28

Disbursements

Agency: Rio Nuevo Multipurpose Facilities District

Name of contact person and title: Dan Meyers, Chief Financial Officer

Completion date: October 31, 2024

Agency's Response: Concur

The CFO and Office Manager worked together to re-evaluate the documentation retention policies. Given the size of the Organization, there are a limited number of disbursement transactions per month, around 50 on average. Disbursement support is filed by vendor after payment. In addition, the Office Manager now reviews a listing of disbursements each month, and verifies all disbursements are filed appropriately by vendor.

Federal award findings and questioned costs

2024-101

Assistance listing number and program name: Not applicable

Agency: Arizona Department of Administration (ADOA)

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

Anticipated completion date: March 31, 2027

Agency's response: Concur

The Department of Administration agrees timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines. We will continue to actively work with the State agencies and our partners, communicating regularly to work towards a timely Single Audit.

The State is committed to continuing to move toward a cycle of completion that is in line with periods prior to the pandemic and outlined by federal law and state standard work. For those efforts impactful

State of Arizona

Corrective action plan

Year ended June 30, 2024

investments have been made by the Governor's Office towards enhancing our resources. This investment primarily focuses on expanding our team, adding skilled staff members who specialize in financial reporting and auditing. This proactive approach, supported by the Governor's Office, underscores our commitment to transparency and fiscal responsibility. By fortifying our resources in this manner, we are setting a foundation for meeting submission deadlines.

2024-102

Assistance listing number and program name: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Agency: Governor's Office of Strategic Planning and Budgeting (OSPB)
Arizona Department of Housing (ADOH)
Arizona Department of Water Resources (ADWR)
Arizona Office of Tourism (AOT)
Industrial Commission of Arizona (ICA)

Name of contact persons and titles: Ben Henderson, Director Governor's Office of Strategic Planning & Budgeting
Keon Montgomery, ADOH Assistant Deputy Director of Programs
Will Palmisano, ADWR Finance and Administration Assistant Director
Mary-Ellen Kane, AOT Assistant Deputy Director
Sylvia Simpson, ICA Chief Financial Officer

Anticipated completion date: See below

Agency's response: Concur

OSPB anticipated completion date: April 2027

As indicated by the auditors, OSPB has demonstrated compliance with subrecipient monitoring requirements in FY24. The audit report limits OSPB's inclusion in this finding to the questioned costs (\$1,623,846) identified by OSPB through its subrecipient monitoring. However, the identification of questioned costs is not evidence of a deficiency in OSPB's subrecipient monitoring; rather, the opposite, it demonstrates that OSPB has sound internal controls and an effective subrecipient monitoring system in place. Accordingly, OSPB will continue with the existing comprehensive subrecipient monitoring framework as outlined below:

- **On-going Grantee Support** - The Office provides a variety of subrecipient support including technical assistance, Communities of Practice(COP), and regular status check meetings.
- **Training** - Office staff facilitate ongoing training and provide resources and guides to improve understanding of compliance requirements and provide tools to support proper grants management.
- **Financial Report-Reimbursement Requests**—The Office reviews the grantee's financial reports to ensure costs align with the approved budget, program objectives, and federal cost principles.
- **Performance Reports**—The Office reviews the submission of programmatic reports to track progress on grant goals.
- **Single Audit Reports**—The Office confirms any required subrecipient Single Audits, reviews a copy of the most recent Single Audit Reporting Package (SARP), issues any necessary management decisions, and conducts follow-up monitoring of Corrective Action Plans.
- **Risk Assessment (RA)**—The Office conducts a Risk Assessment (RA) of grantees when applying for grants to inform the grant award decision and possible grantee oversight or restrictions. Additionally, the Office conducts an annual RA of any grantee currently awarded funding.

State of Arizona

Corrective action plan

Year ended June 30, 2024

- **Monitoring Reviews** - The Office utilizes the RA results to prioritize high risk grantees to be reviewed through a desk or on-site monitoring. Medium risk grantees will receive additional support and will be referred to our Compliance and Reporting team for further review if additional concerns arise.

The Office has implemented all past recommendations and OSPB is committed to continuing these ongoing efforts to actively reduce the risks of waste, fraud, and abuse of federal dollars through our subrecipient monitoring process. OSPB will continue Coronavirus State and Local Fiscal Recovery Funds subrecipient monitoring and follow-up through the grant closeout in April 2027.

ADOH anticipated completion date: March 2026

The ADOH has begun to develop and implement formal, documented subrecipient risk assessment procedures to ensure monitoring activities are aligned with assessed levels of risk. This will include establishing standardized criteria to evaluate subrecipient risk and documenting risk determinations.

These enhancements are also consistent with recommendations identified in the State's most recent Sunset Audit, and the Agency has already begun implementation of these procedures. The ADOH will update policies and procedures accordingly and provide staff training to ensure consistent application. These actions will strengthen internal controls and ensure compliance with applicable subrecipient monitoring requirements.

The ADOH will implement procedures to strengthen subrecipient monitoring related to Single Audit requirements. This will include verifying submission to the Federal Audit Clearinghouse, obtaining and retaining copies of all applicable Single Audit reports, and maintaining a tracking mechanism to document receipt and review.

The ADOH will also establish procedures to review audit findings and ensure appropriate follow-up, including verification of subrecipient corrective actions, and will support consistent implementation.

ADWR anticipated completion date: December 31, 2026

Before approving an application from an eligible subrecipient for federal grant monies, ADWR as a passthrough entity, will conduct a risk assessment of the subrecipient as part of the initial award approval. ADWR will create a standardized checklist that will enable ADWR to make an informed decision regarding what monitoring tasks will be necessary consistent with 2 CFR 200.332. Once an eligible subrecipient applies for federal grant monies, ADWR will require the applicant subrecipient to fill out the checklist and establish a monitoring program consistent with the results. ADWR will develop staff training and a standard work to implement this program. If the award spans more than one year, the results of any applicable single audits will inform ADWR if changes to the monitoring program for a particular subrecipient are required. As part of a program standard work, ADWR will send a questionnaire to subrecipients regarding federal award expenditures and remind them of any single audit requirements as well as expected completion date of any applicable audits. Failure of any prescribed monitoring items will trigger award review and possible reclassification of risk, additional monitoring, and/or withholding of pending reimbursements until the subrecipient remedies an issue.

AOT anticipated completion date: March 20, 2026

AOT has established a process to verify that subrecipients who receive a grant award greater than \$750,000.00 are able to provide a current single audit. AOT will provide sub recipients additional written documentation identifying required completion dates and any additional instructions required. Processes

State of Arizona
Corrective action plan
Year ended June 30, 2024

and procedures have been developed and implemented. The program has concluded and no further action will be taken.

AOT has established a process to ensure the required backup documentation provided by the subrecipient is acceptable for reimbursement. AOT will continue to communicate with OSPB on updates to policy to ensure the processes and procedures are being implemented within federal and state funding guidelines. The program has concluded and no further action will be taken.

ICA anticipated completion date: December 31, 2025

The ICA concurs with the finding regarding subrecipient monitoring. The ICA's involvement as a pass-through entity for the SLFRF program was a unique, one-time occurrence designed to facilitate the equitable distribution of funds to Arizona fire districts based on a methodology approved by the Office of Strategic Planning and Budgeting (OSPB). The ICA does not expect to serve as a pass-through entity for federal funds in the future. While the ICA implemented rigorous validation steps, including the thorough review of payroll records, receipts, and attestations prior to any reimbursement, the agency recognizes that formal risk assessments and subaward agreements were not executed at the onset of the program. The ICA became aware of these specific documentation deficiencies through the audit process after the program had already ended on December 31, 2025.

The ICA will address the underlying control deficiency by updating its internal grant management procedures to ensure in the event the agency was to act as a pass-through entity again, formal risk assessments and standardized subaward agreements would be completed by the subrecipient as part of the requirements to receive federal monies.

Additionally, the ICA has since obtained 100% of the required single audit reports from the applicable subrecipients and has verified that all necessary corrective actions for unrelated findings have been addressed.

2024-103

Assistance listing number and program name: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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

Name of contact person and title: Ben Henderson, Director Governor's Office of Strategic Planning & Budgeting

Anticipated completion date: December 31, 2026

Agency's Response: Concur

The Office agrees with this finding and will continue to take corrective action to bring the program fully into compliance with Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Federal grant reporting requirements. The Office recognizes the importance of transparency in the use of Federal grants and has taken significant corrective action to resolve any inaccuracies in Federal grant reporting. The Office has implemented specific actions to ensure reporting inaccuracies and program expenditure understatements/overstatements do not occur. During fiscal year 2025 and 2026, the Office has taken corrective action to improve SLFRF reporting processes, including conducting weekly reviews and monthly reconciliations as outlined:

State of Arizona

Corrective action plan

Year ended June 30, 2024

- Award Reconciliation — The Office has conducted a comprehensive review and extensive reconciliation of all awards to identify reporting inaccuracies. This reconciliation will continue as an ongoing process through the SLFRF closeout.
- Expenditure Reconciliation — The Office staff responsible for preparing the SLFRF quarterly reports is completing the reconciliation of all expenditures to the State’s accounting records, which are the official expenditures for the program. This will continue as an ongoing process through the SLFRF closeout.
- Enhanced Reporting Mechanisms—The Office will review, correct, and/or resubmit any inaccurately reported information. The staff responsible for preparing the SLFRF quarterly reports is no longer reconciling to the Office’s internal grants-management system. Reports will be compiled from the State’s accounting records, which are the official record of expenditures made for the program. The Office will investigate and resolve any differences prior to submitting the report to the federal agency. This will continue as an ongoing process through the SLFRF closeout.
- Update Procedures—Based on the comprehensive review noted in the response above, the Office is continuing to implement improved reporting procedures to ensure the accurate submission of grant expenditure data. This includes revised standardized templates, improved guidelines, and enhanced communication channels to improve reporting accuracy.
- Ongoing Training — Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors. During fiscal years 2025 and 2026, staff engaged in 18 professional development opportunities, including monthly federal reporting calls, grants management webinars and trainings, internal training sessions, state accounting system training, and participation in a Microsoft data conference. These ongoing efforts reflect our commitment to staying current with compliance requirements and best practices. The Office will continue to strengthen internal controls to prevent similar issues in the future. This involves strengthening oversight, providing additional training to staff members in reporting processes, and implementing regular quality assurance checks.

As of this date, the Office has allocated sufficient resources to comply with the award terms and program reporting requirements by establishing the Grants Technology and Data team dedicated to overseeing the necessary SLFRF program reporting procedures. The Office is committed to eliminating any risk through a full reconciliation of expenditures by the end of the program, which occurs during fiscal year 2027.

2024-104

Assistance listing numbers and program names: 21.023 COVID-19 Emergency Rental Assistance Program
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Agency: Department of Economic Security (DES)

Name of contact person and title: Molly Bright, Community Services Division Assistant Director

Anticipated completion date: June 30, 2026

Agency’s Response: Concur

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

1. Ensure benefit payments are for allowable costs paid to or on behalf of eligible program applicants.

State of Arizona

Corrective action plan

Year ended June 30, 2024

The Division will review and confirm that benefits payments paid to or on behalf of eligible program applicants are allowable expenditures of the federal funding being disbursed.

2. Update existing policies and procedures to include a post-review of the benefits subsystem's automated review of eligibility requirements, such as verifying the income thresholds and geographic location aligned with the Division's written policies and procedures, and supported by required documentation. The Division should correct any inaccurate eligibility determinations identified during the post-review.

Emergency Rental Assistance Program policies and procedures require validation of eligibility based upon substantiating applicant documentation, including household income and geographic location. The Division will update Division policy to include a post-review process to identify and correct any errors or discrepancies.

3. Allocate sufficient staffing resources to perform a thorough evaluation of program benefits applications and provide training on eligibility requirements and allowable benefit payments.

The Division will allocate sufficient staffing resources to evaluate program benefits applications and provide training on eligibility requirements and allowable benefit payments.

4. Work with the federal agencies to resolve the \$64,131 in program funds that were spent in violation of federal regulations, policies and procedures, and may need to be returned to the federal agencies.

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

1. Ensure benefit payments are for allowable costs paid to or on behalf of eligible program applicants.

The Division will review and confirm that benefits payments paid to or on behalf of eligible program applicants are allowable expenditures of the federal funding being disbursed.

2. Update existing policies and procedures to include a post-review of the benefits subsystem's automated review of eligibility requirements, such as verifying the income thresholds and geographic location aligned with the Division's written policies and procedures, and supported by required documentation. The Division should correct any inaccurate eligibility determinations identified during the post-review.

Emergency Rental Assistance Program policies and procedures require validation of eligibility based upon substantiating applicant documentation, including household income and geographic location. The Division will update Division policy to include a post-review process to identify and correct any errors or discrepancies.

3. Allocate sufficient staffing resources to perform a thorough evaluation of program benefits applications and provide training on eligibility requirements and allowable benefit payments.

The Division will allocate sufficient staffing resources to evaluate program benefits applications and provide training on eligibility requirements and allowable benefit payments.

4. Work with the federal agencies to resolve the \$64,131 in program funds that were spent in violation of federal regulations, policies and procedures, and may need to be returned to the federal agencies.

The Division will coordinate with applicable federal agencies to resolve these unallowable costs.

State of Arizona
Corrective action plan
Year ended June 30, 2024

2024-105

Assistance listing number and program name: 21.027 Coronavirus State and Local Fiscal Recovery Funds

Agency: Department of Economic Security (DES)

Name of contact person and title: Molly Bright, Community Services Division Assistant Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

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

1. Include information required by federal regulations in its subawards to subrecipients, including federal award identification information and any additional requirements the Department imposed on the subrecipients to meet its responsibilities under the federal award.

The Department will analyze and improve its information dissemination practices to ensure that all information required by federal regulations is included in the subawards to subrecipients. This will include the federal award identification information and any further requirements the Department imposes on the subrecipients to meet the responsibilities under the federal award and applicable state laws.

2. Perform required monitoring of its subrecipients and their compliance with the award terms and program requirements.

The Department will revise its agency-wide policies and procedures related to single audit requirements for pass-through entities to include guidance regarding how to establish effective subrecipient monitoring procedures. The Department will also offer additional subrecipient monitoring guidance for programs administered by divisions with existing subrecipient monitoring findings. A divisional Monitoring and Compliance Policy and Procedure Manual is currently being developed to ensure compliance with these regulations across all program areas, including those subject to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Grant.

3. Develop, implement, and train all divisions on entity-wide written subrecipient-monitoring policies and procedures requiring all divisions to:
 - a. Ensure that every subaward is clearly identified to the subrecipient as a subaward by including in its award terms with subrecipients information necessary for the subrecipient to administer the program in accordance with federal requirements. Required information includes federal award identification, all requirements of the subaward, any additional requirements the Department imposes on the subrecipient for the Department to meet its responsibilities under the federal award, indirect cost rate, and audit and closeout requirements.
 - b. Assess the risk of each subrecipient's noncompliance and carry out monitoring activities based on those risk assessments such as providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, and/or other monitoring procedures.
 - c. Review financial and performance reports.
 - d. Verify subrecipients receive timely single audits, if required; follow up on and ensure that corrective action is taken on any audit findings that could potentially affect the program; and issue management decisions for any audit findings pertaining to the federal award.

State of Arizona
Corrective action plan
Year ended June 30, 2024

- e. Maintain documentation of monitoring procedures demonstrating they were performed, including the monitoring procedures' results and any Department actions taken, if appropriate.

In addition to the revisions in policy and procedures outlined in Recommendation #2 above, the Department will train staff responsible for administering compliance requirements for pass-through entities. This training will include instructions to formulate a risk assessment, review controls related to compliance requirements, review timely single audit submittal, follow up on audit findings, issue management decisions for findings, and maintain adequate documentation of monitoring procedures. Furthermore, the training will be inclusive of proper information dissemination practices aimed at ensuring every subaward is clearly identified to the subrecipient as a subaward by including in its award terms with subrecipients information necessary for the subrecipient to administer the program in accordance with federal requirements. The training and revised procedures will be provided to all staff responsible for administering programs with pass-through entities.

4. Allocate sufficient resources, such as staffing, to comply with the award terms and program requirements, and designate individuals within each division to perform necessary subrecipient-monitoring procedures.

The Department will conduct analyses to determine resources needed, including staffing, to ensure compliance with applicable requirements. For example, the Department will assess the efficiency of its subrecipient-monitoring procedures, estimate future workloads, determine staffing needed to meet those workloads, and assign sufficient staff the responsibility for ensuring compliance with each requirement outlined in the federal award. The Department will also ensure the staff responsible for administering the compliance requirements prioritize this responsibility and communicate anticipated compliance deficiencies to management.

2024-106

Assistance listing number and program name: 21.023 COVID-19 Emergency Rental Assistance Program

Agency: Department of Economic Security (DES)

Name of contact person and title: Molly Bright, Community Services Division Assistant Director

Anticipated completion date: June 30, 2026

Agency's Response: Concur

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

The Department will prepare and retain detailed documentation, including system reports, queries, screenshots, and other evidence, to support the program information reported to the federal agency for each Emergency Rental Assistance Program (ERAP) award. DES will also abide by its ERAP policies and procedures to retain all records related to the award for a period of 5 years after all federal funds are expended.

The Department sunset the ERAP program on October 13th, 2023, due to an exhaustion of ERA 1 and ERA 2 funding.

2024-107

Assistance listing numbers and program names: 93.575 Child Care and Development Block Grant

State of Arizona
Corrective action plan
Year ended June 30, 2024

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

Agency: Department of Economic Security (DES)
Name of contact person and titles Lacie Butler, Administrative Services Officer
Anticipated completion date: May 30, 2026
Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:
The Department is revising its procedures to ensure that it receives and retains documentation to support its provider's expenditures, including Payment Disbursed Quickly (PDQ) submitted billings. Specifically, due to PDQ system limitations the Department is implementing additional validation procedures for these payments, and restricting the use of this system to limited providers to ensure future compliance. The Department is conducting an internal audit to validate that all required PDQ submissions are on file for Fiscal Year 2025; instances of non-compliance will be resolved in the same manner as an overpayment. The Department will continue to retain all records related to a federal award for a period of 3 years from the final expenditure report submission date.

2024-108

Assistance listing numbers and program names: 93.575 Child Care and Development Block Grant
93.575 COVID-19 Child Care and Development Block
Grant
93.596 Child Care Mandatory and Matching Funds of
the Child Care and Development Fund
93.596 COVID-19 Child Care Mandatory and
Matching Funds of the Child Care and Development
Fund

Agency: Department of Economic Security (DES)
Name of contact person and title: Molly Bright, Community Services Division Assistant Director
Anticipated completion date: June 30, 2026
Agency's Response: Concur

The Department of Economic Security will address the audit recommendations as follows:
The Department will review, correct, and /or complete any incomplete or inaccurate information for its subawards on the Federal Funding Accountability and Transparency Act Subaward Reporting System. The Department will follow the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000 no later than month-end of the month following the subaward action. The Department has implemented procedures that ensure that the contracts team communicates all new contracts and contract amendments in the APP.

2024-109

Assistance listing numbers and program names 10.558 Child and Adult Care Food Program

State of Arizona
Corrective action plan
Year ended June 30, 2024

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Cara Alexander, Deputy Associate Superintendent

Anticipated completion date: December 2026

Agency's Response: Concur

We have an established process in place for collecting the information necessary to determine total fiscal year expenditures for federal awards (the questionnaire) for entities that do not participate in any federal programs housed within the ADE's Grants Management Enterprise. The policy and procedures will be updated by April 1, 2026, to the following:

(1) include additional internal controls such as the annual Child and Adult Care Food Program renewal process and serious deficiency process; and

(2) detail the procedures to review single audit reports for findings related to the program and issue management decision letters when applicable.

Finally, training will be provided to personnel responsible for collecting and reviewing the questionnaires and single audit reports when submitted.

2024-110

Assistance listing numbers and program names 84.010 Title I Grants to Local Education Agencies
84.367 Supporting Effective Instruction state
Grants, Title II (formerly Improving Teacher
Quality State Grants)

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Sarka J. White, Deputy Associate Superintendent

Anticipated completion date: December 2027

Agency's Response: Concur

Monitoring of CMO

We will update protocols and implement an annual monitoring process specifically for charter schools with CMO relationships by integrating defined procedures to evaluate additional conflicts of interest, related party transactions, and segregation of duties concerns, while assigning a programmatic risk label in addition to the one assessed by Grants Management. To ensure accurate identification and appropriate separation of responsibilities, Title I and Title II will incorporate procedures for detecting CMO associations within both the grant review process and programmatic monitoring functions, supported by coordinated information sharing across relevant departments. Updated policies will also include requirements for disclosure of organizational associations and embed these indicators into the LEA level risk framework that determines monitoring frequency and representation based on assessed risk. Checks and balances will include programmatic follow-up on these disclosures prior to review of funding applications and or any assistance provided. Title I and Title II will revise monitoring tools to include CMO specific review steps, provide targeted staff training on identifying CMO relationships and apply enhanced oversight procedures, and carry out funding and program approval activities and monitoring activities. These can be in the form of financial and performance report reviews, Grant approvals, Data submissions, technical assistance, and onsite or virtual visits, in alignment with the strengthened risk-based model. Completion will be demonstrated through finalized procedures, documented staff training, and the application of revised monitoring methods during the next annual grant and monitoring cycle.

Monitoring – Programmatic – Grant Monitoring

State of Arizona

Corrective action plan

Year ended June 30, 2024

We have revised LEA monitoring policies and procedures to incorporate coordinated processes between departments for clear identification of charter schools with CMO relationships, require now disclosure of organizational associations, and strengthen oversight of conflicts of interest, related party transactions, and segregation of duties risks. Updated procedures also define a structured, risk-based monitoring framework that assigns LEA monitoring levels, representation, and monitoring frequency based on assessed risk, independent of CMO affiliation, while integrating new indicators into monitoring tools to support consistency through equal representation and ensuring each LEA is treated as an individual LEA without respect to associations. Staff have and will continue to receive targeted training on the revised requirements, and completion will be demonstrated through the approval and publication of updated procedures, documented staff training, and application of the enhanced risk-based monitoring approach during the next LEA monitoring cycle.

2024-111

Cluster Name: Elementary and Secondary School Emergency Relief

Assistance listing numbers and program names 84.425U COVID-19 – Education Stabilization Fund – American Rescue Plan Elementary and Secondary School Emergency Relief (ARP-ESSER)

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Braulio Garcia, Chief Procurement Officer

Anticipated completion date: June 2026

Agency's Response: Concur

1. Follow federal regulation, State law, and the Arizona Procurement Code for procurements related to federal grant awards.

ADE will conduct all procurements related to federal grant awards in compliance with 2 CFR Part 200, State law, and the Arizona Procurement Code, using the same policies and procedures applied to non-federal funds, as required by federal regulations. ADE will ensure appropriate procurement methods are used and documentation is maintained. Competition Impracticable (CI) procurements will require prior review and approval by the State Procurement Office (SPO) before implementation, and ADE procurement staff will consult with the SPO as needed for technical assistance to ensure ongoing compliance. Implementation is ongoing and monitored through procurement file reviews and established internal controls.

2. Update and implement policies and procedures and responsible employees to use competitive procurement methods or otherwise obtain approval from the State Procurement Officer and to prepare written determinations for exceptions to using competitive procurement methods, such as noncompetitive waivers, when purchasing goods and services from third-party vendors.

ADE Procurement is currently updating internal policies and procedures, which shall be implemented by June 30, 2026, to ensure appropriate procurement employees consistently use competitive procurement methods or obtain prior approval from the State Procurement Office (SPO) when exceptions apply. The updated procedures will require written determinations and justifications, such as a Competition Impracticable (CI), for all exceptions to competition and will clearly define responsibilities and approval requirements when purchasing goods and services from third-party vendors. Procurement staff will follow the revised procedures for all applicable procurements, and compliance will be monitored through procurement file reviews and established internal controls.

State of Arizona
Corrective action plan
Year ended June 30, 2024

2024-112

Assistance listing numbers and program names 84.010 Title I Grants to Local Education Agencies

84.367 Supporting Effective Instruction state
Grants, Title II (formerly Improving Teacher
Quality State Grants)

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

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

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Matthew McClary, Grants Management Compliance Officer
Nicole von Prisk, Deputy Associate Superintendent

Anticipated completion date: October 2027

Agency's Response: Concur

The Arizona Department of Education has worked in cooperation with our vendor to correct outdated SQL queries that were identified and return only approved grant award amounts rather than all awarded amounts, regardless of approval status. This issue was causing several subaward amounts to incorrectly update. Moving forward, we are ensuring that the original award amounts are being queried and, in return, reported within SAM.gov (System for Award Management).

Additionally, through the reconciliation process each month, correct award amounts will align with the corresponding Federal Award Identification Number (FAIN).

Reports being submitted late:

We have implemented an automated monthly reporting workflow/schedule which will help ensure required FFATA reporting is submitted timely. This process automation helps prompt monthly FFATA reporting uploads by leveraging office tools that are readily available and ensures monthly upload deadlines are met by automatically scheduling the task and requiring follow-up by the assignee.

In January of 2024, the staff assigned to FFATA uploads changed again (for the fourth time in a year) and at that point a new staff member assumed responsibility for FFATA uploads. As numerous corrections needed were discovered through the reconciliation process, new reports were uploaded. Some of these were original uploads for entities that were missing SAM.gov (formerly FSRs) information altogether, and some were corrections to previously uploaded yet incorrect information. With each monthly upload, a new date was being captured and while some of the information was new entity award information, not all the information being updated was untimely.

This has been a long and arduous process, and we look forward to not having continued FFATA findings, as we are making progress to correct award information for all federal grants moving forward from this point.

Inaccurate and/or Incomplete Data:

Our Compliance Officer conducts a monthly reconciliation of current SAM.gov award information in coordination with either the Lead Grants Coordinator or the Deputy Associate Superintendent. During this review, any missing, inconsistent, or duplicate data is identified and corrected prior to the upload into SAM.gov. Once the subawards have been uploaded, the reconciliation process is repeated to verify the accuracy of the information recorded within SAM.gov. Note: On October 30, 2025, we became aware that USASpending.gov was no longer updating subawards to correspond with the data we have submitted

State of Arizona

Corrective action plan

Year ended June 30, 2024

in SAM.gov. We raised a service desk ticket to USA Spending (Case 00089604), but the issue is ongoing. USA Spending has stated that they “are aware of an issue with the outbound API in SAM to USA Spending, but due to the lapse in funding, the SAM team working on this specific issue has been furloughed until funding is restored.” The reconciliation process where subawards uploaded to SAM.gov are compared to the data in USASpending.gov continues to be heavily impacted until this service is restored.

To ensure accurate documentation and timely resolution of system related challenges encountered when submitting subawards in SAM.gov, the Compliance Officer has implemented a formal Incident Tracking process. All technical issues are logged at the time they occur, and each incident is subsequently submitted to the Federal Service Desk (FSD.gov). Upon submission, the incident is assigned an official Incident Request ID along with a corresponding date and time stamp, enabling effective monitoring and follow-up.

Grants Management will establish, implement, and enforce internal and external controls to ensure that risk is minimized and can be appropriately evaluated during any monitoring conducted by the agency. The internal and external controls that will be implemented will establish guidelines addressing conflicts of interest, related-party transactions, and insufficient segregation of duties. Implementation will be based on reference materials provided by the U.S. Department of Education Office of Inspector General, as well as technical assistance from organizations with legal and governmental expertise. ADE’s software will be updated appropriately.

2024-113

Assistance listing numbers and program names: Not applicable

Agency: Arizona Department of Education (ADE)

Name of contact person and title: Nicole von Prisk, Deputy Associate Superintendent

Anticipated completion date: Unknown

Agency’s Response: Concur

Regarding Restrict Access: Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities-

ADE Grants Management technical team has recently documented the process for user access for internal ADE staff, including additions and removals. The process is currently under review.

Regarding Secure systems and data:

ADE Grants Management (ADE-GM) is currently documenting a process to where each year ADE-GM requests System and Organization Controls (SOC) reports from the Grants Management Enterprise (GME) vendor; ADE-GM will review the reports for any relevant concerns found by the SOC auditor that pertain to the GME branch of the vendor, Linq.

2024-114

Assistance listing number and program name: Various

Agency: Arizona Department of Administration (ADOA)

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

Anticipated completion date: Unknown

Agency’s Response: Concur

We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were not consistent with established Federal cost principles and would result

State of Arizona
Corrective action plan
Year ended June 30, 2024

in an obligation to the Federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest. This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (U.S. HHS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

2024-115

Assistance listing numbers and program names 93.268 Immunization Cooperative Agreements
93.268 COVID-19- Immunization Cooperative Agreements
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Agency: Department of Health Services (DHS)

Name of contact person and title: Lora Andrikopoulos , Grants Administrator

Anticipated completion date: June 30, 2026

Agency's Response: Concur

ADHS will continue to work with the CQI Team, Financial Services - Assurance Team, Procurement, Program Managers, Finance Managers, Grants, and other internal partners to update the FFATA process. The process moving forward will include a communication plan, updates to the current standard work, the creation of a new standard work if necessary for the subaward communication process, and additional training.

2024-116

Assistance listing numbers and program names 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs (DEMA)

Name of contact person and title: Keith Tagaban, Audit Supervisor

Anticipated completion date: September 18, 2026

Agency's Response: Concur

The Department of Emergency and Military Affairs will maintain required documentation to support payroll costs charged to the federal program and ensure compliance with award requirements. Internal Audit will review FY2024 payroll charges for allowability and adequate support in coordination with the State Finance Office, the Emergency Management Grants Administration Office, and State Human Resources Office. Unallowable costs, if identified, will be resolved through reimbursement adjustments or repayment, as appropriate. Payroll documentation policies will be updated, and training will be provided to ensure required records are retained for the prescribed retention period.

2024-117

Assistance listing numbers and program names 97.042 Emergency Management Performance Grants

Agency: Department of Emergency and Military Affairs (DEMA)

State of Arizona
Corrective action plan
Year ended June 30, 2024

Name of contact person and title: Keith Tagaban, Audit Supervisor

Anticipated completion date: September 18, 2026

Agency's Response: Concur

The Department of Emergency and Military Affairs (DEMA) will maintain complete, accurate, and auditable documentation to support all federal award expenditures, matching contributions, and financial reporting in accordance with 2 CFR Part 200 and applicable award terms and conditions, with records retained for a minimum of three years following submission of the final Federal Financial Report (FFR). DEMA will ensure all FFRs are reviewed for accuracy, completeness, and compliance prior to submission and will promptly correct any identified discrepancies in coordination with the federal awarding agency. The Department will implement and enforce written policies and procedures governing reimbursement requests, financial reporting, matching requirements, and record retention, including management review to ensure costs reported are allowable, allocable, reasonable, and adequately supported, and will maintain sufficient staffing and oversight to sustain ongoing compliance.

2024-118

See the University response section at the end of this report for the corrective action plan for finding 2024-118.

2024-119

Assistance listing number and program name: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants

Agency: Department of Economic Security (DES)
Office of Economic Opportunity (OEO)

Name of contact persons and titles: David Almaraz, DES DERS Business Administrator
Stephen Sifuentes, OEO Finance Administrator Senior

Anticipated completion date: See below

Agency's Response: Concur

DES Anticipated completion date: December 31, 2026

The Department will address the audit recommendations by amending its ISA subaward with the Arizona Office of Economic Opportunity. The Department will also adjust its subrecipient monitoring schedule, procedures and offer training and assistance on conference-related requirements to the Arizona Office of Economic Opportunity.

OEO Anticipated completion date: June 30, 2027

The Office of Economic Opportunity (OEO) acknowledges the finding regarding the use of WIOA Dislocated Worker Formula Grant funds for conference meals and promotional items. To address these concerns, OEO has undertaken proactive measures to strengthen internal controls, enhance oversight, and improve compliance with federal cost principles. As such, OEO will utilize these findings to strengthen its existing system, address any identified deficiencies, and continue to enhance fiscal management. Through these corrective actions, the OEO is committed to full compliance and the effective stewardship of federal funds.

State of Arizona

Corrective action plan

Year ended June 30, 2024

1. Ensure Summit costs charged to the WIOA federal program are appropriate, necessary, and managed to minimize charges to the federal award.

The OEO acknowledges the auditors' findings regarding the management of Summit costs charged to the Workforce Innovation and Opportunity Act (WIOA) federal program. OEO is committed to ensuring that all expenditures are appropriate, necessary, and managed with the highest level of fiscal responsibility to ensure charges are necessary and allowable to the federal award.

To address this finding, OEO will collaborate closely with the Arizona Department of Economic Security (ADES) to develop and implement comprehensive formal policies and procedures governing the State Workforce Development Board and WIOA funded events including Summit expenditures. Our joint efforts will focus on implementing a documented review and approval process to ensure costs charged to the federal award are supported by documentation and evaluated in accordance with 2 CFR §§ 200.403.

As part of this corrective action, the process will integrate cost-containment measures into the planning and approval of the events budget planning phase. This will include requiring staff to assess whether proposed costs are necessary, reasonable, allocable and limited to helping the workforce development system achieve the purpose of the Workforce Innovation and Opportunity Act (WIOA).

OEO and ADES will conduct working sessions to develop, implement, and monitor these protocols, with the goal of finalizing a standardized procedure for all WIOA-funded event expenditures. This approach ensures consistency across agencies and establishes clear oversight to prevent recurrence.

2. Develop and implement written procedures, including a standardized review process, to ensure that costs charged to the WIOA federal program are allowable prior to requesting reimbursement from DES.

The OEO recognizes the importance of verifying the allowability of expenditures prior to the reimbursement phase. We concur that a standardized documented review process is necessary to maintain fiscal integrity and compliance of WIOA federal program funding and federal regulations.

OEO, in partnership with the ADES, will develop and formalize written internal control procedures designed to vet all costs before they are submitted to ADES for reimbursement. The proposed standardized review process will align with existing practices for monitoring and expending federal funds as described under WIOA for the State Workforce Development Board and will include:

- **Pre-submission verification:** Implementation of an internal review checklist based on 2 CFR 200 Subpart E Cost Principles and applicable State policy. This will ensure that every line item is:
 - Allowable under both WIOA statutory requirements and federal cost principles.
 - Allocable to the specific federal award in proportion to the benefits received.
 - Compliant with the State of Arizona Accounting Manual
 - Documented with sufficient supporting evidence (pictures, invoices, receipts, and justifications) to withstand audit scrutiny.
- **Standardized approval workflow:** Establishment of a clear designated approval framework.
- **Policy Integration:** These procedures will be codified into an OEO Fiscal Manual, providing staff with a clear roadmap for processing WIOA-related expenditures.

OEO will coordinate with ADES technical assistance teams to ensure our internal review templates align with ADES's appropriate reimbursement systems. This collaborative design phase will ensure that once a request reaches ADES, it has already undergone a vetting process, thereby reducing errors.

State of Arizona
Corrective action plan
Year ended June 30, 2024

3. Work with federal grantor and/or DES to resolve the \$90,015 of questioned costs associated with the 2024 Summit and any subsequently held Summits.

OEO will collaborate with the ADES, the primary grant recipient, to establish the most appropriate course of action for resolving any unallowable expenditures. Initially, OEO will work with ADES to precisely define the actual allowable amount based on programmatic cost allowability, which may require consultation with the original federal grantor, for final clarification on disputed cost. Subsequent steps for resolution will be guided by ADES's direction and the requirements of the federal grantor.

Other auditors' federal award findings and questioned costs

2024-120

Assistance listing number and program name: 93.778 Medicaid Assistance Program (Medicaid; Title XIX)
93.778 COVID-19 Medicaid Assistance Program (Medicaid; Title XIX)

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Anticipated completion date: December 31, 2027

Agency's Response: Concur

In May 2023, AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the state. Since then, AHCCCS has suspended more than 300 providers, assisted over 10,000 individuals with the humanitarian response, and implemented more than 20 new initiatives to combat fraud, waste, and abuse in the Medicaid program. As the extent of the fraud was revealed, AHCCCS recognized the need for comprehensive, system-wide strategies. AHCCCS partnered with the Attorney General and Governor's Office to develop a comprehensive plan to address the loopholes fraudulent providers were exploiting.

Actions Taken:

- Increased scrutiny of claims based on claims volume.
- Issued a moratorium on new provider registrations for impacted provider types.
- Prevented Reimbursement of Claims for Impossibly Rendered Services.
- Claims for Substance Abuse Services for Children under the age of 12 to Require Clinical Review Prior to Payment.
- Set thresholds for services to initiate a prepayment review.
- Required claims to be billed for specific dates of service rather than ranges.
- Flagged claims for services of the same style/overlapping codes.
- Created a prepayment review process for providers utilizing suspicious billing practices.
- Eliminated retroactive billing.
- Credible Allegation of Fraud suspensions include both provider entities and owners/ behavioral health (BH) practitioners.
- Implemented ID.Me identity verification for AHCCCS Online.
- Required providers to disclose any third-party billing relationships.
- BH Providers are now considered high-risk provider types for provider enrollment.
- Per Diem codes have been set to only be able to be billed once per day.

State of Arizona

Corrective action plan

Year ended June 30, 2024

- Practitioners, including BH Technicians, can no longer be patients at the same provider.
- Worked with the Arizona Corporation Commission to flag suspicious registrations.
- Ensured AHCCCS coding adhered to National Correct Coding Initiative standards and confirmed no edits had been turned off.
- Streamlined AHCCCS reporting of bad actors to the appropriate professional oversight boards.
- Creation and publication of the Covered Behavioral Health Services Guide to connect all relevant AHCCCS policies and explain how they interact in the Behavioral Health System of Care.
- Robust changes to our AHCCCS Provider Enrollment System to address fraud, waste and abuse (FWA) issues.
- Update to the Behavioral Health Residential Facilities policy (to be published shortly) to provide greater detail and clarity for providers and members about what should and should not be included in services rendered by this provider type.
- Creation of the prepayment review process for fee for service claims and inclusion of data measurement to allow for agile modification going forward to respond to over utilization or abuse of codes.
- Creation of the Community Partner Assistor Organization Reviews to prevent abuse of access to the Health-e-Arizona Plus system.
- Designated pathways of partnering on large scale quality of care investigations between the Division of Fee for Service and managed care organizations to prevent unnecessary member impact.
- Social media campaign to encourage the public to report FWA/abuse & neglect.
- Requirement of all providers to transition to Electronic Funds Transfer.
- Removed the phone attestation option for American Indian Health Program (AIHP) enrollment, and are in the process of implementing the AIHP verification process with tribal partners and Indian Health Services based on utilization.
- Memorandums of Understanding with AZ Board of BH Examiners and Board of Nursing to promote interagency information sharing and referrals, as well as the close referral relationship with the Arizona Department of Health Services.
- Regular Public BH System Cross-Agency Collaboration meetings including all agencies, boards, commissions and the GO in the public health space
- Updates to the provider enrollment policy in AMPM 610, explicitly requiring many more disclosures of providers, and making it clear without full and transparent registration information, providers will be terminated or denied enrollment with AHCCCS.
- Implemented policies which required BH Professionals, required to oversee the clinical services provided at Behavioral Health Residential Facilities and Outpatient Behavioral Health Clinics, to be reported upon registration and be listed on claims submissions
- Mandatory transition to Electronic Fund Transfer (direct deposit) for all AHCCCS provider reimbursements
- Linking BHP to BH companies and facilities they work for

Actions Remaining (but not limited to):

Implementing eligibility integrity requirements for AIHP enrollment.

- Implementation of Alivia – a new AI powered data analytics platform for pre-pay and post-pay claims analysis, currently in the development and planning stage
- Conduct onsite quality of care reviews for patients in treatment longer than 90 days.
- Require medical records to define specialized services.
- Implement a new pre/post pay claims system.

State of Arizona
Corrective action plan
Year ended June 30, 2024

AHCCCS continuously monitors our systems and investigates instances of fraud, waste or abuse. Any areas of concern which are identified are then addressed and system improvements are made. Furthermore, AHCCCS utilizes data analysis to confirm that these system improvements are having the intended impacts and that provider networks remain robust.

2024-121

Assistance listing numbers and program names: 93.778 Medicaid Assistance Program (Medicaid; Title XIX)
93.778 COVID-19 Medicaid Assistance Program (Medicaid; Title XIX)
93.767 Children's Health Insurance Program (CHIP)

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Name of contact persons and titles: Vanessa Templeman, Inspector General, AHCCCS Office of Inspector General
Jeff Tegen, Assistant Director, AHCCCS Division of Business and Finance

Completion date: December 31, 2025

Agency's Response: Concur

In fiscal year 2023, the process of holding quarterly reviews of deferred cases did not occur due to resources being diverted to focus on Strike Force activities involved in addressing the behavioral health crisis. Additionally, Office of the Inspector General (OIG) announced a re-organization in December 2023 that resulted in permanent transitions to other teams for several staff. Teams were given time to finalize cases and move items to other investigators in order to limit disruption to cases. By April 2024, after the Strike Force initiative had been unwound and the member team structure changes for personnel were finalized, the member team restarted its process of quarterly deferred case reviews. At the first review in April 2024, cases in the deferred backlog that were not completed in the timeframe set for the reviews were postponed to the next quarterly review in July. AHCCCS OIG commits to a review of the current Deferred Process and will determine areas of improvement to include timeliness for deferred case review completion, quarterly completed deferred case review reports, and required documentation for all deferred case processes.

2024-122

Assistance listing numbers and program names: 93.778 Medicaid Assistance Program (Medicaid; Title XIX)
93.778 COVID-19 Medicaid Assistance Program (Medicaid; Title XIX)
93.767 Children's Health Insurance Program (CHIP)

Agency: Arizona Health Care Cost Containment System (AHCCCS)

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

Completion date: June 30, 2025

Agency's Response: Concur

State of Arizona
Corrective action plan
Year ended June 30, 2024

AHCCCS would like to note this matter was discovered through internal review of Office of the Inspector General (OIG) recoupment documentation and filings with Centers for Medicare & Medicaid Services (CMS). This matter was reviewed in detail by our financial management team and AHCCCS determined this was caused by a few factors: (1) staffing issues and employee turnover in all units involved in the process to return OIG recoupments to CMS. (2) A breakdown of inter and intra-departmental communication and collaboration.

Actions Taken:

- Filling the related following positions that experienced turnover: Accounting Supervisor, Reporting Administrator, and 2 Accounting Specialists.
- Increased collaboration across the respective departments and divisions to ensure the federal share of all case recoupments is timely returned to CMS.
- Revised our standard work processes to include quarterly reconciliations of case recoupments among the various departments and divisions.

Actions Remaining:

- AHCCCS anticipates having reported and returned the federal share to CMS for all case recoupments identified by June 30, 2025.

April 21, 2026

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

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Ashley DiMaggio Ruiz
Ashley DiMaggio Ruiz
Assistant Director
State Comptroller

ADR:ac

cc:
Katherine Edwards Decker, Financial Audit Director, Arizona Auditor General
Brian Stutsman, Financial Audit Manager, Arizona Auditor General
Angela Dillard, Statewide Chief Financial Officer, ADOA

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Status of financial statement findings

2023-01

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

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Economic Security (DES)
Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2021
Status: See below

Agency: Arizona Department of Administration
Status: Partially corrected

Reason for recurrence: The ability of the ADOA to issue the State's Annual Comprehensive Financial Report (ACFR) timely is largely contingent upon timely receipt of audited financial statements and other required information from state agencies. ADOA provides written communications of expected dates of receipts of such information to the State agencies annually.

Actions taken: ADOA continued to engage in ongoing communications with leadership teams regarding status and deliverables. ADOA continued to provide detailed system reports and technical guidance to the State agencies. ADOA continued to inquire and receive status updates from state agencies and held meetings as needed to assist and resolve agency specific issues. ADOA also held recurring weekly status meetings with DES and AHCCCS to discuss the status on deliverables and any mitigating actions required.

Actions remaining: ADOA will continue to work with State agencies, including AHCCCS and DES to provide guidance to assist them with their financial reporting process to issue the State's ACFR in accordance with the financial reporting and audit requirements.

Agency: Arizona Department of Economic Security
Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has continued to actively coordinate with its partners to meet reporting obligations as quickly as possible. The Department also on boarded three additional staff during FY 2024 that have focused on the collection of data and establishing automated processes pertaining to financial reporting.

In October 2023, the Department began implementing an External Audit Monitoring process to ensure the Department effectively prepares for, responds to, and implements recommendations in a timely manner. This process helps DES proactively address risks before audits, respond efficiently during audits, and implement recommendations after audit findings are issued. It involves four key roles: the Director's Audit Advisory Workgroup, which provides executive oversight; the External Audit Advisor, who guides interdepartmental coordination and tracks audit progress; an External Audit Liaison for each division,

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

responsible for managing audits; and the Assistant Directors for each division, who appoint and oversee the Liaisons. This structured approach enhances DES's audit readiness and responsiveness.

Actions remaining: The Department will expand the external audit monitoring process by recruiting additional qualified staff to exclusively manage the coordination of ACFR deliverables. The Department is also continuing its effort to recruit additional qualified staff to assist in the preparation and review of underlying data used to support the ACFR.

Agency: Arizona Health Care Cost Containment System

Status: Partially corrected

Reason for recurrence: The delays in AHCCCS' close and financial reporting process were caused by delays in the fiscal 2023 audit which was not finalized and issued until September 2024. As a result, the fiscal 2024 audit did not begin until October 2024. Additionally, AHCCCS' Division of Business and Finance continued to experience employee turnover into fiscal 2024. These matters were exacerbated as a result of the COVID-19 pandemic, the end of the Public Health Emergency and related disenrollment, and the myriad of federal and state responses that continue to impact the Medicaid program. This continues to increase the volume and complexity of accounting activity within AHCCCS

Actions taken: AHCCCS implemented the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and the American Rescue Plan Act have contributed to the delay and will be continuing through the FY25 audit.

- Staffing
 - AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with year-end accruals, adjustments and financial statement preparation.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop a comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Implemented certain procedural improvements which resulted in a significant improvement in the timing and accuracy of the fiscal 2024 audit.

Actions remaining:

- Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
- Continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

- Continue to increase inter-agency, ADOA and external auditor collaboration to develop a comprehensive workplan for meeting deadlines and ensuring that resources are available to meet targeted deadlines.

2023-02

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

Agency: Arizona Department of Revenue
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: The Department has continued to improve its processes for obtaining employers' W-2 and 1099 data electronically.

Actions taken: In December 2020, the Department completed a pilot project for collecting and capturing W-2 and Form 1099 data and developing a tool to perform a reconciliation process for withholding and individual income taxes. The Department began using this tool for the 2021 tax year.

In order to further increase compliance with electronic filing requirements, for tax year 2022 the Department implemented a new electronic filing method that allows software vendors and payroll service providers to transmit W-2 and 1099 forms directly to the Department. As a result of this improvement, the Department has not offered a general withholding electronic filing waiver for the 2022 or 2023 tax years.

Actions remaining: The Department is engaged in the implementation of a new integrated tax system that will include withholding reconciliation for all relevant income tax accounts.

2023-03

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

Agency: Arizona Department of Revenue (ADOR)
Year finding initially occurred: Fiscal Year 2022
Status: Not corrected

Reason for recurrence: As noted in the finding, issues with ADOR's tax administration system currently prevent the Department from transferring overpayments to the unclaimed property system. However, information regarding these overpayments is still accessible by taxpayers that call in to the Department.

Actions remaining: The Department is engaged in the implementation of a new integrated tax system that will allow all individual income tax overpayments of at least \$50 to be posted online for taxpayers to search and claim.

2023-04

The Department of Education failed to develop and implement internal controls to address the risk of fraud and abuse related to its Empowerment Scholarship Account (ESA) program, which

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

may have allowed a reported \$600,000 of ESA program monies to be allegedly misused by 3 former ESA employees

Agency: Arizona Department of Education (ADE)
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Due to the complexity we were unable to resolve by the end of fiscal year 2024, however we anticipate resolution by the end of fiscal year 2025.

Actions taken: ESA staff are no longer able to assign any unreviewed student applications or purchases to themselves without supervisory review. Only supervisors have system permissions to assign applications or purchases to program staff. It would now be significantly more difficult for any current or future ESA employees to commit the fraud that allegedly previously occurred beginning in fiscal year 2022.

Actions remaining: We are in the process of implementing additional internal control over changes made to disability statuses within ESAs. Specifically, ADE's IT team has this new internal control in the development stage of its Product Backlog Items. This internal control will require that a supervisor review all changes that an ESA Enrollment Specialist makes to a disability status or classification in its ESA information system.

The ESA program is committed to developing a comprehensive policies and procedures manual to document all its current practices pertaining to its various functions, including enrollment, call center, and purchase review. Given the overburdened resources of the program because of its large size and limited resources, completing a policies and procedures manual will likely need to be outsourced to a third-party vendor. While our policies and procedures exist in established practice, we will seek to procure a vendor to document policies and procedures as soon as is practicable.

2023-05

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

Agency: Arizona Department of Administration (ADOA)
Arizona Department of Economic Security (DES)
Year finding initially occurred: Fiscal Year 2023
Status: See below

Agency: Arizona Department of Administration
Status: Partially corrected

Reason for recurrence: Corrective action to begin research and develop a plan for the reconciliation of the cash balances in the unemployment insurance fund did not begin until after the end of the fiscal year.

Actions taken: ADOA, in partnership with DES, contracted with a third party consulting firm to assist in the reconciliation of the unemployment insurance fund cash balances. Staff from both agencies have been

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

dedicated to this effort to work with the third party consultant to identify variances and provide supporting documentation, and make the necessary corrections to the financial statements including a Governmental Accounting Standards Board (GASB) 100 disclosure.

Actions remaining: Develop a risk based process for review of agency prepared financial statements as well as develop a process going forward to maintain the reconciliation in partnership with DES.

Agency: Arizona Department of Economic Security
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will contract with a third-party CPA firm to provide accounting services including a review of the records supporting unemployment insurance cash balances, reperformance of cash account reconciliations, and to instruct Department staff to establish controls that will help prevent the recurrence of accounting errors in future years. Additionally, work will be performed with ADOA to properly revise the requisite financial statements to comply with Generally Accepted Accounting Principles and provide the GASB 100 disclosure.

2023-06

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

Agency: Arizona Department of Housing
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: The Department became aware of the issue fall 2023 during the fiscal year 2022 audit, which prevented the Department from fully implementing corrective action prior to June 30, 2024.

Actions taken: The Department stopped reimbursing the subrecipient for unsupported or ineligible costs. Written policies for reviewing and approving subrecipient reimbursements were updated and a risk assessment was implemented to ensure ongoing compliance. Staff received training pertaining to the updated policies.

Actions remaining: The Department is working with the Attorney General's Office to recover funding from the nonprofit agency. Staff are also in communication with Housing and Urban Development to return funds to the federal agency.

2023-07

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

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Agency: Arizona Department of Administration (ADOA)
Year finding initially occurred: Fiscal Year 2015
Status: Partially corrected

Reason for recurrence: Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year.

Actions taken: As indicated the finding is complex and multiple agencies are involved. Various actions have been taken including updating and implementing policy, processes and procedures.

Actions remaining: The State is actively working to correct all issues related to the analyzing, managing and documenting of information technology (IT) risks and identification, classification, and inventorying of sensitive information on the State's IT systems. Each agency has developed a detailed corrective action plan to address this finding and will work with ADOA'S -Arizona Strategic Enterprise Technology Office as needed to implement recommendations in accordance with statewide prescribed policies and procedures.

2023-08

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

Agency: Arizona Department of Administration (ADOA)
Year finding initially occurred: Fiscal Year 2015
Status: Partially corrected

Reason for recurrence: Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year.

Actions taken: As indicated the finding is complex and multiple agencies are involved. Various actions have been taken including updating and implementing policy, processes and procedures.

Actions remaining: The State is actively working to correct all issues related to the access, configuration management, information technology (IT) security, and contingency planning of its IT resources. IT systems security is of the utmost importance to the State. Each agency has developed a detailed corrective action plan to address this finding.

2023-09

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

Agency: Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

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

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

Actions remaining: AHCCCS is continuing its investigations and refers Credible Allegations of Fraud (CAF) cases to law enforcement officials. AHCCCS will comply with all federal regulations regarding repayments of federal share and will work with the Centers for Medicare & Medicaid Services as the CAF cases continue through the law enforcement process. See also Corrective Actions for item 2023-130 below.

2023-10

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

Agency:	Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred:	Fiscal Year 2022
Status:	Partially corrected

Reason for recurrence: The delays in AHCCCS' close and financial reporting process were caused by delays in the fiscal 2023 audit which was not finalized and issued until September 2024. As a result, the fiscal 2024 audit did not begin until October 2024. Additionally, AHCCCS' Division of Business and Finance continued to experience employee turnover into fiscal 2024. These matters were exacerbated as a result of the COVID-19 pandemic, the end of the Public Health Emergency and related disenrollment, and the myriad of federal and state responses that continue to impact the Medicaid program. This continues to increase the volume and complexity of accounting activity within AHCCCS.

Actions taken: AHCCCS implemented the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and the American Recovery Plan Act have contributed to the delay and will be continuing through the FY25 audit.

- Staffing
 - AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

audit. Finally, two existing and one new Accountant IV positions were hired to assist with year-end accruals, adjustments and financial statement preparation.

- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop a comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Implemented certain procedural improvements which resulted in a significant improvement in the timing and accuracy of the fiscal 2024 audit.

Actions remaining:

- Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
- Continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.
- Continue to increase inter-agency, Arizona Department of Administration and external auditor collaboration to develop a comprehensive workplan for meeting deadlines and ensuring that resources are available to meet targeted deadlines.

2023-11

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

Agency: Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: The audit adjustments were caused largely by turnover within AHCCCS' Division of Business and Finance, poor or nonexistent process documentation, an extensive learning curve of the newly assembled AHCCCS audit team responsible for the coordination and administration of the audit, and financial/accounting system challenges. Specifically, the financial/accounting system challenges stemmed from a shift in the methodology used to compile our financial statements. In SFY22 and prior, AHCCCS relied on our data warehouse to compile financial statements, which followed a defined data-driven process. However, due to the absence of process documentation, the new audit team was unable to replicate or effectively utilize the data warehouse processes in the past 2 audit cycles. As a result, AHCCCS pivoted to a manual process for compiling financial statements.

Actions taken:

- AHCCCS reviewed the size, requisite skills, knowledge, and expertise required to ensure adequate resources are in place to timely complete the year end close and financial reporting process as well as to ensure the accuracy and timeliness of other quarterly financial reporting. To that end, AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with year-end accruals, adjustments and financial statement preparation.

- AHCCCS worked in partnership with the Arizona Department of Administration to establish a preliminary review of financial statements and supporting schedules prior to being submitted to our external auditors for their consideration.
- AHCCCS implemented certain procedural improvements which resulted in a significant decrease in both the number and size of audit adjustments from the prior year.

Actions remaining: AHCCCS will continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.

2023-12

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

Agency: Arizona Health Care Cost Containment System
Year finding initially occurred: Fiscal Year 2022
Status: Fully corrected

2023-13

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

Agency: Arizona Commerce Authority
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: During the FY 2024 audit, the trial balance used to restate Arizona Commerce Authority's financial statements from Cash Basis to Accrual Basis, was sent to the audit firm without first being used to roll forward the prior year's Accrual Basis trial balance.

Actions taken: A process was implemented to review procedures.

Actions remaining: Prior to the release of fiscal year 2025's Accrual Basis trial balance to the external auditors, the trial balance will be reviewed independently by both the Controller and CFO for accuracy. Once the review process has been completed, the roll forward trial balance will be sent to the external auditors as a starting point for fiscal year 2025. This process will be documented with updated procedures.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

2023-14

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

Agency: Arizona Department of Insurance and Financial Institutions
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Due to timing and complexity of finding, multiple parties and determination that additional actions were needed.

Actions taken: A procedure was developed and implemented to ensure approval documentation for vendor payments initialed by the third-party administrator for hospital bills and medical services in excess of \$20,000 in a single bill, or charged to single claimant over \$20,000. The reviews are documented. Additional gaps have been identified and evaluated for improvements.

Actions remaining: Meet and work with third-party vendors to improve their procedures.

2022-04

The State's initial financial statements contained misstatements, which increased the risk that those relying on the reported financial information could be misinformed

Agency: Arizona Land Department
Year finding initially occurred: Fiscal year 2022
Status: Fully corrected

2022-08

Arizona Department of Administration lacked periodic communications to State agencies, such as the Arizona Health Care Cost Containment System, to ensure they reported instances of fraud, theft, waste, and abuse, potentially affecting the State's ability to effectively address suspected or known fraud, theft, waste, and abuse in a timely manner and evaluate its effect on the State's financial statements

Agency: Arizona Department of Administration (ADOA)
Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2022
Status: See below

Agency: Arizona Department of Administration (ADOA)
Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Reason for recurrence: Due to the variation in internal processes across state agencies, as well as potential conflicts with federal and state laws, guidelines and policies, the corrective action could not be completed by fiscal year end.

Actions taken: ADOA continued to work with various agencies on revisions to the State of Arizona Accounting Manual (SAAM) policy that can be applied across all agencies statewide. One of the monthly CFO meeting topics of the month was dedicated to a discussion on the SAAM policy reporting requirements and the presentation and materials were made available on the General Accounting Office's website for future reference. In addition, bi-annual surveys were sent to all agencies requesting information on any known potential fraud.

Actions remaining: ADOA will continue to meet with state agencies to finalize revisions to the SAAM related to the consistent reporting of potential fraud. ADOA will continue to send bi-annual surveys to all state agencies requesting information on potential fraud.

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Status: Partially corrected

Reason for recurrence: AHCCCS is working with ADOA on any remaining revisions to the SAAM policy but it was unable to be completed by fiscal year end due to the different internal control processes across all state agencies that the policy affects.

Actions taken: AHCCCS remains committed to transparency and accountability in reporting suspected fraud, theft, waste, and abuse. Recognizing the importance of accurate and timely financial reporting, AHCCCS continues to prioritize compliance with all applicable requirements to safeguard program integrity and ensure accurate financial statements for the State.

Actions remaining: AHCCCS will continue working in compliance with ADOA policy to achieve the necessary notifications while ensuring alignment with federal regulations, which require direct reporting of suspected fraud to the Arizona Attorney General as the designated entity for investigating and prosecuting Medicaid fraud. Additionally, AHCCCS has begun working with ADOA to update the SAAM 0530 policy, recognizing that the Agency's unique role as the state Medicaid agency presents challenges in applying a one-size-fits-all approach across all state agencies, boards, commissions, etc.

Status of federal award findings and questioned costs

2023-101

Assistance listing number and name: Not applicable

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

Year finding initially occurred: Fiscal Year 2020

Status: See below

Agency: Arizona Department of Administration (ADOA)

Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Reason for recurrence: The COVID-19 pandemic resulted in the need for the State to focus resources and manpower in responding to the crisis. In addition, Federal Acts passed in response to the pandemic resulted in a large influx of federal monies and put additional pressure on the State, and its components, to meet related requirements for the receipt and use of such monies. This stretched the capacity of the State and resulted in delays in the issuance of the State's financial statements, completion of the schedule of expenditures of federal awards (SEFA) compilation and separately audited agency major programs to be included in the State's Single Audit.

Actions taken: ADOA implemented ongoing communications with leadership teams regarding status and deliverables, implemented several integrity review processes of information in the statewide accounting system, communicated criticality of submitting by deadline including consequences to state CFO's, reached out directly to agencies not meeting deadlines as well providing updated guidance documents and direct guidance to agencies.

Actions remaining: ADOA agrees timely submittal of the Single Audit is vital for Federal oversight and decision making purposes. We strive to comply with the Federal timelines. We will continue to actively work with the State agencies and our partners, communicating regularly to work towards a timely Single Audit.

The State is committed to continuing to move toward a cycle of completion that is in line with periods prior to the pandemic and outlined by federal law and state standard work. For those efforts impactful investments have been made by the Governor's Office towards enhancing our resources. This investment primarily focuses on expanding our team and adding skilled staff members who specialize in financial reporting and auditing. This proactive approach, supported by the Governor's Office, underscores our commitment to transparency and fiscal responsibility. By fortifying our resources in this manner, we are setting a foundation for meeting submission deadlines.

Agency: Department of Economic Security (DES)

Status: Partially corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has continued to actively coordinate with its partners to meet reporting obligations as quickly as possible. The Department has rolled out an external audit monitoring process to better facilitate the timeliness of federal compliance audit deliverables including those that support the SEFA. The Department also onboarded three additional staff during FY 2024 that have focused on the collection of data and establishing automated processes pertaining to financial reporting.

Actions remaining: The Department is recruiting additional staff to improve the effectiveness of the external audit monitoring process in FY 2025. The Department is also recruiting additional staff to assist in the preparation and review of underlying data used to support the SEFA.

Agency: Arizona Health Care Cost Containment System (AHCCCS)

Status: Partially corrected

Reason for recurrence: The delays in AHCCCS' close and financial reporting process were caused by delays in the fiscal 2023 audit which was not finalized and issued until September 2024. As a result, the fiscal 2024 audit did not begin until October 2024. Additionally, AHCCCS' Division of Business and Finance continued to experience employee turnover into fiscal 2024. These matters were exacerbated as a

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

result of the COVID-19 pandemic, the end of the Public Health Emergency and related disenrollment, and the myriad of federal and state responses that continue to impact the Medicaid program. This continues to increase the volume and complexity of accounting activity within AHCCCS.

Actions taken: AHCCCS implemented the following measures to increase timeliness of the audit completion; however, it should be noted many of the complexities and federal initiatives related to COVID and the American Rescue Plan Act have contributed to the delay and will be continuing through the FY25 audit.

- Staffing
 - AHCCCS created and filled a new Deputy Assistant Director of Business Finance to provide a higher level of oversight of the audit process. The Reporting Administrator position was filled with a very experienced and knowledgeable professional. In addition, a new Audit Manager position was created, recruited and hired with the skills, knowledge and experience to be directly responsible for the accounting positions who complete the audit. Finally, two existing and one new Accountant IV positions were hired to assist with year-end accruals, adjustments and financial statement preparation.
- Overall Efficiencies
 - Increased collaboration with external auditing firm to develop a comprehensive workplan for meeting deadlines and ensuring that external resources are available to meet targeted deadlines.
 - Increased inter-agency collaboration to ensure resources from outside the Division of Business and Finance understand and are committed to targeted deadlines.
 - Implemented certain procedural improvements which resulted in a significant improvement in the timing and accuracy of the fiscal 2024 audit.

Actions remaining:

- Over the next few years, redesign and automate other internal processes agency-wide to increase efficiency and provide the audit team members with additional time to address the financial statements.
- Continue to implement procedural improvements including standardizing work, workpaper indexing, and workpaper referencing to improve efficiency and accuracy.
- Continue to increase inter-agency, ADOA and external auditor collaboration to develop a comprehensive workplan for meeting deadlines and ensuring that resources are available to meet targeted deadlines.

2023-102

Assistance listing number and name: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
84.425C COVID-19 Education Stabilization Fund – Governor’s Emergency Education Relief (GEER) Fund

Agency: Governor’s Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022 (SLFRF) 2021 (GEER)

Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Reason for recurrence: The Office was not adequately staffed to perform subrecipient monitoring at the time of this finding.

Actions taken: During fiscal years 2023 and 2024, the Office took significant corrective action to improve subrecipient monitoring, including assessing each subrecipient's risk of noncompliance, collecting single audits (as applicable) or certified financial statements from new awardees, and requesting and reviewing additional information from grantees related to uses of awarded funds. Additionally, Office staff have attended training to improve their understanding of the tools available to them to perform subrecipient monitoring procedures, as required. The Office has also conducted a staffing assessment and has added resources to perform subrecipient monitoring and review. The team is sufficiently staffed now to proceed with subrecipient monitoring in an operational way that will provide results. Office staff will continue to learn and attend training opportunities to improve their understanding of tools available to them to perform subrecipient monitoring procedures, as required by regulation. Furthermore, the department has begun implementing additional monitoring activities to have more oversight of the grants and the grantees. This implementation includes completing required risk assessments for the more than 300 SLFRF and approximately 100 GEER program subrecipients. The office is and will continue to work with federal agency partners and the subrecipients to resolve the program monies that may have been spent in violation of its federal award terms, and that may need to be returned.

Actions remaining: Office staff will utilize the completed risk assessments to determine which subawards will be selected for review and monitoring priority. Monitoring efforts will include establishing and maintaining effective internal control over federal awards and providing reasonable assurance that the federal program is being managed in compliance with all applicable laws, regulations, and award terms.

2023-103

Assistance listing number and name: 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

Agency: Governor's Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: Although the Office established a reconciliation process, it discovered uncorrected reporting inaccuracies in earlier awards dating back to 2022. The Office continues to reconcile and amend past report while navigating persistent challenges in the Treasury system. This ongoing process is complex and require significant time to complete.

Actions taken: The Office has taken comprehensive steps to prevent reporting inaccuracies and program expenditure misstatements. From fiscal years 2024 to 2026, the Office has strengthened SLFRF reporting processes by implementing weekly reviews and monthly reconciliations. A thorough reconciliation of all awards and expenditures was performed, with accuracy ensured by cross-checking against the State's official accounting records. These reconciliations will continue through program closeout. Reporting mechanisms have been enhanced by using the State's accounting records as the primary data source, proactively investigating discrepancies, and correcting or resubmitting any inaccurate data before report submission. Reporting procedures have been updated with improved templates, clearer guidelines, and better communication channels. Staff development remains a priority, with 18 professional development

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

opportunities completed, including federal reporting calls, webinars, internal and state system trainings, and a data conference. A dedicated team now oversees reporting and compliance. The Office has committed resources to ongoing expenditure reconciliation and robust internal controls—including additional training and regular quality assurance checks—through fiscal year 2027.

Actions remaining: The Office will continue to reconcile previously submitted reports to the federal agency, identifying and correcting errors where feasible or notifying the agency as needed. The Office remains committed to eliminating risk by completing a comprehensive reconciliation of all expenditures by the end of the program in fiscal year 2027.

2023-104

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

Agency: Governor’s Office of Strategic Planning and Budgeting

Year finding initially occurred: Fiscal Year 2021

Status: Partially corrected

Reason for recurrence: The Office previously reported staff turnover for key personnel directly responsible for preparing, submitting, and reviewing Federal Funding and Transparency Act (FFATA) reporting (i.e., 100 percent turnover). After reviewing supporting documentation and consulting with the U.S. Department of Education, the Office has determined that staff misinterpreted the reporting guidance. The Office understood the reporting did not require submissions on subawards made by another state agency. The Office did report the awards made to that respective state agency but did not include the agency subawards.

Actions taken: During fiscal year 2024, the Office took corrective action to improve FFATA reporting. This corrective action plan includes the following:

- Consulting with the U.S. Department of Education
- Training — Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors.

Actions remaining: The Office is committed to ongoing staff training and improved internal reporting processes. The remaining actions include the following:

- Establishment of a Grants Compliance and Reporting Team dedicated to performing necessary FFATA reporting procedures.
- FFATA Reporting Reconciliation —The Office will review, correct, and/or resubmit any inaccurately reported information, including subawards.
- Annual Performance Reporting (APR) Reconciliation
- The Office will correct any inaccurately reported information for the fiscal year 2022 APR, including subawards, in the next available reporting window.
- Update Written Procedures— The Office will update its written procedures to incorporate a process for reviewing federal guidance on a schedule aligned with federal reporting windows as applicable.
- Ongoing Training — Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of reporting errors.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

2023-105

Assistance listing number and name: 21.023 COVID-19 Emergency Rental Assistance Program
21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will review and confirm that benefits payments paid to or on the behalf of eligible program applicants are allowable expenditures of the federal funding being disbursed. The Department will abide by the existing adjudication policies and procedures that require the submission of substantiating documentation supporting the claims made by applicants regarding where they live and their household income to confirm that applicants are eligible to receive benefit payments under the program and to verify the amount of benefits they shall receive. The Department will attempt to obtain or allocate additional resources to staffing to support the program benefits application evaluation process and will provide additional training to staff on eligibility requirements and allowable benefit payment regulations. The Department will update the checklist being used by staff to perform post-review of eligibility determinations to include detailed guidance on verifying the applicant benefits determinations in alignment with the divisional policies and procedures and evidenced by adequate substantiating documentation.

2023-106

Assistance listing number and name: 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will revise its agency-wide policies and procedures to include guidance regarding how to establish effective subrecipient monitoring procedures and steps detailing the instructions for classifying and reporting subrecipient expenditures on the State’s Schedule of Expenditures of Federal Awards (SEFA). The updated procedures will include actions needed to be taken to ensure each pass-through relationship is appropriately determined and that every subrecipient relationship is communicated to the staff responsible for compiling the State’s SEFA.

The Department will revise its Contractor/Subrecipient Determination form and accompanying guidance to clearly identify the final determination of a pass-through entity. The Department will also conduct analyses to determine the resources needed to ensure compliance and provide training to applicable staff.

2023-107

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Assistance listing number and name: 21.023 COVID-19 Emergency Rental Assistance Program
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2022
Status: Not corrected

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions remaining: The Department will prepare and retain detailed documentation including system reports, queries, screenshots, and other evidence supporting the program information being reported to the federal agency for each Emergency Rental Assistance Program (ERAP) award. The Department will also abide by its policies and procedures to retain all records relating to federal awards for a period of 5 years after all the federal funds are expended. For future related programs with this requirement, the Department will develop and implement internal control policies and procedures that ensure systems properly display complete and accurate data on the federal reporting dashboard as instructed by the federal agency's reporting guidelines. Additionally, these policies and provisions will ensure that any future ERAP award funding received by the Department will be separately reported to avoid commingling. Finally, the Department will require that ERAP personnel verify the reported program information to ensure all report element sections are complete and accurate, and that it matches the underlying benefits and financial systems data.

2023-108

Assistance listing number and name: 21.023 COVID-19 Emergency Rental Assistance Program
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will ensure program costs are properly recorded in the financial system during the period of performance and only obligated costs are spent during the liquidation period. The Department will allocate sufficient resources to perform essential grant closeout functions to help prevent inappropriate charges. The Department will also update existing grant closeout procedures to require a review and approval of grant expenditures during the liquidation period to ensure they are allowable and properly obligated prior to the period of performance end date.

2023-109

Assistance listing number and name: 17.225 COVID-19 Unemployment Insurance
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2020
Status: Fully corrected

2023-110

Assistance listing number and name: 17.225 COVID-19 Unemployment Insurance
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will develop and implement written policies and procedures to ensure it prepares and retains detailed documentation, such as system reports, queries, or screenshots, to support the program information it reports to the federal agency for the UI program for a period of at least 3 years.

The Department will retain all detailed supporting source documentation that supports the data provided in the 9050 - Time Lapse of All First Payments except Workshare report for no less than 3 years.

2023-111

Assistance listing number and name: 93.575 Child Care and Development Block Grant

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

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2023

Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will revise its policies and procedures to ensure a signed receipt is captured for all Payment Disbursed Quickly submitted billings. In addition, the Department will retain all records related to a federal award for a period of 3 years from the final expenditure report submission date.

2023-112

Assistance listing number and name: 93.575 Child Care and Development Block Grant

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

Agency: Department of Economic Security

Year finding initially occurred: Fiscal Year 2023

Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Actions remaining: The Department will report the required missing information for its subawards on the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System for this cluster. The Department will also follow the State's accounting manual for reporting subaward actions equaling or exceeding \$30,000. In addition, the Department will redirect and train existing resources to ensure FFATA reports are compiled, reviewed, and submitted timely.

2023-113

Assistance listing number and name: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department's Division of Employment and Rehabilitation Services Finance and Business Operations Administration will begin to update its monitoring procedures by removing provisions for remote monitoring. The Department will also begin the process of onboarding two additional staff to perform on-site monitoring.

2023-114

Assistance listing number and name: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The fiscal year 2023 audit recommendations were issued in December 2024. Therefore, the Department was not able to begin addressing the recommendations until after the 2024 fiscal year had ended.

Actions remaining: The Department will report the required missing information for its subawards on the Federal Funding Accountability and Transparency Act Subaward Reporting System for the Workforce Innovation and Opportunity Act cluster. The Department will implement procedures requiring independent reviews to ensure the sub-award data is reviewed for accuracy prior to and after uploading to the federal government's reporting system.

2023-115

Assistance listing number and name: 14.231 Emergency Solutions Grant Program
14.231 COVID-19 – Emergency Solutions Grant Program
93.558 Temporary Assistance for Needy Families
93.558 COVID-19 – Temporary Assistance for Needy Families
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Reason for recurrence: Given the large scale and complexity of pandemic-related challenges, it will take additional time for the Department to fully execute its comprehensive approach to address pandemic-related audit findings.

Actions taken: The Department has updated its Scope of Work contracts with its subrecipient partners to provide additional clarity and guidance on allowable and disallowable costs. To ensure future compliance, additional training for responsible personnel has been implemented. The Department will continue to improve training on grant compliance and provide subrecipients and internal personnel with additional information and guidance on allowable and disallowable costs. A revision of the monitoring processes is in progress, including the improvement of Department oversight of subrecipient expenditures and the creation of a divisional Monitoring and Compliance Policy and Procedure Manual.

Actions remaining: The Department will stop the reimbursement of costs to all nonprofit and contracted subrecipients for items that are disallowed and/or restricted by the regulations of the federal Emergency Solutions Grant (ESG) program and Temporary Assistance for Needy Families (TANF) grant, including payments to personnel that violate the conflict-of-interest disclosure requirements. The Department will revise its expenditure review procedures to ensure compliance with these regulations prior to disbursing any ESG and/or TANF funding to any subrecipient for any purpose. These revisions will include review and approval by applicable management personnel prior to disbursement of federal funding. The Department is also in the process of establishing a divisional Monitoring and Compliance Policy and Procedure Manual which will establish procedures specific to subrecipient monitoring.

The Department will continue to assess the risk of noncompliance violations for each subrecipient and establish a plan of action to address noncompliance. The plan of action will include an array of training and educational processes to ensure applicable personnel are knowledgeable of programmatic compliance requirements and Department contracts. The Department will also monitor subrecipients per its updated policies and procedures and will ensure proper oversight of federal expenditures as required by federal regulations.

The Department will also continue to resolve the unallowable costs reimbursed to subrecipients as deemed appropriate by the applicable federal agencies.

2023-116

Assistance listing number and name: 14.267 Continuum of Care Program

Agency: Department of Housing

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The 2023 single audit was completed in November of 2024 which prevented the Department from fully implementing corrective action prior to June 30, 2024.

Actions taken: The Department stopped reimbursing the subrecipient for unsupported and ineligible costs. Written policies for reviewing and approving subrecipient reimbursements were updated and a risk assessment was implemented to ensure ongoing compliance. Staff received training pertaining to the updated policies.

Actions remaining: The Department is working with the Attorney General's Office to recover funding from the nonprofit agency. Staff are also in communication with Housing and Urban Development to return funds to the federal agency.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

2023-117

Assistance listing number and name: 14.267 Continuum of Care Program
Agency: Department of Housing
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: The 2023 single audit was completed in November of 2024 which prevented the Department from fully implementing corrective action prior to June 30, 2024.

Actions taken: The Department resumed monitoring duties and developed a monitoring schedule to ensure subrecipients maintain program compliance. The Department also established a risk assessment tool that assess risk associated with each subrecipient.

Actions remaining: Complete monitoring for current subrecipients. Records of subrecipient monitoring will be kept for a period of time to demonstrate monitoring activities were performed.

2023-118

Assistance listing number and name: 14.267 Continuum of Care Program
Agency: Department of Housing
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The 2023 single audit was completed in November of 2024 which prevented the Department from implementing corrective action prior to June 30, 2024.

Actions remaining: The Department will complete an internal review of the procurement policy, edit as necessary, then finalize and implement the updated procurement policy. The Department will review aspects of Federal Regulations 2 CFR §§200.321, 200.322, 200.323, and 200.327 and incorporate provisions as necessary.

2023-119

Assistance listing number and name: 14.267 Continuum of Care Program
Agency: Department of Housing
Year finding initially occurred: Fiscal Year 2023
Status: Not corrected

Reason for recurrence: The 2023 single audit was completed in November of 2024 which prevented the Department from fully implementing corrective action prior to June 30, 2024.

Actions remaining: The Department will implement procedures to address matching, level of effort, and earmarking. The procedures will address communication with subrecipients and maintaining records and documentation of the amounts used to fulfill matching requirements.

2023-120

Assistance listing number and name: 93.658 Foster Care – Title IV-E
93.658 COVID-19 – Foster Care – Title IV-E
Agency: Department of Child Safety
Year finding initially occurred: Fiscal Year 2021
Status: Partially corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Reason for recurrence: The Department was unable to report information about each subaward exceeding \$30,000 in federal monies on the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System.

Actions taken: Although the Department was initially able to enter information in FFATA Subaward Reporting System in June 2023 for the award ending on September 30, 2021, the Department was unable to enter subsequent information as the IV-E AZFOST award letter recipient name was discovered to be incorrect. In October 2023, the Department contacted the federal Title IV-E Grants Management Office to notify them that the Recipient Name for the IV-E AZFOST award was showing as the Arizona Department of Economic Security (DES) not the Arizona Department of Child Safety. Subsequently, it was discovered that this error in recipient name also reflected in the FFATA reporting system. As a result, the Department has been unable to access this award in FFATA, as Department staff are not associated with DES. According to the FFATA help desk, the Department needed to notify its federal grant manager in order to correct the FFATA system which was completed in October 2023. Department staff regularly follows up with the federal grant manager to resolve this issue to no avail.

Actions remaining: The Department will work with the Administration for Children and Families Office of Grants Management to resolve the inability to submit information and will immediately report program expenditures in the FFATA Subaward Reporting System when the award information issue is resolved.

2023-121

Assistance listing number and name: 93.268 Immunization Cooperative Agreements
93.268 COVID-19 - Immunization Cooperative Agreements
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Agency: Department of Health Services (ADHS)

Year finding initially occurred: Fiscal Year 2022

Status: Not corrected

Reason for recurrence: ADHS has been working diligently to update the process of the Federal Funding Accountability and Transparency Act (FFATA). The agency is on track to have the FFATA process updated by the end of FY 2025.

Actions remaining:

- Confirm missing FFATA Form accuracy and input into SAM.gov
- Continuous Quality Improvement (CQI) project for FFATA to begin in October 2024
- Create a new standard work for FFATA based on the outcome of the CQI Project
- Independent Program and Financial Services - Grants Management review of completed FFATAs including post upload into FFATA Subaward Reporting System (FSRS)
- Periodic reviews of FFATA compliance by Financial Services - Assurance
- Implementation of procedures for notification of subaward activities

2023-122

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Agency: Department of Education
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: The federal allocations have adopted the correct mathematical formulas, systems that determine eligible entities, and standardized processes aligned with the United States Department of Education. Staffing and processes are still done ad-hoc, and final policies and procedures have not been completed, only draft versions.

Actions taken:

- ADE has drafted and begun incorporating a comprehensive set of policies and procedures document outlining eligibility, duties, and responsibilities with individuals who oversee and double-check the work. This document was created and refined by reviewing other states' procedures, federal technical assistance groups, communications with the Title federal program office at the United States Department of Education, and internal procedures in other units.
- The Title I unit was restructured to have an operations team with multiple staff members overseeing data quality and internal controls for allocations. This updated structure ensures that multiple individuals are involved in the allocation process.
- The updated processes included entity management to determine when charter local education agencies (LEAs) open and operate each year. Now, other systems validate this information instead of copying the information from the prior year.
- Finally, the department will follow up with the United States Department of Education (USED) regarding recalculating the fiscal year 2023 and the six ineligible LEAs for Title II funds to determine feasible processes and resolutions to each audit recommendation.

Actions remaining: Formalize specific processes, such as crosschecking work at specific sections to ensure validation. Continue working on staffing resources, which are spread out among staff in the Title department to allow for redundancies and crosschecking. Publish final versions of policies and procedures which outline timelines, execution, and responsible parties. Begin discussions with USED on the findings from the audit.

2023-123

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
Agency: Department of Education
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Due to the timing and this is a once a year event, it was not able to be resolved prior to the end of the fiscal year. However, this has been resolved in fiscal year 2025.

Actions taken: Created process described below and workflow to ensure this will work properly moving forward.

Actions remaining: Tech team supervisor will have someone from that team put eyes on the initial generated report to compare results to prior year, looking at total number of local education agencies, then greenlighting the initial report for the Tech Director and the Fiscal Director to review. Once the Fiscal and Tech Directors receive the report, they will be responsible for sampling the data that populated into

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

the report, by looking at overall numbers who Pass, Pass with Exception, or Fail and doing a comparison for analysis to prior year summary results. They will conduct a random sampling, comparing totals to latest Annual Financial Report totals, to ensure amounts populated correctly. Once random sampling has been completed, it will be sent to Deputy Associate Superintendent for final checks. Deputy Associate Superintendent (now Grants Management Administrator) will give final approval to move to public display of data, after confirmation of completeness and accuracy of data populated.

2023-124

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
Agency: Department of Education (ADE)
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Items have not been able to be fully implemented

Actions taken:

- ADE is working on standardizing fiscal efficiency by adopting uniform guidelines that monitor obligations and expenditures. These guidelines outline available resources, determine allocation amounts within federal awards and earmark expiration dates within programs.
- ADE is also working on standardizing how funds may be reallocated to ensure that no funds risk reverting to the United States Department of Education. Specifically, school improvement funds are now tracked as part of the Title I allocation and reallocation process. This will ensure funds are earmarked and obligated on time (i.e., during the performance period). This item is planned to be completed by January 2025.

Actions remaining: Finalize reallocation procedures and formalize quarterly tracking with program units. The tracking will evaluate the fiscal efficiency of all federal awards from a 12-month and 27-month perspective. This will ensure that each fiscal year, state budgets support federal awards being expended in each federal awards 27-month life cycle.

2023-125

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
Agency: Department of Education (ADE)
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Some items took longer than anticipated as well and during implementation, new action steps were discovered to ensure success.

Actions taken:

- ADE implemented a program to ensure accurate and quality programmatic monitoring for all Elementary and Secondary Education Act programs which specifically requires local education agencies (LEAs) to meet 100% of the requirements of all statutorily required items to be monitored regardless of Charter Management Organization (CMO) affiliation. This development of programmatic monitoring includes a system of integrity to allow each LEA to have unique monitoring findings and ensure they are treated as all other LEAs regardless of management

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

status. ADE is drafted program policies and procedures and created field training and staff training on how this program is implemented.

- ADE created a process to ensure that there is a way to prevent CMO's from operating in a fiscal or operational capacity on behalf of the LEA. This included collecting assurance documents for charter LEAs to attest that if they do business with a CMO, the CMO does not have fiscal or operational authority over the LEA. The charter is asked to submit to ADE a copy of their organizational chart, along with the assurance document. A specially designed user role is given to these individuals to further provide limitations of power in the Grants Management Enterprise (GME) system, called the LEA Contracted Update role. This role allows a CMO person the access to perform fiscal tasks for which they have been contracted but does not hold the final submit or approve capacity, which must be reserved for authorized employees of the LEA. Grants Management has provided the placeholder for the assurance and organizational chart in the LEA Document Library, along with the communication to eligible entities (charters in this case). Individual program areas within ADE who review and approve funding applications will be responsible for verifying the assurances have been signed and uploaded and that only authorized people at the LEA are actioning funding applications in GME before the program area giving director approval to the application.

Actions remaining:

- At the program level, all items are now complete as originally stated with regard to programmatic monitoring. A new monitoring schedule to reflect 100% of changes as of 5/2025 for the FY 2026 year. This will include 100% of Charter LEAs following the same protocol for monitoring scheduling and implementation without regard to CMO.
- Additionally on the Grants Management program, the tech team supervisor will have someone from that team put eyes on the initial generated report to compare results to the prior year, looking at the total number of LEAs, then greenlighting the initial report for the Tech Director and the Fiscal Director to review.
- Once the Fiscal and Tech Directors receive the report, they will be responsible for sampling the data that populated into the report, by looking at overall numbers who Pass, Pass with Exception, or Fail and doing a comparison for analysis to prior year summary results. They will conduct a random sampling, comparing totals to the latest Annual Financial Report totals, to ensure amounts are populated correctly. Once random sampling has been completed, it will be sent to the Deputy Associate Superintendent for final checks.
- Deputy Associate Superintendent (now Grants Management Administrator) will give final approval to move to public display of data, after confirmation of completeness and accuracy of data populated.

2023-126

Assistance listing number and name: 84.010 Title I Grants to Local Educational Agencies
84.367 Supporting Effective Instruction State Grants
84.425D COVID-19 - Education Stabilization Fund—
Elementary and Secondary School Emergency Relief (ESSER)
Fund

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Agency: 84.425U COVID-19 - Education Stabilization Fund - American Rescue Plan - Elementary and Secondary Schools Emergency Relief (ARP ESSER) Fund
Year finding initially occurred: Department of Education (ADE)
Status: Fiscal Year 2021
Partially corrected

Reason for recurrence: Due to the complexity and timing, this required a tremendous amount of detailed rework. This has been resolved in fiscal year 2025.

Actions taken: ADE has worked in cooperation with our vendor to correct outdated SQL queries that were identified and returning only approved grant award amounts rather than all awarded amounts, regardless of approval status. We will ensure that the original award amounts are being queried and, in return, reported within the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). Additionally, through the reconciliation process each month, correct award amounts will align with corresponding Federal Award Identification Number. We have implemented an automated monthly reporting workflow/schedule which will help ensure required FFATA reporting is submitted timely. This process automation helps prompt monthly FFATA reporting uploads by leveraging office tools that are readily available and ensures monthly upload deadlines are met by automatically scheduling the task and requiring follow-up by the assignee. In January of 2024 the staff assigned to FFATA uploads changed again (for the fourth time in a year) and at that point a new staff member assumed responsibility for FFATA uploads. As numerous corrections needed were discovered through the reconciliation process, new reports were uploaded. Some of these were original uploads for entities that were missing FSRS information altogether and some were corrections to previously uploaded yet incorrect information. With each monthly upload, a new date was being captured and while some of the information was new entity award information, not all of the information being updated was untimely. This has been a long and arduous process, and we look forward to not having continued FFATA findings, as we are making progress to correcting award information for all federal grants moving forward from this point. Our Compliance Officer reconciles the current FSRS award information monthly with our Lead Grants Coordinator or our Deputy Associate Superintendent. Any missing or duplicate information is corrected prior to the FSRS upload.

Actions remaining: With a target of before the end of June 2025, our Compliance Officer is currently correcting FAY23 (FY24) and FAY24 (FY25) award amounts in FSRS. Many federal help desk tickets and escalations have had to happen to correct zip +4 errors which prevent the uploads from taking, along with removing duplicates rather than overwrites which happen at times.

2023-127

Assistance listing number and name: 84.425D COVID-19 – Education Stabilization Fund—
Elementary and Secondary School Emergency Relief (ESSER)
Fund
84.425R COVID-19 – Coronavirus Response and Relief
Supplemental Appropriations Act, 2021- Emergency Assistance
to Non-Public Schools (CRRSA EANS)
Agency: Department of Education (ADE)
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: Due to timing and complexity of the finding.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Actions taken: All ESSER reporting is validated by at least two people before submitting to U.S. Department of Education. The validation includes the reconciliation of data from the local education agency to ADE's report.

Actions remaining: Finalizing policies and procedures for validating the data and generally how data is compiled, interpreted and reported based on the initial implementation and corrections of the EANS program.

2023-128

Assistance listing number and name: Various
Agency: Arizona Department of Administration (ADOA)
Year finding initially occurred: Fiscal Year 2011
Status: Not corrected

Reason for recurrence: We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were not consistent with established Federal cost principles and would result in an obligation to the Federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

Actions remaining: This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (U.S. HHS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue.

2023-129

See the University response section at the end of this report for the summary schedule of prior audit findings for finding 2023-129.

2023-130

Assistance listing number and name: 93.778 Medicaid Assistance Program
93.778 COVID-19 Medicaid Assistance Program
Agency: Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: Due to the timing of the discovery of the provider billing matter, AHCCCS was not able to fully address and resolve the matter as of June 30, 2024.

Actions taken: Since AHCCCS announced its initial findings of credible and willful fraud by sober-living providers across the state in May 2023, AHCCCS has suspended more than 300 providers, assisted over 10,000 individuals with the humanitarian response, and implemented more than 20 new initiatives to combat fraud, waste, and abuse in the Medicaid program. As the extent of the fraud was revealed, AHCCCS recognized the need for holistic and systemwide changes. AHCCCS partnered with the Attorney General and Governor's Office to develop a comprehensive plan to address the loopholes fraudulent providers were exploiting.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

- Increased scrutiny of claims based on claims volume.
- Issued a moratorium on new provider registrations for impacted provider types
- Prevented Reimbursement of Claims for Impossibly Rendered Services
- Claims for Substance Abuse Services for Children under the age of 12 to Require Clinical Review Prior to Payment
- Set thresholds for services to initiate a prepayment review.
- Required claims to be billed for specific dates of service rather than ranges.
- Flagged claims for services of the same style/overlapping codes.
- Created a prepayment review process for providers utilizing suspicious billing practices.
- Eliminated retroactive billing.
- Credible Allegation of Fraud suspensions include both provider entities and owners/ behavioral health (BH) practitioners.
- Implemented ID.Me identity verification for AHCCCS Online.
- Required providers to disclose any third-party billing relationships.
- Behavioral Health Providers are now considered high-risk provider types for provider enrollment.
- Per Diem codes have been set to only be able to be billed once per day.
- Practitioners, including Behavioral Health Technicians, can no longer be patients at the same provider.
- Worked with the Arizona Corporation Commission to flag suspicious registrations.
- Ensured AHCCCS coding adhered to National Correct Coding Initiative (NCCI) standards and confirmed no edits had been turned off.
- Streamlined AHCCCS reporting of bad actors to the appropriate professional oversight boards.
- Creation and publication of the Covered Behavioral Health Services Guide to connect all relevant AHCCCS policies and explain how they interact in the Behavioral Health System of Care.
- Robust changes to our AHCCCS Provider Enrollment System to address FWA issues.
- Update to the Behavioral Health Residential Facilities policy to provide greater detail and clarity for providers and members about what should and should not be included in services rendered by this provider type.
- Creation of the prepayment review process for FFS claims and inclusion of data measurement to allow for agile modification going forward to respond to over utilization or abuse of codes.
- Creation of the Community Partner Assistor Organization Reviews to prevent abuse of access to the HEA+ system.
- Designated pathways of partnering on large scale quality of care investigations between the Division of Fee for Service and MCOs to prevent unnecessary member impact.
- Social media campaign to encourage the public to report FWA/abuse & neglect.
- Requirement of all providers to transition to Electronic Funds Transfer.
- Removed the phone attestation option for AIHP enrollment, and are in the process of implementing the AIHP verification process with tribal partners and IHS based on utilization.
- MOUs with AZ Board of BH Examiners and Board of Nursing to promote interagency information sharing and referrals, as well as the close referral relationship with the Arizona Department of Health Services.
- Regular Public BH System Cross-Agency Collaboration meetings including all agencies, boards, commissions and the GO in the public health space.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

- Updates to the provider enrollment policy in AMPM 610, explicitly requiring many more disclosures of providers, and making it clear without full and transparent registration information, providers will be terminated or denied enrollment with AHCCCS.
- Implemented policies which required Behavioral Health Professionals, required to oversee the clinical services provided at BHRFs and Outpatient Behavioral Health Clinics, to be reported upon registration and be listed on claims submissions.
- Mandatory transition to Electronic Fund Transfer (direct deposit) for all AHCCCS provider reimbursements.
- Linking BHP to BH companies and facilities they work for.

Actions remaining:

- Implementation of Alivia--a new AI powered data analytics platform for pre-pay and post-pay claims analysis, currently in the development and planning stage.
- Implementing eligibility integrity requirements for AIHP enrollment.
- Conduct onsite quality of care reviews for patients in treatment longer than 90 days.
- Require medical records to define specialized services.
- Implement a new pre/post pay claims system.

AHCCCS continuously monitors our systems and investigates instances of fraud, waste, or abuse. Any areas of concern which are identified are then addressed and system improvements are made. Furthermore, AHCCCS utilizes data analysis to confirm that these system improvements are having the intended impacts and that the provider networks remain robust.

2023-131

Assistance listing numbers and program names: 93.778 Medicaid Assistance Program
93.778 COVID-19 Medicaid Assistance Program

Agency: Arizona Health Care Cost Containment System
(AHCCCS)

Year finding initially occurred: Fiscal Year 2023

Status: Partially corrected

Reason for recurrence: Insufficient investigative staff and increased volumes of provider and member investigations impacted AHCCCS' ability to investigate and follow up on potential fraud or abuse incidents in a timely manner. In fiscal year 2023, the process of holding quarterly reviews of deferred cases did not occur due to resources being diverted to focus on Strike Force activities involved in addressing the Behavioral Health (BH) crisis.

Actions taken: The Office of the Inspector General announced a re-organization in December 2023 that resulted in permanent transitions to other teams for several staff. Teams were given time to finalize cases and move items to other investigators in order to limit disruption to cases. By April 2024, after the Strike Force initiative had been unwound and the member team structure changes for personnel were finalized, the member team restarted its process of quarterly deferred case reviews. At the first review in April 2024, cases in the deferred backlog that were not completed in the timeframe set for the reviews were postponed to the next quarterly review in July.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Actions remaining: AHCCCS OIG commits to a review of the current Deferred Process and will determine areas of improvement to include timeliness for deferred case review completion, quarterly completed deferred case review reports, and required documentation for all deferred case processes.

2023-132

Assistance listing numbers and program names: 93.778 Medicaid Assistance Program
93.778 COVID-19 Medicaid Assistance Program
Agency: Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2023
Status: Partially corrected

Reason for recurrence: This was a result of staffing turnover as well as a breakdown of inter and intra-departmental communication and collaboration between AHCCCS Office of the Inspector General and the Division of Business and Finance. Due to the timing of the discovery of the finding, AHCCCS was not able to implement all the corrective actions until subsequent to June 30, 2024.

Actions taken:

- AHCCCS has filled the related following positions that experienced turnover: Accounting Supervisor, Reporting Administrator, and 2 Accounting Specialists.
- Increased collaboration across the respective departments and divisions to ensure the federal share of all case recoupments is timely returned to the Centers for Medicare & Medicaid Services.
- AHCCCS has revised standard work processes to include quarterly reconciliations of case recoupments among the various departments and divisions.

Actions remaining: AHCCCS anticipates having reported and returned the federal share to CMS for all case recoupments identified by June 30, 2025.

2023-133

Assistance listing numbers and program names: 93.778 Medicaid Assistance Program
93.778 COVID-19 Medicaid Assistance Program
Agency: Arizona Health Care Cost Containment System (AHCCCS)
Year finding initially occurred: Fiscal Year 2023
Status: Fully corrected

2022-102

Assistance listing number and name: 21.019 COVID-19 Coronavirus Relief Fund
Agency: Governor's Office of Strategic Planning and Budgeting
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: The Office was not adequately staffed in order to perform subrecipient monitoring.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Actions taken: During fiscal year 2024, the Office took significant corrective action to improve subrecipient monitoring by developing and implementing a comprehensive subrecipient monitoring plan. This plan includes the following:

- Financial Report-Reimbursement Requests—The Office reviews the grantee's financial reports to ensure costs align with the approved budget, program objectives, and federal cost principles.
- Performance Reports—The Office reviews the submission of programmatic reports. The timelines for submission and frequency of the programmatic activity reports are defined in the terms and conditions of each award. The program activity reports document that all program requirements are being satisfactorily fulfilled. Grantee outreach is conducted when performance activity is lagging. Grantee check-ins and/or additional milestones are set to ensure goals are met. The Office may amend or terminate the grant award if sufficient progress is lacking.
- Single Audit Reports—The Office confirms any required Single Audits and reviews a copy of the most recent report.
 - A Single Audit Questionnaire is distributed to grantees annually to confirm if the entity is subject to this federal audit requirement.
 - The Office also reviews total payments issued to an entity by the Office in the prior year to confirm if disbursements met the audit threshold.
 - The Office requests grantees submit their Single Audit Reporting Package (SARP) with any findings and the required Corrective Action Plan (CAP). In addition, the Office collects SARPs from the federal clearinghouse.
 - The Office reviews SARPs for any findings and conducts follow-up monitoring of CAPs that impact any grant funding managed by the Office. Management decisions are issued to grantees as required for specific grant findings.
- Risk Assessment (RA)—The Office conducts a RA of grantees when applying for grants to inform the grant award decision and possible grantee oversight or restrictions. Additionally, the Office conducts an annual RA of any grantee currently awarded funding.
 - The RA contains a self-assessment for the grantee to complete and an internal review conducted by the Office. Scores from both are weighted and used to calculate the overall risk score for each grantee as high, medium, and low risk.
 - The Office utilizes the RA results to prioritize high risk grantees to be reviewed through a desk or on-site monitoring. Medium risk grantees will receive additional support and will be referred to our Compliance and Reporting team for further review if additional concerns arise.

Office staff now attend ongoing internal and external training to improve their understanding of compliance requirements, identify noncompliance, and actively reduce the risks of waste, fraud, and abuse of federal dollars through our subrecipient monitoring process. The Office has developed and implemented processes for requirements such as single audit review and corrective action follow-up, RA, and subrecipient monitoring to address the specific findings.

During the time frame corresponding to this audit finding, the pace and volume of grants management administrative duties required to be executed exceeded staffing capacity, contributing to the findings noted. As of this date, the Office has achieved stability in both manager and staff positions. In addition, the Office has allocated sufficient resources to comply with the award terms and program requirements by establishing a Grants Compliance and Reporting Team dedicated to performing necessary subrecipient monitoring procedures. Furthermore, the Office has implemented all recommendations.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2024

Actions remaining: Office staff will continue to take the actions outlined below for subrecipients who received awards funded by 21.019 Covid-19 Relief Fund.

- Conduct monitoring activities based on completed RAs, including reviewing financial and performance reports, providing training or technical assistance on program-related matters, and performing on-site reviews, selective audits, or other necessary monitoring procedures.
- Maintain documentation of monitoring procedures that show they were executed, including the outcomes of the monitoring procedures and any Office actions taken, if necessary.

2022-106

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

Agency: Office of Tourism
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: AOT is in the process of fully implementing.

Actions taken: AOT will establish a process for identifying, requesting and reviewing Single Audits for any organization that receives over \$750,000.

Actions Remaining: AOT will develop additional written instructions for providing a single audit.

Agency: Arizona Supreme Court
Year finding initially occurred: Fiscal Year 2022
Status: Fully corrected

2022-108

Assistance listing number and name: 12.401 National Guard Military Operations and Maintenance (O&M) Projects

Agency: Department of Emergency & Military Affairs
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: The DEMA Human Resources (HR) Department Standard Workflow process and procedures, crucial in addressing the findings identified in the FY2022 State Single Audit (2022-108), was implemented during FY2024. However, additional internal controls are recommended to enhance the process and ensure the forms are complete, correct, and maintained in the personnel record.

Actions taken: As of February 26, 2024, the HR Director applied the Standard Work (SW) for processing Personnel Actions and Payroll. This SW outlines procedures to ensure consistency in quality, delivery, and predictability. The primary goal is to reduce rework, eliminate bottlenecks, and improve quality, ensuring effective communication between HR and payroll.

Actions remaining: To ensure the Personnel Actions and Payroll adjustments are complete, correct, and maintained in the personnel file, the HR Director must ensure that SW collaborates with appropriate departmental personnel, as well as authorized signatory. The SW should include a process to ensure that

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

upon completion, the form is examined for completeness, printed, and placed into the employee's file. The HR Director must also record that personnel have been trained and provided cooperative process improvements.

2022-112

Assistance listing numbers and names: 93.568 Low-Income Home Energy Assistance
93.568 COVID-19 Low-Income Home Energy Assistance
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2022
Status: Fully corrected

2022-113

Assistance listing number and name: 21.027 COVID-19 State and Local Fiscal Recovery Funds (SLFRF)
Agency: Department of Economic Security
Year finding initially occurred: Fiscal Year 2022
Status: Partially corrected

Reason for recurrence: As of the 2024 fiscal year end, The Department was awaiting a management decision from the United States Department of Treasury (Treasury). Until Treasury issues a management decision, the Department is unable to close out the finding.

Actions taken: The Department has begun to ensure subaward entities are providing all records to the division relating to federal awards. The Department has also begun to retain all records for a period of 3 years from the final expenditure report submission date.

Actions remaining: The Department will reduce disallowed expenditures amounting to \$10,000 during the next SLFRF reporting period and reassign the reduced amount to another SLFRF eligible expenditure for new or existing projects. The Department will also use the reassigned costs in accordance with the SLFRF program's award terms and conditions.

2022-123

Assistance listing number and name: 16.575 Crime Victim Assistance
Agency: Department of Public Safety
Year finding initially occurred: Fiscal Year 2022
Status: Fully corrected

2021-119

Assistance listing numbers and names: 10.558 Child and Adult Care Food Program
10.558 COVID-19 -Child and Adult Care Food Program Agency
Agency: Department of Education
Year finding initially occurred: Fiscal Year 2021
Status: Fully corrected

2021-120

Assistance listing numbers and names: 17.002 Labor Force Statistics Employment Service Cluster
17.207 Employment Service/Wagner-Peyser Funded Activities
WIOA Cluster

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Agency:	17.258 WIOA Adult Program
Year finding initially occurred:	17.259 WIOA Youth Activities
Status:	17.278 WIOA Dislocated Worker Formula Grants
	Office of Economic Opportunity
	Fiscal Year 2021
	Fully corrected

March 5, 2026

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

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and recommendations in the university's Report on Internal Control and on Compliance.

Sincerely,



Bethany Prim
Comptroller

cc: John Arnold, Chief Financial Officer
Garth Perry, Chief Budget and Fiscal Management Officer
Andrew Brennan, Chief Procurement Officer



University of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2024

Status of financial statement findings

2023-01

Agency: The University of Arizona

Year finding initially occurred: Fiscal Year 2022

Status: Partially corrected

Reason for recurrence: The university processes a large volume of purchasing card transactions and performs post-transaction sampling that includes high-risk Merchant Category Codes and Object Codes, representing approximately 10% of purchasing card transactions.

Actions taken: The university reviewed the transactions identified in the finding and took corrective action to ensure funds were refunded to the university, as appropriate. Corrective actions included issuing a violation and suspending the purchasing card. The university transitioned to a new banking platform and required all cardholders, reconcilers, and approvers to retake the PCard exam and complete updated PCard program training. The university also re-evaluated its sampling methodology to enhance the detection of noncompliant activity.

Actions remaining: The university continues to monitor the high volume of purchasing card transactions through procedures such as transaction sampling and review of self-reported violations. Corrective actions are taken when expenses do not comply with policy, including repayment and suspension of cardholder privileges. The university continues to develop and provide training to purchasing cardholders and department supervisors to reinforce compliance with policies and procedures. In addition, the university plans to implement a new system that will provide enhanced reporting tools to support transaction monitoring.

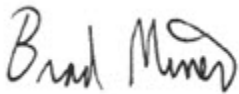
April 15, 2025

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

Dear Ms. Perry,

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in black ink that reads "Brad Miner". The signature is written in a cursive, slightly slanted style.

Bradley Miner

Associate Vice President and Comptroller

Cc: Bjorn Flugstad, Senior Vice President and Chief Financial Officer

The Summary Schedule of Prior Year Audit Findings presents the status of findings reported in the prior year single audit. Current year findings, if any, are separately reported in the Report on Internal Control and on Compliance.

Status of financial statement findings

2023-01

State Agency: Northern Arizona University

Status: Fully Corrected

2023-02

State Agency: Northern Arizona University

Status: Fully Corrected

2023-03

State Agency: Northern Arizona University

Status: Fully Corrected

Status of federal award findings and questioned costs

2023-129

Year finding initially occurred: Fiscal year 2022

Agency: Northern Arizona University

Status: Partially Corrected

Reason for recurrence: Fraudulent student financial aid transactions occurred over the span of multiple fiscal years.

Actions taken:

The University has put into place a number of additional verification measures and detective controls to validate online student identities and check for repetitive information and trends. An in-depth analysis of multiple qualitative attributes of students receiving financial assistance identified high risk students receiving loans and awards. Students in this population are now required to complete V4 identity verification. Additionally, the University put in place several upfront measures to detect repetitive information and trends to identify potentially fraudulent activity. The University will continue to partner with federal, state, and local law enforcement agencies and financial institutions across the country to recover losses and aggressively pursue legal action against perpetrators of fraud.

Remaining actions: Verification measures and control monitoring are ongoing.