Single
Audit Report

For the Fiscal Year Ended June 30, 2012

State of Idaho

Legislative Services Office – Audits Division



Legislative Services Office
Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

March 29, 2013

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Idaho State Legislature
Honorable Brandon D. Woolf, State Controller

We are pleased to submit the statewide *Single Audit* of the State of Idaho covering the fiscal year ended June 30, 2012. This report complies with the audit requirements placed on the State of Idaho as a condition for receiving $3,014,136,544 in federal assistance (colleges and universities, Idaho Housing and Finance Association, and Idaho Individual High Risk Reinsurance Pool are reported separately).

Idaho does a good job administering its federal funds in compliance with applicable laws and regulations. Questioned costs for fiscal year 2012 totaled $7,555,043, although several issues are reported for which questioned costs could not be determined.

The federal audit requirements are contained in Title 31, Chapter 75, United States Code, as amended by the Single Audit Act Amendments of 1996. The objectives of the Single Audit Act are:

- To improve the financial management of state and local governments with respect to federal financial assistance programs through improved auditing.
- To establish uniform requirements for audits of federal financial assistance provided to state and local governments.
- To promote the efficient and effective use of audit resources.
- To ensure that federal departments and agencies, to the maximum extent practicable, rely on and use audit work performed pursuant to the requirements of the Single Audit Act.

The Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, was issued to facilitate the implementation of the Single Audit Act as amended in 1996. OMB *Circular A-133* places the responsibility for identifying major programs to audit on the auditor. A risk-based approach, which considers current and prior audit experience, federal oversight, and inherent risk, is used to identify major programs. All audit issues are in the section entitled "Auditor's Results." Internal control weaknesses and compliance issues related to federal awards are included in the subsection entitled "Federal Findings and Questioned Costs." Internal control weaknesses and compliance issues related to the basic financial statements are included in the subsection entitled "State Findings and Recommendations."

Mike Nugent, Manager
Research & Legislation

Cathy Holland-Smith, Manager
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April Renfro, Manager
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This document contains the following reports and schedules:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

- Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB *Circular A-133.*

- Schedules of Expenditures of Federal Awards.

- Auditor's Results (Schedules of Current and Prior Federal Findings and Questioned Costs, as well as Current State Findings and Recommendations).

The complete *Comprehensive Annual Financial Report* (*CAFR*), which includes the State's basic financial statements, can be obtained from the Idaho Office of the State Controller (208-334-3100) or accessed on its website at www.sco.idaho.gov.

Sincerely,



April Renfro, CPA, Manager
Legislative Audits Division

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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*The State's basic financial statements are included in the *Idaho Comprehensive Annual Financial Report* (*CAFR*) published in conjunction with this *Single Audit Report* by the Office of the State Controller. The *CAFR* can be obtained from the Office of the State Controller (208-334-3100) or accessed on its website at www.sco.idaho.gov.



Legislative Services Office
Idaho State Legislature

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Jeff Youtz
Director

December 20, 2012

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

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Legislature
Honorable Brandon D. Woolf, State Controller

We have audited the basic financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the State of Idaho, as of and for the fiscal year ended June 30, 2012, that collectively comprise the State's basic financial statements, and have issued our report thereon dated December 20, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors have audited the financial statements of Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, University of Idaho and their respective component units, the Endowment Fund Investment Board, State Lottery Commission, Public Employee Retirement System of Idaho, Public Employees' Deferred Compensation Plan, Idaho Judges' Retirement Fund, IDeal Idaho College Savings Program, Idaho Individual Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, Petroleum Clean Water Trust Fund, Idaho Building Authority, Bond Bank Authority, and the Idaho Housing and Finance Association as described in our report on the State of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported separately by those other auditors. The financial statements of the Idaho Housing and Finance Association, Lewis-Clark State College, Boise State University, Idaho State University, University of Idaho, Eastern Idaho Technical College Foundation, Lewis-Clark State College Foundation, Boise State University Foundation, Idaho State University Foundation, and the Public Employees' Deferred Compensation Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying S*chedule of Findings and Responses* to be material weaknesses: 12S-1.

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 following deficiencies described in the accompanying *Schedule of Findings and Responses* to be significant deficiencies: 12S-2, 12S-3, 12S-4, and 12S-5.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the State of Idaho in a separate correspondence issued at the State agency level.

Responses to the findings identified in our audit are described in the accompanying *Schedule of Findings and Responses*. We did not audit the responses and, accordingly, we express no opinion on them.

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

Sincerely,



April Renfro, CPA, Manager
Legislative Audits Division



Legislative Services Office
Idaho State Legislature

Serving Idaho's Citizen Legislature

Jeff Youtz
Director

March 29, 2013
December 20, 2012

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

Honorable C.L. "Butch" Otter, Governor
Honorable Members of the Legislature
Honorable Brandon D. Woolf, Controller

Compliance

We have audited the compliance of the State of Idaho with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The State of Idaho's major federal programs are identified in the Schedule of Federal Major Programs in the Auditor's Results section. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Idaho's management. Our responsibility is to express an opinion on the State of Idaho's compliance based on our audit.

The State of Idaho's basic financial statements include the operations of Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, University of Idaho, Idaho Housing and Finance Association, and Idaho Individual High Risk Reinsurance Pool, which received a combined $2,113,005,680 in federal awards, which is not included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2012. Our audit, described below, did not include the operations of the Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, University of Idaho, Idaho Housing and Finance Association, and Idaho Individual High Risk Reinsurance Pool because these entities engaged other auditors to perform an audit in accordance with OMB *Circular A-133*.

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

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As described in the accompanying Schedule of Findings and Questioned Costs, the State of Idaho did not comply with the requirements for the federal programs as listed below. Compliance with such requirements is necessary, in our opinion, for the State of Idaho to comply with the requirements applicable to that program.

Finding Number	Major Program Name (CFDA Number)	Type of Compliance Requirements
12F-1	Vocational Rehabilitation Cluster (84.126 and 84.390)	Matching, Level of Effort, Earmarking, Reporting
12F-10	Social Services Block Grant (93.667)	Matching, Level of Effort, Earmarking
12F-12	Social Services Block Grant (93.667)	Period of Availability
12F-14	Supplemental Nutrition Program for Women, Infants, and Children (10.557)	Reporting
12F-19	Vocational Rehabilitation Cluster (84.126 and 84.390)	Activities Allowed or Unallowed Allowable Costs/Cost Principles Cash Management
12F-20	Vocational Rehabilitation Cluster (84.126 and 84.390)	Period of Availability
12F-21	Vocational Rehabilitation Cluster (84.126 and 84.390)	Reporting

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Idaho complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB *Circular A-133*, and which are described in the accompanying Schedule of Findings and Questioned Costs as item 12F-2, 12F-3, 12F-5, 12F-6, 12F-7, 12F-8, 12F-9, 12F-11, 12F-13, 12F-15, 12F-17, 12F-18, 12F-22, and 12F-24.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the

deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 12F-1, 12F-10, 12F-12, 12F-14, 12F-19, 12F-20, and 12F-21 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 12F-2, 12F-3, 12F-4, 12F-5, 12F-6, 12F-7, 12F-8, 12F-9, 12F-11, 12F-13, 12F-15, 12F-16, 12F-17, 12F-18, 12F-22, 12F-23, and 12F-24 to be significant deficiencies.

Responses to the findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. We did not audit the responses and, accordingly, we express no opinion on them.

Schedules of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho as of and for the year ended June 30, 2012, and have issued our report thereon dated December 20, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State of Idaho's basic financial statements. Our opinion expressed therein, insofar as it relates to entities' financial statements that were audited by other auditors, was based solely on the reports of the other auditors. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB *Circular A-133,* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional auditing procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

Sincerely,



April Renfro, CPA, Manager
Legislative Audits Division

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

SCHEDULE
OF
EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	DEPARTMENT OF AGRICULTURE			
	SNAP CLUSTER:			
10.551	Supplemental Nutrition Assistance Program (SNAP)	Health and Welfare, Department of	$366,313,353	NC
10.561	State Administrative Matching Grants - Supplemental Nutrition Assist. Program	Health and Welfare, Department of	10,666,118	
	TOTAL SNAP CLUSTER		$376,979,471	
	CHILD NUTRITION CLUSTER:			
10.553	School Breakfast Program	Superintendent of Public Instruction	$17,301,494	
10.555	National School Lunch Program	Superintendent of Public Instruction	5,726,758	NC
10.555	National School Lunch Program	Superintendent of Public Instruction	50,574,541	
10.556	Special Milk Program for Children	Superintendent of Public Instruction	176,845	
10.559	Summer Food Service Program for Children	Superintendent of Public Instruction	4,530,585	
	TOTAL CHILD NUTRITION CLUSTER		$78,310,223	
	EMERGENCY FOOD ASSISTANCE CLUSTER:			
10.568	Emergency Food Assistance Program (Administrative Costs)	Health and Welfare, Department of	$280,097	
10.569	Emergency Food Assistance Program (Food Commodities)	Health and Welfare, Department of	1,972,867	NC
	TOTAL EMERGENCY FOOD ASSISTANCE CLUSTER		$2,252,964	
	NON-CLUSTERED PROGRAMS:			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture, Department of	$1,520,199	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Fish and Game, Department of	95,592	
10.028	Wildlife Services	Fish and Game, Department of	359	
10.064	Forestry Incentives Program	Lands, Department of	19,373	
10.162	Inspection Grading and Standardization	Agriculture, Department of	47,283	
10.163	Market Protection and Promotion	Agriculture, Department of	146,619	
10.169	Specialty Crop Block Grant Program	Agriculture, Department of	59,256	
10.170	Specialty Crop Block Grant Program - Farm Bill	Agriculture, Department of	923,115	
10.557	Supplemental Nutrition for Women, Infants, and Children (WIC)	Health and Welfare, Department of	30,156,923	
10.558	Child and Adult Care Food Program	Superintendent of Public Instruction	6,621,016	
10.560	State Administrative Expenses for Child Nutrition	Superintendent of Public Instruction	976,259	
10.574	Team Nutrition Grants	Superintendent of Public Instruction	251,358	
10.578	ARRA - WIC Grants to States	Health and Welfare, Department of	176,103	
10.578	WIC Grants to States	Health and Welfare, Department of	413,973	
10.579	Child Nutrition Discretionary Grants Limited Availability	Superintendent of Public Instruction	297,498	
10.582	Fresh Fruit and Vegetable Program	Superintendent of Public Instruction	1,784,415	
10.604	Technical Assistance for Specialty Crops	Agriculture, Department of	277,666	
10.664	Cooperative Forestry Assistance	Agriculture, Department of	335,244	
10.664	Cooperative Forestry Assistance	Lands, Department of	3,433,129	
10.676	Forest Legacy Program	Lands, Department of	1,912,367	
10.678	Forest Stewardship Program	Lands, Department of	6,194	
10.680	Forest Health Protection	Lands, Department of	169,380	
10.687	ARRA - Capital Improvement and Maintenance	Environmental Quality, Department of	670,573	
10.688	ARRA - Wildland Fire Management	Agriculture, Department of	1,189,878	
10.688	ARRA - Wildland Fire Management	Lands, Department of	330,646	
10.692	Secure Rural Schools I Community (RAC)	Transportation Department, Idaho	15,000	
10.769	Rural Business Enterprise Grants	Agriculture, Department of	2,500	
10.861	Public Television Station Digital Transition Grant Program	Public Television, Idaho	93,465	
10.902	Soil and Water Conservation	Water Resources, Department of	24,424	
10.912	Environmental Quality Incentives Program	Lands, Department of	5,551	
10.912	Environmental Quality Incentives Program	Transportation Department, Idaho	10,000	
10.950	Agricultural Statistics Reports	Agriculture, Department of	43,269	
10.999	Forest Service Aquatic Invasive Species Monitoring	Agriculture, Department of	17,176	
10.999	Miscellaneous Forest Service Grants	Fish and Game, Department of	405,429	
10.999	Miscellaneous Commodity Credit Corporation	Fish and Game, Department of	290,601	
10.999	Miscellaneous Natural Resources Conservation Service Grants	Fish and Game, Department of	112,912	
10.999	Roadless - Implementation of Roadless Rule	Species Conservation, Office of	14,569	
	Pass-Through From Non-State Entities:			
10.304	Homeland Security - Agricultural University of California, Davis; Grantor Number 2007 37620 18230	Agriculture, Department of	2,204	PT
	TOTAL NON-CLUSTERED PROGRAMS		$52,851,518	
	TOTAL DEPARTMENT OF AGRICULTURE		$510,394,176	
	DEPARTMENT OF COMMERCE			
11.407	Interjurisdictional Fisheries Act of 1986	Fish and Game, Department of	$5,206	
11.436	Columbia River Fisheries Development Program	Fish and Game, Department of	1,255,102	
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Fish and Game, Department of	122,289	
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Species Conservation, Office of	2,267,378	
11.441	Regional Fishery Management Councils	Fish and Game, Department of	70,384	
11.550	Public Telecommunications Facilities Planning and Construction	Public Television, Idaho	328,874	
11.555	Public Safety Interoperable Communications Grant Program	Military, Division of	1,285,675	
11.557	ARRA - Broadband Technology Opportunities Program (BTOP)	Libraries, Idaho Commission for	799,192	
11.999	Miscellaneous NOAA Grants	Fish and Game, Department of	860,350	

*Type of assistance other than direct cash. NC=Non-Cash; PT=Pass-Through; R&D=Research and Development.
The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	Pass-Through From Non-State Entities:			
11.558	ARRA - State Broadband Data & Development Grant CostQuest Associates Inc.; Grantor Number n/a	Administration, Department of	$24,983	PT
	TOTAL DEPARTMENT OF COMMERCE		$7,019,433	
	DEPARTMENT OF DEFENSE			
12.002	Procurement Technical Assistance for Business Firms	Commerce, Department of	$157,870	
12.113	Agreement Program for the Reimbursement of Technical Services	Environmental Quality, Department of	140,376	
12.401	National Guard Military Operations and Maintenance Projects	Military, Division of	23,987,833	
12.401	National Guard Military Operations and Maintenance Projects	Military, Division of	5,303,562	NC
12.999	Miscellaneous Army Corps of Engineers Grants	Fish and Game, Department of	10,424	
	TOTAL DEPARTMENT OF DEFENSE		$29,600,065	
	HOUSING AND URBAN DEVELOPMENT			
	CDBG - STATE-ADMINISTERED CDBG CLUSTER:			
14.228	Community Development Block Grants/State's Program	Commerce, Department of	$9,156,297	
14.228	ARRA - Community Development Block Grants	Commerce, Department of	40,906	
	TOTAL CDBG - STATE-ADMINISTERED CDBG CLUSTER:		$9,197,203	
	NON-CLUSTERED PROGRAMS:			
14.171	Manufactured Home Dispute Resolution	Building Safety, Division of	$35,274	
14.246	CDBG/Brownfields Economic Development Initiative	Historical Society, Idaho State	6,614	
	TOTAL NON-CLUSTERED PROGRAMS		$41,888	
	TOTAL HOUSING AND URBAN DEVELOPMENT		$9,239,091	
	DEPARTMENT OF THE INTERIOR			
	FISH AND WILDLIFE CLUSTER:			
15.605	Sport Fish Restoration	Fish and Game, Department of	$6,979,820	
15.611	Wildlife Restoration and Basic Hunter Education	Fish and Game, Department of	6,825,375	
	TOTAL FISH AND WILDLIFE CLUSTER		$13,805,195	
	NON-CLUSTERED PROGRAMS:			
15.130	Indian Education - Assistance to Schools	Superintendent of Public Instruction	$7,707	
15.224	Cultural Resource Management	Historical Society, Idaho State	1,178	
15.228	National Fire Plan - Wildland Urban Interface Community Fire Assistance	Transportation Department, Idaho	110,341	
15.230	Invasive and Noxious Plant Management	Agriculture, Department of	145,305	
15.231	ARRA - Fish, Wildlife, and Plant Conservation Resource Management	Agriculture, Department of	515,914	
15.231	Fish, Wildlife and Plant Conservation Resource Management	Agriculture, Department of	7,423	
15.231	Fish, Wildlife, and Plant Conservation Resource Management	Fish and Game, Department of	822,187	
15.231	Fish, Wildlife, and Plant Conservation Resource Management	Species Conservation, Office of	26,916	
15.238	Challenge Cost Sharing	Historical Society, Idaho State	104,719	
15.608	Fish and Wildlife Management Assistance	Fish and Game, Department of	195,321	
15.608	Fish and Wildlife Management Assistance	Species Conservation, Office of	227,262	
15.615	Cooperative Endangered Species Conservation Fund	Fish and Game, Department of	399,699	
15.616	Clean Vessel Act	Parks and Recreation, Department of	14,922	
15.622	Sportfishing and Boating Safety Act	Parks and Recreation, Department of	2,306	
15.630	Coastal Program	Agriculture, Department of	12,328	
15.633	Landowner Incentive	Fish and Game, Department of	207,256	
15.634	State Wildlife Grants	Fish and Game, Department of	699,392	
15.647	Migratory Bird Conservation	Fish and Game, Department of	308	
15.649	Service Training and Technical Assistance	Fish and Game, Department of	5,985,666	
15.657	Endangered Species Conservation - Recovery Implementation Funds	Species Conservation, Office of	1,242,831	
15.808	U.S. Geological Survey - Research and Data Collection	Fish and Game, Department of	18,134	
15.808	U.S. Geological Survey - Research and Data Collection	Water Resources, Department of	39,895	
15.904	Historic Preservation Fund Grants-in-Aid	Historical Society, Idaho State	796,464	
15.916	Outdoor Recreation - Acquisition, Development, and Planning	Parks and Recreation, Department of	118,695	
15.929	Save America's Treasures	Historical Society, Idaho State	13,061	
15.929	Save America's Treasures	Parks and Recreation, Department of	318	
15.999	Miscellaneous Fish and Wildlife Service Grants	Fish and Game, Department of	397,701	
15.999	Miscellaneous Bureau of Reclamation Grants	Fish and Game, Department of	516,514	
15.999	Miscellaneous National Park Services Grants	Fish and Game, Department of	19,523	
15.999	Water Bank Program	Water Resources, Department of	11,874	
15.DAH	Hazards/Hazmat	Environmental Quality, Department of	36,278	
	Pass-Through From Non-State Entities:			
15.649	Service Training and Technical Assistance (Generic Training) Pacific States Marine Fisheries Commission; Grantor Number 101407J102	Agriculture, Department of	2,801	PT
	TOTAL NON-CLUSTERED PROGRAMS		$12,700,239	
	TOTAL DEPARTMENT OF THE INTERIOR		$26,505,434	
	DEPARTMENT OF JUSTICE			
	JAG PROGRAM CLUSTER:			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Police, Idaho State	$1,591,460	
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant Program	Police, Idaho State	1,719,468	
	TOTAL JAG PROGRAM CLUSTER		$3,310,928	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	NON-CLUSTERED PROGRAMS:			
16.017	Sexual Assault Services	Police, Idaho State	$199,132	
16.523	Juvenile Accountability Block Grants	Juvenile Corrections, Department of	46,064	
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	Juvenile Corrections, Department of	367,750	
16.543	Missing Children's Assistance	Attorney General, Office of the	193,832	
16.548	Title V - Delinquency Prevention Program	Juvenile Corrections, Department of	268,355	
16.550	State Justice Statistics Program for Statistical Analysis Centers	Police, Idaho State	57,788	
16.554	National Criminal History Improvement Program	Police, Idaho State	80,650	
16.575	Crime Victim Assistance	Health and Welfare, Department of	2,377,698	
16.576	Crime Victim Compensation	Industrial Commission	857,082	
16.580	Edward Byrne Memorial Law Enforcement Assistance Discretionary Grants	Police, Idaho State	130,576	
16.585	Drug Court Discretionary Grant Program	Judicial Department	26,870	
16.588	ARRA - Violence Against Women Formula Grants	Police, Idaho State	228,904	
16.588	Violence Against Women Formula Grants	Police, Idaho State	1,013,936	
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	Judicial Department	465,391	
16.593	Residential Substance Abuse Treatment for State Prisoners	Police, Idaho State	99,344	
16.606	State Criminal Alien Assistance Program	Correction, Department of	420,147	
16.609	Project Safe Neighborhoods	Police, Idaho State	63,313	
16.710	Public Safety Partnership and Community Policing Grants	Police, Idaho State	248,361	
16.727	Enforcing Underage Drinking Laws Program	Juvenile Corrections, Department of	523,129	
16.734	Special Data Collection and Statistical Studies	Police, Idaho State	11,000	
16.741	DNA Backlog Reduction Program	Police, Idaho State	244,293	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Police, Idaho State	166,098	
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	Judicial Department	44,280	
16.753	Congressionally Recommended Awards	Police, Idaho State	126,516	
16.754	Harold Rogers Prescription Drug Monitoring Program	Pharmacy, Board of	2,385	
16.800	ARRA - Internet Crimes against Children Task Force Program	Attorney General, Office of the	129,143	
16.801	ARRA - State Victim Assistance	Health and Welfare, Department of	189,443	
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	Correction, Department of	21,342	
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	Police, Idaho State	252,515	
16.813	National Criminal History Improvement Program	Police, Idaho State	1,672,346	
16.999	Organized Crime and Drug Task Force	Police, Idaho State	37,115	
	Pass-Through From Non-State Entities:			
16.756	Court Appointed Special Advocates National Court Appointed Special Advocate Association; Grantor Number ID11234-09-0709-S	Judicial Department	44,549	PT
	TOTAL NON-CLUSTERED PROGRAMS		$10,609,347	
	TOTAL DEPARTMENT OF JUSTICE		$13,920,275	
	DEPARTMENT OF LABOR			
	EMPLOYMENT SERVICE CLUSTER:			
17.207	Employment Service/Wagner-Peyser Funded Activities	Labor, Department of	$7,005,630	
17.801	Disabled Veterans' Outreach Program	Labor, Department of	611,282	
17.804	Local Veterans' Employment Representative Program	Labor, Department of	224,644	
	TOTAL EMPLOYMENT SERVICE CLUSTER		$7,841,556	
	WIA CLUSTER:			
17.258	ARRA - WIA Adult Program	Labor, Department of	$2,141	
17.258	WIA Adult Program	Labor, Department of	3,347,551	
17.259	ARRA - WIA Youth Activities	Labor, Department of	2,779	
17.259	WIA Youth Activities	Labor, Department of	3,390,499	
17.260	ARRA - WIA Dislocated Workers	Labor, Department of	(8,654)	
17.278	WIA Dislocated Workers	Labor, Department of	4,567,610	
	TOTAL WIA CLUSTER		$11,301,926	
	NON-CLUSTERED PROGRAMS:			
17.002	Labor Force Statistics	Labor, Department of	$728,767	
17.005	Compensation and Working Conditions	Industrial Commission	2,752	
17.151	ARRA - Employee Benefits Security Administration	Administration, Department of	51,318	
17.225	Unemployment Insurance	Labor, Department of	383,729,360	
17.235	Senior Community Service Employment Program	Labor, Department of	136,296	
17.235	Senior Community Service Employment Program	Aging, Commission on	604,514	
17.245	Trade Adjustment Assistance	Labor, Department of	1,726,913	
17.275	ARRA - Worker Training and Placement in High Growth and Emerging Industry Sectors	Labor, Department of	2,060,775	
17.275	ARRA - Worker Training and Placement in High Growth and Emerging Industry Sectors Resarch and Development Cluster; Division of Workforce Investment	Labor, Department of	368,754	R&D
17.277	WIA National Emergency Grants	Labor, Department of	1,413,773	
17.807	Transition Assistance Program	Labor, Department of	15,533	
	TOTAL NON-CLUSTERED PROGRAMS		$390,838,755	
	TOTAL DEPARTMENT OF LABOR		$409,982,237	
	DEPARTMENT OF TRANSPORTATION			
	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER:			
20.205	Highway Planning and Construction	Historical Society, Idaho State	$3,218	
20.205	ARRA - Highway Planning and Construction	Transportation Department, Idaho	13,412,430	

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STATE OF IDAHO
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BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
20.205	Highway Planning and Construction	Transportation Department, Idaho	$311,698,565	
20.205	Highway Planning and Construction Resarch and Development Cluster; Federal Highway Administration	Transportation Department, Idaho	5,589,143	R&D
20.205	Highway Planning and Construction Resarch and Development Cluster; Federal Highway Administration	Tax Commission, Idaho	82,346	R&D
20.219	Recreational Trails Program	Parks and Recreation, Department of	820,597	
	TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER		$331,606,299	
	FEDERAL TRANSIT CLUSTER:			
20.500	Federal Transit - Capital Investment Grants	Transportation Department, Idaho	$128,171	
	TOTAL FEDERAL TRANSIT CLUSTER		$128,171	
	TRANSIT SERVICES PROGRAMS CLUSTER:			
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation Department, Idaho	$511,637	
20.516	Job Access - Reverse Commute	Transportation Department, Idaho	710,988	
20.521	New Freedom Program	Transportation Department, Idaho	61,724	
	TOTAL TRANSIT SERVICES PROGRAM CLUSTER		$1,284,349	
	HIGHWAY SAFETY CLUSTER:			
20.600	State and Community Highway Safety	Transportation Department, Idaho	$2,147,451	
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	Transportation Department, Idaho	1,078,682	
20.610	State Traffic Safety Information System Improvement Grants	Transportation Department, Idaho	332,347	
20.611	Incentive Grant Program to Prohibit Racial Profiling	Transportation Department, Idaho	126,188	
20.612	Incentive Grant Program to Increase Motorcyclist Safety	Transportation Department, Idaho	97,733	
	TOTAL HIGHWAY SAFETY CLUSTER		$3,782,401	
	NON-CLUSTERED PROGRAMS:			
20.106	Airport Improvement Program	Transportation Department, Idaho	$183,730	
20.218	National Motor Carrier Safety	Police, Idaho State	1,583,534	
20.231	Performance and Registration Information Systems Management	Transportation Department, Idaho	38,878	
20.232	Commercial Driver's License Program Improvement Grant	Transportation Department, Idaho	153,854	
20.233	Border Enforcement Grants	Police, Idaho State	48,054	
20.234	Safety Data Improvement Program	Transportation Department, Idaho	22,000	
20.237	Commercial Vehicle Information Systems and Networks	Transportation Department, Idaho	215,128	
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort Resarch and Development Cluster; Federal Highway Administration	Tax Commission, Idaho	3,269	R&D
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service	Transportation Department, Idaho	82,581	
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	Transportation Department, Idaho	1,982,843	
20.509	Formula Grants for Other Than Urbanized Areas	Transportation Department, Idaho	5,720,932	
20.515	State Planning and Research	Transportation Department, Idaho	99,418	
20.700	Pipeline Safety	Public Utilities Commission	77,919	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Military, Division of	208,188	
20.720	State Damage Prevention Program grants	Public Utilities Commission	34,919	
	TOTAL NON-CLUSTERED PROGRAMS		$10,455,247	
	TOTAL DEPARTMENT OF TRANSPORTATION		$347,256,467	
	DEPARTMENT OF THE TREASURY			
21.999	Equitable Sharing for Law Enforcement Agencies	Police, Idaho State	$860,263	
	TOTAL DEPARTMENT OF THE TREASURY		$860,263	
	GENERAL SERVICES ADMINISTRATION			
39.003	Donation of Federal Surplus Personal Property	Administration, Department of	$1,283,044	NC
39.011	Election Reform	Secretary of State	309,781	
	TOTAL GENERAL SERVICES ADMINISTRATION		$1,592,825	
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
43.AAA	Aerospace Education Services Program	Superintendent of Public Instruction	$342,100	
	TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		$342,100	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			
45.025	Promotion of the Arts - Partnership Agreements	Arts, Commission on the	$801,954	
45.310	Grants to States	Libraries, Idaho Commission for	1,241,616	
	Pass-Through From Non-State Entities:			
45.129	Promotion of the Humanities - Federal/State Partnership Idaho Humanities Council; Grantor Number n/a	Libraries, Idaho Commission for	24,320	PT
	TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		$2,067,890	
	SMALL BUSINESS ADMINISTRATION			
59.058	Fed and State Tech Partnership Program (FAST)	Commerce, Department of	$41,945	
	TOTAL SMALL BUSINESS ADMINISTRATION		$41,945	
	DEPARTMENT OF VETERANS AFFAIRS			
64.014	Veterans State Domiciliary Care	Veterans Services, Division of	$409,034	
64.015	Veterans State Nursing Home Care	Veterans Services, Division of	8,387,240	
64.101	Burial Expenses Allowances for Veterans	Veterans Services, Division of	242,450	
	TOTAL DEPARTMENT OF VETERANS AFFAIRS		$9,038,724	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	ENVIRONMENTAL PROTECTION AGENCY			
66.001	Air Pollution Control Program Support	Environmental Quality, Department of	$1,670,778	
66.032	State Indoor Radon Grants	Health and Welfare, Department of	54,598	
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Environmental Quality, Department of	710,036	
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Environmental Quality, Department of	75,996	NC
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Health and Welfare, Department of	3,172	
66.036	Clean School Bus USA	Environmental Quality, Department of	16,945	
66.039	National Clean Diesel Emissions Reduction Program	Environmental Quality, Department of	15,494	
66.040	ARRA - State Clean Diesel Grant Program	Environmental Quality, Department of	125,347	
66.040	State Clean Diesel Grant Program	Environmental Quality, Department of	200,861	
66.202	Congressionally Mandated Projects	Environmental Quality, Department of	93,970	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality, Department of	1,913,798	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality, Department of	22,800	NC
66.432	State Public Water System Supervision	Environmental Quality, Department of	1,187,189	
66.433	State Underground Water Source Protection	Water Resources, Department of	94,934	
66.436	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Water Act	Environmental Quality, Department of	1,945	
66.454	ARRA - Water Quality Management Planning	Environmental Quality, Department of	30,451	
66.454	Water Quality Management Planning	Environmental Quality, Department of	102,694	
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality, Department of	4,974,359	
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality, Department of	7,302,000	
66.460	Nonpoint Source Implementation Grants	Environmental Quality, Department of	1,931,715	
66.461	Regional Wetland Program Development Grants	Environmental Quality, Department of	25,395	
66.461	Regional Wetland Program Development Grants	Fish and Game, Department of	69,562	
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds	Environmental Quality, Department of	408,149	
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Environmental Quality, Department of	8,181,637	
66.471	State Grants to Reimburse Oper. of Sm. Water Sys. for Training & Cert. Costs	Environmental Quality, Department of	14,337	
66.474	Water Protection Grants to the States	Environmental Quality, Department of	2,970	
66.608	Environmental Information Exchange Network Grant Program	Environmental Quality, Department of	125,245	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture, Department of	438,887	
66.708	Pollution Prevention Grants Program	Environmental Quality, Department of	81,195	
66.801	Hazardous Waste Management State Program Support	Environmental Quality, Department of	827,549	
66.802	ARRA - Superfund State, Political Sub. & Indian Tribe Site - Specific Cooperative Agmts.	Environmental Quality, Department of	245,599	
66.802	Superfund State, Political Sub. & Indian Tribe Site - Specific Cooperative Agmts.	Environmental Quality, Department of	16,057,562	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Quality, Department of	548,703	
66.805	ARRA - Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality, Department of	481,143	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Quality, Department of	781,947	
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality, Department of	146,543	
66.817	State and Tribal Response Program Grants	Environmental Quality, Department of	666,721	
66.818	ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Quality, Department of	268,732	
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Parks and Recreation, Department of	37,688	
	TOTAL ENVIRONMENTAL PROTECTION AGENCY		$49,938,646	
	DEPARTMENT OF ENERGY			
81.041	ARRA - State Energy Program	Energy Resources, Office of	$11,146,282	
81.041	State Energy Program	Energy Resources, Office of	115,552	
81.042	Weatherization Assistance for Low-Income Persons	Health and Welfare, Department of	1,569,253	
81.042	ARRA - Weatherization Assistance for Low-Income Persons	Health and Welfare, Department of	5,827,435	
81.119	State Energy Program Special Projects	Energy Resources, Office of	34,638	
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	Energy Resources, Office of	147,717	
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	Public Utilities Commission	170,120	
81.127	ARRA - Energy Efficient Appliance Rebate Program	Energy Resources, Office of	16,743	
81.128	ARRA - Energy Efficiency and Conservation Community Block Grant	Energy Resources, Office of	3,101,279	
81.502	Idaho National Laboratory Oversight	Environmental Quality, Department of	2,663,513	
81.999	Miscellaneous Bonneville Power Administration Grants	Fish and Game, Department of	12,840,349	
81.999	Miscellaneous Bonneville Power Administration Grants	Fish and Game, Department of	4,558,000	NC
81.999	Weatherization Conference	Health and Welfare, Department of	825,381	
81.999	Idaho OSC Accord Planning and Development	Species Conservation, Office of	932,828	
81.999	Upper Salmon Screen Tributary Passage	Species Conservation, Office of	471,067	
81.999	Exp-Lemhi River Restoration Planning	Species Conservation, Office of	601,583	
81.999	Clearwater Focus Program	Species Conservation, Office of	83,024	
81.999	Bull Trout Recovery Plan - FINS	Species Conservation, Office of	36,181	
81.999	Exp-Pahsimeroi River Habitat	Species Conservation, Office of	22,682	
81.999	Tributary Water Conservation	Water Resources, Department of	157,331	
	Pass-Through From Non-State Entities:			
81.502	Idaho National Laboratory Oversight	Environmental Quality, Department of	310,205	PT
	Western Governors' Association; Grantor Number MOA DEFC0790AL65416			
	TOTAL DEPARTMENT OF ENERGY		$45,631,163	
	DEPARTMENT OF EDUCATION			
	TITLE I, PART A CLUSTER:			
84.010	Title I Grants to Local Educational Agencies	Superintendent of Public Instruction	$50,431,361	
84.389	ARRA - Title I Grants to Local Educational Agencies	Superintendent of Public Instruction	6,183,813	
	TOTAL TITLE I, PART A CLUSTER		$56,615,174	

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STATE OF IDAHO
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BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	SPECIAL EDUCATION CLUSTER:			
84.027	Special Education - Grants to States	Juvenile Corrections, Department of	$409,283	
84.027	Special Education - Grants to States	Superintendent of Public Instruction	56,399,644	
84.173	Special Education - Preschool Grants	Superintendent of Public Instruction	2,169,065	
84.391	ARRA - Special Education Grants to States	Superintendent of Public Instruction	6,059,561	
84.392	ARRA - Special Education - Preschool Grants	Superintendent of Public Instruction	270,250	
	TOTAL SPECIAL EDUCATION CLUSTER		$65,307,803	
	VOCATIONAL REHABILITATION CLUSTER:			
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Blind and Visually Impaired, Commission for the	$2,057,108	
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Vocational Rehabilitation, Division of	10,314,000	
84.390	ARRA - Vocational Rehabilitation Grants to States	Blind and Visually Impaired, Commission for the	11,756	
84.390	ARRA - Vocational Rehabilitation Grants to States	Vocational Rehabilitation, Division of	312,630	
	TOTAL VOCATIONAL REHABILITATION CLUSTER		$12,695,494	
	INDEPENDENT LIVING STATE GRANTS CLUSTER:			
84.169	Independent Living - State Grants	Blind and Visually Impaired, Commission for the	$154,189	
84.169	Independent Living - State Grants	Vocational Rehabilitation, Division of	185,371	
84.398	ARRA - Independent Living - State Grants	Blind and Visually Impaired, Commission for the	955	
84.398	ARRA - Independent Living - State Grants	Vocational Rehabilitation, Division of	37,622	
	TOTAL INDEPENDENT LIVING STATE GRANTS CLUSTER		$378,137	
	INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND CLUSTER:			
84.177	Independent Living Services for Older Individuals Who Are Blind	Blind and Visually Impaired, Commission for the	$225,000	
84.399	ARRA - Independent Living for Older Individuals Who Are Blind	Blind and Visually Impaired, Commission for the	21,132	
	TOTAL INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND CLUSTER		$246,132	
	EARLY INTERVENTION SERVICES CLUSTER:			
84.181	Special Education - Grants for Infants and Families	Health and Welfare, Department of	$2,111,313	
84.393	ARRA - Special Education - Grants for Infants and Families	Health and Welfare, Department of	139,027	
	TOTAL EARLY INTERVENTION SERVICES CLUSTER		$2,250,340	
	EDUCATION OF HOMELESS CHILDREN AND YOUTH CLUSTER:			
84.196	Education for Homeless Children and Youth	Superintendent of Public Instruction	$203,953	
	TOTAL EDUCATION OF HOMELESS CHILDREN AND YOUTH CLUSTER		$203,953	
	EDUCATION TECHNOLOGY STATE GRANTS CLUSTER:			
84.318	Education Technology State Grants	Superintendent of Public Instruction	$591,462	
84.386	ARRA - Education Technology State Grants	Superintendent of Public Instruction	1,120,060	
	TOTAL EDUCATION TECHNOLOGY STATE GRANTS CLUSTER		$1,711,522	
	STATEWIDE DATA SYSTEMS CLUSTER:			
84.372	Statewide Data Systems	Superintendent of Public Instruction	$442,679	
	TOTAL STATEWIDE DATA SYSTEMS CLUSTER		$442,679	
	SCHOOL IMPROVEMENT GRANTS CLUSTER:			
84.377	School Improvement Grants	Superintendent of Public Instruction	$249,782	
84.388	ARRA - School Improvement Grants	Superintendent of Public Instruction	3,205,739	
	TOTAL SCHOOL IMPROVEMENT GRANTS CLUSTER		$3,455,521	
	STATE FISCAL STABILIZATION FUND CLUSTER:			
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	Transportation Department, Idaho	$6,926,080	
	TOTAL STATE FISCAL STABILIZATION FUND CLUSTER		$6,926,080	
	NON-CLUSTERED PROGRAMS:			
84.002	Adult Education - Basic Grants to States	Professional-Technical Education, Division of	$2,281,132	
84.011	Migrant Education - State Grant Program	Superintendent of Public Instruction	3,661,275	
84.013	Title I State Agency Program for Neglected & Delinquent Children and Youth	Juvenile Corrections, Department of	12,637	
84.013	Title I State Agency Program for Neglected & Delinquent Children and Youth	Superintendent of Public Instruction	562,415	
84.048	Career and Technical Education - Basic Grants to States	Professional-Technical Education, Division of	6,503,871	
84.144	Migrant Education - Coordination Program	Superintendent of Public Instruction	77,270	
84.184	Safe and Drug-Free Schools and Communities - National Programs	Superintendent of Public Instruction	37,167	
84.185	Byrd Honors Scholarships	Education, State Board of	132,001	
84.186	Safe and Drug-Free Schools and Communities - State Grants	Superintendent of Public Instruction	86,361	
84.187	Supported Employment Services for Individuals w/Significant Disabilities	Blind and Visually Impaired, Commission for the	35	
84.187	Supported Employment Services for Individuals w/Significant Disabilities	Vocational Rehabilitation, Division of	375,597	
84.213	Even Start - State Educational Agencies	Superintendent of Public Instruction	292,795	
84.265	State Vocational Rehabilitation Unit In-Service Training	Blind and Visually Impaired, Commission for the	16,910	
84.265	State Vocational Rehabilitation Unit In-Service Training	Vocational Rehabilitation, Division of	74,697	
84.282	Charter Schools	Superintendent of Public Instruction	1,600,678	
84.287	Twenty-First Century Community Learning Centers	Superintendent of Public Instruction	5,327,426	
84.323	Special Education - State Personnel Development	Superintendent of Public Instruction	1,079,842	
84.330	Advanced Placement Program	Superintendent of Public Instruction	72,333	
84.331	Workplace and Community Transition Training for Incarcerated Individuals	Correction, Department of	105,292	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Superintendent of Public Instruction	1,886,904	

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CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
84.358	Rural Education	Superintendent of Public Instruction	$159,422	
84.365	English Language Acquisition State Grants	Superintendent of Public Instruction	2,166,453	
84.366	Mathematics and Science Partnerships	Superintendent of Public Instruction	871,888	
84.367	Improving Teacher Quality State Grants	Education, State Board of	297,270	
84.367	Improving Teacher Quality State Grants	Juvenile Corrections, Department of	12,128	
84.367	Improving Teacher Quality State Grants	Superintendent of Public Instruction	12,113,991	
84.368	Grants for Enhanced Assessment Instruments	Superintendent of Public Instruction	694,340	
84.369	Grants for State Assessments and Related Activities	Superintendent of Public Instruction	4,097,524	
84.371	Striving Readers	Superintendent of Public Instruction	18,934	
84.373	Special Education - Technical Assistance on State Data Collection	Superintendent of Public Instruction	2,240	
84.378	College Access Challenge Grant Program	Education, State Board of	1,124,363	
84.410	Education Job Funds	Superintendent of Public Instruction	30,999,472	
	TOTAL NON-CLUSTERED PROGRAMS		$76,744,663	
	TOTAL DEPARTMENT OF EDUCATION		$226,977,498	
	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION			
89.003	National Historical Publications and Records Grants	Historical Society, Idaho State	$9,902	
	TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		$9,902	
	ELECTION ASSISTANCE COMMISSION			
90.401	Help America Vote Act Requirements Payments	Secretary of State	$765,319	
	TOTAL ELECTION ASSISTANCE COMMISSION		$765,319	
	HEALTH AND HUMAN SERVICES			
	AGING CLUSTER:			
93.044	Grants for Supportive Services and Senior Centers	Aging, Commission on	$2,596,810	
93.045	Nutrition Services	Aging, Commission on	3,002,530	
93.053	Nutrition Services Incentive Program	Aging, Commission on	700,122	
	TOTAL AGING CLUSTER		$6,299,462	
	IMMUNIZATION CLUSTER:			
93.268	Immunization Cooperative Agreements	Health and Welfare, Department of	$2,266,239	
93.268	Immunization Cooperative Agreements	Health and Welfare, Department of	20,383,554	NC
	TOTAL IMMUNIZATION CLUSTER		$22,649,793	
	TANF CLUSTER:			
93.558	Temporary Assistance for Needy Families	Health and Welfare, Department of	$16,868,703	
	TOTAL TANF CLUSTER		$16,868,703	
	CSBG CLUSTER:			
93.569	Community Services Block Grant	Health and Welfare, Department of	$3,300,393	
	TOTAL CSBG CLUSTER		$3,300,393	
	CCDF CLUSTER:			
93.575	Child Care and Development Block Grant	Health and Welfare, Department of	$19,235,596	
93.596	Child Care Mandatory & Matching Funds of the Child Care and Develop. Fund	Health and Welfare, Department of	2,622,700	
93.713	ARRA - Child Care and Development Block Grant	Health and Welfare, Department of	459,091	
	TOTAL CCDF CLUSTER		$22,317,387	
	HEAD START CLUSTER:			
93.600	Head Start	Health and Welfare, Department of	$131,754	
	TOTAL HEAD START CLUSTER		$131,754	
	MEDICAID CLUSTER:			
93.775	State Medicaid Fraud Control Units	Attorney General, Office of the	$561,796	
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health and Welfare, Department of	2,610,335	
93.778	Medical Assistance Program	Health and Welfare, Department of	1,064,244,603	
	TOTAL MEDICAID CLUSTER		$1,067,416,734	
	NON- CLUSTERED PROGRAMS:			
93.041	Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Aging, Commission on	$30,207	
93.042	Long Term Care Ombudsman Services for Older Individuals	Aging, Commission on	59,567	
93.043	Disease Prevention and Health Promotion Services	Aging, Commission on	108,120	
93.048	Special Programs for the Aging - Discretionary Projects	Aging, Commission on	241,546	
93.048	Special Programs for the Aging - Discretionary Projects	Health and Welfare, Department of	15,513	
93.051	Alzheimer's Disease Demonstration Grants to States	Aging, Commission on	184,324	
93.052	National Family Caregiver Support	Aging, Commission on	815,266	
93.069	Public Health Emergency Preparedness	Health and Welfare, Department of	5,679,663	
93.071	Medicare Enrollment Assistance Program	Aging, Commission on	26,781	
93.087	Enhance Safety of Children Affected by Substance Abuse	Health and Welfare, Department of	653,073	
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	Health and Welfare, Department of	4,159	
93.090	Guardianship Assistance	Health and Welfare, Department of	2,975	
93.092	Affordable Care Act Personal Responsibility Education Program	Health and Welfare, Department of	164,135	
93.110	Maternal and Child Health Federal Consolidated Programs	Health and Welfare, Department of	225,851	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control	Health and Welfare, Department of	156,240	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
93.127	Emergency Medical Services for Children	Health and Welfare, Department of	$96,989	
93.130	Cooperative Agmts. - States/Territories - Coord. & Develop. of Primary Care Ofcs.	Health and Welfare, Department of	107,563	
93.136	Injury Prevent. & Control Research/State and Community Based Prog.	Health and Welfare, Department of	129,263	
93.150	Projects for Assistance in Transition from Homelessness	Health and Welfare, Department of	243,526	
93.217	Family Planning - Services	Health and Welfare, Department of	1,918,118	
93.240	State Capacity Building	Health and Welfare, Department of	241,922	
93.241	State Rural Hospital Flexibility Program	Health and Welfare, Department of	655,095	
93.243	Substance Abuse & Mental Health Svs. - Projects of Regional & Natl. Significance	Health and Welfare, Department of	864,776	
93.251	Universal Newborn Hearing Screening	Health and Welfare, Department of	205,564	
93.270	Adult Viral Hepatitis Prevention and Control	Health and Welfare, Department of	18,655	
93.275	Substance Abuse and Mental Health Services - Access to Recovery	Health and Welfare, Department of	3,690,302	
93.283	Centers for Disease Control & Prevention - Investigations & Technical Assistance	Health and Welfare, Department of	4,667,801	
93.301	Small Rural Hospital Improvement Grant Program	Health and Welfare, Department of	225,055	
93.414	ARRA - State Primary Care Offices	Health and Welfare, Department of	71,180	
93.505	Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	Health and Welfare, Department of	392,377	
93.507	PPHF 2012 National Public Health Improvement Initiative	Health and Welfare, Department of	221,231	
93.509	Affordable Care Act State Health Care Workforce Development Grants	Labor, Department of	95,478	
93.520	Affordable Care Act Communities Putting Prevention to Work	Health and Welfare, Department of	81,618	
93.521	Affordable Care Act Building Epi., Lab., & Health Info. Sys. Capacity in the ELC & EIP	Health and Welfare, Department of	286,810	
93.525	State Planning and Establishment Grants for Affordable Care Act Exchanges	Insurance, Department of	770,443	
93.544	Coordinated Chronic Disease Prevention and Health Promotion Program	Health and Welfare, Department of	234,258	
93.556	Promoting Safe and Stable Families	Health and Welfare, Department of	1,447,107	
93.563	Child Support Enforcement	Health and Welfare, Department of	13,541,062	
93.566	Refugee and Entrant Assistance - State Administered Programs	Health and Welfare, Department of	1,466,271	
93.568	Low-Income Home Energy Assistance	Health and Welfare, Department of	26,090,471	
93.576	Refugee and Entrant Assistance Discretionary Grants	Health and Welfare, Department of	43,987	
93.586	State Court Improvement Program	Judicial Department	598,570	
93.590	Community-Based Child Abuse Prevention Grants	Health and Welfare, Department of	184,040	
93.597	Grants to States for Access and Visitation Programs	Health and Welfare, Department of	89,868	
93.599	Chafee Education and Training Vouchers Program	Health and Welfare, Department of	107,936	
93.603	Adoption Incentive Payments	Health and Welfare, Department of	935,557	
93.617	Voting Access for Individuals with Disabilities - Grants to States	Secretary of State	12,031	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Health and Welfare, Department of	369,497	
93.643	Children's Justice Grants To States	Health and Welfare, Department of	123,671	
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Health and Welfare, Department of	1,803,882	
93.658	Foster Care - Title IV-E	Health and Welfare, Department of	9,372,388	
93.659	Adoption Assistance	Health and Welfare, Department of	6,133,732	
93.667	Social Services Block Grant	Health and Welfare, Department of	11,183,947	
93.669	Child Abuse and Neglect State Grants	Health and Welfare, Department of	194,283	
93.671	Family Violence Prevention & Services/Grants for Battered Women's Shelters	Health and Welfare, Department of	863,508	
93.674	Chafee Foster Care Independence Program	Health and Welfare, Department of	282,053	
93.717	ARRA - Preventing Healthcare-Associated Infections	Health and Welfare, Department of	281,780	
93.719	ARRA - State Grants to Promote Health Information Technology	Health and Welfare, Department of	432,965	
93.723	ARRA - Prevention and Wellness - State, Territories and Pacific Islands	Health and Welfare, Department of	465,148	
93.725	ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management	Health and Welfare, Department of	108,341	
93.729	ARRA - Health Information Technology and Public Health	Health and Welfare, Department of	542,672	
93.767	Children's Health Insurance Program	Health and Welfare, Department of	39,808,958	
93.779	Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	Health and Welfare, Department of	30,008	
93.779	Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	Insurance, Department of	498,996	
93.791	Money Follows the Person Rebalancing Demonstration	Health and Welfare, Department of	489,484	
93.889	National Bioterrorism Hospital Preparedness Program	Health and Welfare, Department of	1,955,882	
93.913	Grants to States for Operation of Offices of Rural Health	Health and Welfare, Department of	217,475	
93.917	HIV Care Formula Grants	Health and Welfare, Department of	1,802,207	
93.938	Comprehensive Sch. Health Prog./Prevent Spread - HIV & Other Import. Health Prob.	Superintendent of Public Instruction	577,284	
93.940	HIV Prevention Activities - Health Department Based	Health and Welfare, Department of	832,317	
93.944	HIV/AIDS Surveillance	Health and Welfare, Department of	79,397	
93.958	Block Grants for Community Mental Health Services	Health and Welfare, Department of	1,725,103	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Welfare, Department of	5,305,945	
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	Health and Welfare, Department of	415,111	
93.991	Preventive Health and Health Services Block Grant	Health and Welfare, Department of	324,868	
93.994	Maternal and Child Health Services Block Grant to the States	Health and Welfare, Department of	2,852,600	
93.999	Clinical Laboratory Improvement Amendments	Health and Welfare, Department of	139,302	
93.999	Drug Alcohol Information	Health and Welfare, Department of	38,200	
93.999	Food Sanitation Inspection	Health and Welfare, Department of	46,872	
93.999	Mammography Quality	Health and Welfare, Department of	48,022	
93.999	State EPI Outcomes	Health and Welfare, Department of	167,472	
93.999	State Outcomes Measurement and Management System	Health and Welfare, Department of	72,126	
Pass-Through From Non-State Entities:				
93.307	Minority Health and Health Disparities Research Mountain States Group, Inc.; Grantor Number R24 MD001711	Hispanic Affairs, Commission on	8,827	PT
	TOTAL NON-CLUSTERED PROGRAMS		$157,696,667	
	TOTAL HEALTH AND HUMAN SERVICES		$1,296,680,893	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY FEDERAL AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	FEDERAL AGENCY FEDERAL PROGRAM TITLE	STATE AGENCY	AMOUNT	TYPE*
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
94.003	State Commissions	Labor, Department of	$216,509	
94.004	Learn and Serve America - School and Community Based Programs	Superintendent of Public Instruction	53,415	
94.006	AmeriCorps	Labor, Department of	1,743,404	
94.007	Program Development and Innovation Grants	Labor, Department of	10,945	
94.009	Training and Technical Assistance	Labor, Department of	54,898	
94.013	Volunteers in Service to America	Superintendent of Public Instruction	38,021	
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		$2,117,192	
	SOCIAL SECURITY ADMINISTRATION			
	DISABILITY INSURANCE/SSI CLUSTER:			
96.001	Social Security - Disability Insurance	Labor, Department of	$8,194,014	
	TOTAL DISABILITY INSURANCE/SSI CLUSTER		$8,194,014	
	NON-CLUSTERED PROGRAMS:			
96.999	Vital Statistics Birth Records Grants	Health and Welfare, Department of	$48,350	
96.999	Vital Statistics Cooperative Program	Health and Welfare, Department of	228,429	
96.999	Social Security Birth and Death Reports	Health and Welfare, Department of	16,167	
	TOTAL NON-CLUSTERED PROGRAMS		$292,946	
	TOTAL SOCIAL SECURITY ADMINISTRATION		$8,486,960	
	DEPARTMENT OF HOMELAND SECURITY			
97.012	Boating Safety Financial Assistance	Parks and Recreation, Department of	$457,382	
97.023	Community Assistance Program - State Support Services Element	Water Resources, Department of	77,582	
97.029	Flood Mitigation Assistance	Military, Division of	214,124	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Military, Division of	2,690,607	
97.039	Hazard Mitigation Grant	Military, Division of	10,021	
97.041	National Dam Safety Program	Water Resources, Department of	68,532	
97.042	Emergency Management Performance Grants	Military, Division of	2,964,777	
97.043	State Fire Training Systems Grants	Professional-Technical Education, Division of	27,965	
97.045	Cooperating Technical Partners	Water Resources, Department of	269,468	
97.046	Fire Management Assistance Grant	Military, Division of	130,014	
97.047	Pre-Disaster Mitigation	Military, Division of	469,508	
97.055	Interoperable Emergency Communications	Military, Division of	134,235	
97.067	Homeland Security Grant Program	Military, Division of	7,510,592	
97.078	Buffer Zone Protection Plan	Military, Division of	172,432	
97.082	Earthquake Consortium	Military, Division of	56,151	
97.089	Driver's License Security Grant Program	Transportation Department, Idaho	414,656	
	TOTAL DEPARTMENT OF HOMELAND SECURITY		$15,668,046	
	TOTAL EXPENDITURES OF FEDERAL AWARDS		$3,014,136,544	

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SCHEDULE
OF
EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
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CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
	ADMINISTRATION, DEPARTMENT OF			
11.558	ARRA - State Broadband Data & Development Grant	Department of Commerce	$24,983	PT
17.151	ARRA - Employee Benefits Security Administration	Department of Labor	51,318	
39.003	Donation of Federal Surplus Personal Property	General Services Administration	1,283,044	NC
	TOTAL ADMINISTRATION, DEPARTMENT OF		$1,359,345	
	AGING, COMMISSION ON			
17.235	Senior Community Service Employment Program	Department of Labor	$604,514	
93.041	Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Health and Human Services	30,207	
93.042	Long Term Care Ombudsman Services for Older Individuals	Health and Human Services	59,567	
93.043	Disease Prevention and Health Promotion Services	Health and Human Services	108,120	
93.044	Grants for Supportive Services and Senior Centers	Health and Human Services	2,596,810	
93.045	Nutrition Services	Health and Human Services	3,002,530	
93.048	Special Programs for the Aging - Discretionary Projects	Health and Human Services	241,546	
93.051	Alzheimer's Disease Demonstration Grants to States	Health and Human Services	184,324	
93.052	National Family Caregiver Support	Health and Human Services	815,266	
93.053	Nutrition Services Incentive Program	Health and Human Services	700,122	
93.071	Medicare Enrollment Assistance Program	Health and Human Services	26,781	
	TOTAL AGING, COMMISSION ON		$8,369,787	
	AGRICULTURE, DEPARTMENT OF			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Department of Agriculture	$1,520,199	
10.162	Inspection Grading and Standardization	Department of Agriculture	47,283	
10.163	Market Protection and Promotion	Department of Agriculture	146,619	
10.169	Specialty Crop Block Grant Program	Department of Agriculture	59,256	
10.170	Specialty Crop Block Grant Program - Farm Bill	Department of Agriculture	923,115	
10.304	Homeland Security - Agricultural	Department of Agriculture	2,204	PT
10.604	Technical Assistance for Specialty Crops	Department of Agriculture	277,666	
10.664	Cooperative Forestry Assistance	Department of Agriculture	335,244	
10.688	ARRA - Wildland Fire Management	Department of Agriculture	1,189,878	
10.769	Rural Business Enterprise Grants	Department of Agriculture	2,500	
10.950	Agricultural Statistics Reports	Department of Agriculture	43,269	
10.999	Forest Service Aquatic Invasive Species Monitoring	Department of Agriculture	17,176	
15.230	Invasive and Noxious Plant Management	Department of the Interior	145,305	
15.231	ARRA - Fish, Wildlife, and Plant Conservation Resource Management	Department of the Interior	515,914	
15.231	Fish, Wildlife and Plant Conservation Resource Management	Department of the Interior	7,423	
15.630	Coastal Program	Department of the Interior	12,328	
15.649	Service Training and Technical Assistance (Generic Training)	Department of the Interior	2,801	PT
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Environmental Protection Agency	438,887	
	TOTAL AGRICULTURE, DEPARTMENT OF		$5,687,067	
	ARTS, COMMISSION ON THE			
45.025	Promotion of the Arts - Partnership Agreements	Natl. Found. on Arts & Humanities	$801,954	
	TOTAL ARTS, COMMISSION ON THE		$801,954	
	ATTORNEY GENERAL, OFFICE OF THE			
16.543	Missing Children's Assistance	Department of Justice	$193,832	
16.800	ARRA - Internet Crimes against Children Task Force Program	Department of Justice	129,143	
93.775	State Medicaid Fraud Control Units	Health and Human Services	561,796	
	TOTAL ATTORNEY GENERAL, OFFICE OF THE		$884,771	
	BLIND AND VISUALLY IMPAIRED, COMMISSION FOR THE			
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Department of Education	$2,057,108	
84.169	Independent Living - State Grants	Department of Education	154,189	
84.177	Independent Living Services for Older Individuals Who Are Blind	Department of Education	225,000	
84.187	Supported Employment Services for Individuals w/Significant Disabilities	Department of Education	35	
84.265	State Vocational Rehabilitation Unit In-Service Training	Department of Education	16,910	
84.390	ARRA - Vocational Rehabilitation Grants to States	Department of Education	11,756	
84.398	ARRA - Independent Living - State Grants	Department of Education	955	
84.399	ARRA - Independent Living for Older Individuals Who Are Blind	Department of Education	21,132	
	TOTAL BLIND AND VISUALLY IMPAIRED, COMMISSION FOR THE		$2,487,085	
	BUILDING SAFETY, DIVISION OF			
14.171	Manufactured Home Dispute Resolution	Housing and Urban Development	$35,274	
	TOTAL BUILDING SAFETY, DIVISION OF		$35,274	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
	COMMERCE, DEPARTMENT OF			
12.002	Procurement Technical Assistance for Business Firms	Department of Defense	$157,870	
14.228	Community Development Block Grants/State's Program	Housing and Urban Development	9,156,297	
14.228	ARRA - Community Development Block Grants	Housing and Urban Development	40,906	
59.058	Fed and State Tech Partnership Program (FAST)	Small Business Administration	41,945	
	TOTAL COMMERCE, DEPARTMENT OF		$9,397,018	
	CORRECTION, DEPARTMENT OF			
16.606	State Criminal Alien Assistance Program	Department of Justice	$420,147	
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	Department of Justice	21,342	
84.331	Workplace and Community Transition Training for Incarcerated Individuals	Department of Education	105,292	
	TOTAL CORRECTION, DEPARTMENT OF		$546,781	
	EDUCATION, STATE BOARD OF			
84.185	Byrd Honors Scholarships	Department of Education	$132,001	
84.367	Improving Teacher Quality State Grants	Department of Education	297,270	
84.378	College Access Challenge Grant Program	Department of Education	1,124,363	
	TOTAL EDUCATION, STATE BOARD OF		$1,553,634	
	ENERGY RESOURCES, OFFICE OF			
81.041	ARRA - State Energy Program	Department of Energy	$11,146,282	
81.041	State Energy Program	Department of Energy	115,552	
81.119	State Energy Program Special Projects	Department of Energy	34,638	
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	Department of Energy	147,717	
81.127	ARRA - Energy Efficient Appliance Rebate Program	Department of Energy	16,743	
81.128	ARRA - Energy Efficiency and Conservation Community Block Grant	Department of Energy	3,101,279	
	TOTAL ENERGY RESOURCES, OFFICE OF		$14,562,211	
	ENVIRONMENTAL QUALITY, DEPARTMENT OF			
10.687	ARRA - Capital Improvement and Maintenance	Department of Agriculture	$670,573	
12.113	Agreement Program for the Reimbursement of Technical Services	Department of Defense	140,376	
15.DAH	Hazards/Hazmat	Department of the Interior	36,278	
66.001	Air Pollution Control Program Support	Environmental Protection Agency	1,670,778	
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Environmental Protection Agency	710,036	
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Environmental Protection Agency	75,996	NC
66.036	Clean School Bus USA	Environmental Protection Agency	16,945	
66.039	National Clean Diesel Emissions Reduction Program	Environmental Protection Agency	15,494	
66.040	ARRA - State Clean Diesel Grant Program	Environmental Protection Agency	125,347	
66.040	State Clean Diesel Grant Program	Environmental Protection Agency	200,861	
66.202	Congressionally Mandated Projects	Environmental Protection Agency	93,970	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Protection Agency	1,913,798	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Protection Agency	22,800	NC
66.432	State Public Water System Supervision	Environmental Protection Agency	1,187,189	
66.436	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Water Act	Environmental Protection Agency	1,945	
66.454	ARRA - Water Quality Management Planning	Environmental Protection Agency	30,451	
66.454	Water Quality Management Planning	Environmental Protection Agency	102,694	
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	4,974,359	
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	7,302,000	
66.460	Nonpoint Source Implementation Grants	Environmental Protection Agency	1,931,715	
66.461	Regional Wetland Program Development Grants	Environmental Protection Agency	25,395	
66.468	ARRA - Capitalization Grants for Drinking Water State Revolving Funds	Environmental Protection Agency	408,149	
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Environmental Protection Agency	8,181,637	
66.471	State Grants to Reimburse Oper. of Sm. Water Sys. for Training & Cert. Costs	Environmental Protection Agency	14,337	
66.474	Water Protection Grants to the States	Environmental Protection Agency	2,970	
66.608	Environmental Information Exchange Network Grant Program	Environmental Protection Agency	125,245	
66.708	Pollution Prevention Grants Program	Environmental Protection Agency	81,195	
66.801	Hazardous Waste Management State Program Support	Environmental Protection Agency	827,549	
66.802	ARRA - Superfund State, Political Sub. & Indian Tribe Site - Specific Cooperative Agmts.	Environmental Protection Agency	245,599	
66.802	Superfund State, Political Sub. & Indian Tribe Site - Specific Cooperative Agmts.	Environmental Protection Agency	16,057,562	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	Environmental Protection Agency	548,703	
66.805	ARRA - Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Protection Agency	481,143	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	Environmental Protection Agency	781,947	
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Protection Agency	146,543	
66.817	State and Tribal Response Program Grants	Environmental Protection Agency	666,721	
66.818	ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Protection Agency	268,732	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
81.502	Idaho National Laboratory Oversight	Department of Energy	$2,663,513	
81.502	Idaho National Laboratory Oversight	Department of Energy	310,205	PT
	TOTAL ENVIRONMENTAL QUALITY, DEPARTMENT OF		$53,060,750	
	FISH AND GAME, DEPARTMENT OF			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Department of Agriculture	$95,592	
10.028	Wildlife Services	Department of Agriculture	359	
10.999	Miscellaneous Forest Service Grants	Department of Agriculture	405,429	
10.999	Miscellaneous Commodity Credit Corporation	Department of Agriculture	290,601	
10.999	Miscellaneous Natural Resources Conservation Service Grants	Department of Agriculture	112,912	
11.407	Interjurisdictional Fisheries Act of 1986	Department of Commerce	5,206	
11.436	Columbia River Fisheries Development Program	Department of Commerce	1,255,102	
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Department of Commerce	122,289	
11.441	Regional Fishery Management Councils	Department of Commerce	70,384	
11.999	Miscellaneous NOAA Grants	Department of Commerce	860,350	
12.999	Miscellaneous Army Corps of Engineers Grants	Department of Defense	10,424	
15.231	Fish, Wildlife, and Plant Conservation Resource Management	Department of the Interior	822,187	
15.605	Sport Fish Restoration	Department of the Interior	6,979,820	
15.608	Fish and Wildlife Management Assistance	Department of the Interior	195,321	
15.611	Wildlife Restoration and Basic Hunter Education	Department of the Interior	6,825,375	
15.615	Cooperative Endangered Species Conservation Fund	Department of the Interior	399,699	
15.633	Landowner Incentive	Department of the Interior	207,256	
15.634	State Wildlife Grants	Department of the Interior	699,392	
15.647	Migratory Bird Conservation	Department of the Interior	308	
15.649	Service Training and Technical Assistance	Department of the Interior	5,985,666	
15.808	U.S. Geological Survey - Research and Data Collection	Department of the Interior	18,134	
15.999	Miscellaneous Fish and Wildlife Service Grants	Department of the Interior	397,701	
15.999	Miscellaneous Bureau of Reclamation Grants	Department of the Interior	516,514	
15.999	Miscellaneous National Park Services Grants	Department of the Interior	19,523	
66.461	Regional Wetland Program Development Grants	Environmental Protection Agency	69,562	
81.999	Miscellaneous Bonneville Power Administration Grants	Department of Energy	12,840,349	
81.999	Miscellaneous Bonneville Power Administration Grants	Department of Energy	4,558,000	NC
	TOTAL FISH AND GAME, DEPARTMENT OF		$43,763,455	
	HEALTH AND WELFARE, DEPARTMENT OF			
10.551	Supplemental Nutrition Assistance Program (SNAP)	Department of Agriculture	$366,313,353	NC
10.557	Supplemental Nutrition for Women, Infants, and Children (WIC)	Department of Agriculture	30,156,923	
10.561	State Administrative Matching Grants - Supplemental Nutrition Assist. Program	Department of Agriculture	10,666,118	
10.568	Emergency Food Assistance Program (Administrative Costs)	Department of Agriculture	280,097	
10.569	Emergency Food Assistance Program (Food Commodities)	Department of Agriculture	1,972,867	NC
10.578	ARRA - WIC Grants to States	Department of Agriculture	176,103	
10.578	WIC Grants to States	Department of Agriculture	413,973	
16.575	Crime Victim Assistance	Department of Justice	2,377,698	
16.801	ARRA - State Victim Assistance	Department of Justice	189,443	
66.032	State Indoor Radon Grants	Environmental Protection Agency	54,598	
66.034	Surveys, Studies, Research, Invest. Demos & Special Purpose Activities - Clean Air Act	Environmental Protection Agency	3,172	
81.042	Weatherization Assistance for Low-Income Persons	Department of Energy	1,569,253	
81.042	ARRA - Weatherization Assistance for Low-Income Persons	Department of Energy	5,827,435	
81.999	Weatherization Conference	Department of Energy	825,381	
84.181	Special Education - Grants for Infants and Families	Department of Education	2,111,313	
84.393	ARRA - Special Education - Grants for Infants and Families	Department of Education	139,027	
93.048	Special Programs for the Aging - Discretionary Projects	Health and Human Services	15,513	
93.069	Public Health Emergency Preparedness	Health and Human Services	5,679,663	
93.087	Enhance Safety of Children Affected by Substance Abuse	Health and Human Services	653,073	
93.089	Emergency System for Advance Registration of Volunteer Health Professionals	Health and Human Services	4,159	
93.090	Guardianship Assistance	Health and Human Services	2,975	
93.092	Affordable Care Act Personal Responsibility Education Program	Health and Human Services	164,135	
93.110	Maternal and Child Health Federal Consolidated Programs	Health and Human Services	225,851	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control	Health and Human Services	156,240	
93.127	Emergency Medical Services for Children	Health and Human Services	96,989	
93.130	Cooperative Agmts. - States/Territories - Coord. & Develop. of Primary Care Ofcs.	Health and Human Services	107,563	
93.136	Injury Prevent. & Control Research/State and Community Based Prog.	Health and Human Services	129,263	
93.150	Projects for Assistance in Transition from Homelessness	Health and Human Services	243,526	
93.217	Family Planning - Services	Health and Human Services	1,918,118	
93.240	State Capacity Building	Health and Human Services	241,922	
93.241	State Rural Hospital Flexibility Program	Health and Human Services	655,095	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
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CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
93.243	Substance Abuse & Mental Health Svs. - Projects of Regional & Natl. Significance	Health and Human Services	$864,776	
93.251	Universal Newborn Hearing Screening	Health and Human Services	205,564	
93.268	Immunization Cooperative Agreements	Health and Human Services	2,266,239	
93.268	Immunization Cooperative Agreements	Health and Human Services	20,383,554	NC
93.270	Adult Viral Hepatitis Prevention and Control	Health and Human Services	18,655	
93.275	Substance Abuse and Mental Health Services - Access to Recovery	Health and Human Services	3,690,302	
93.283	Centers for Disease Control & Prevention - Investigations & Technical Assistance	Health and Human Services	4,667,801	
93.301	Small Rural Hospital Improvement Grant Program	Health and Human Services	225,055	
93.414	ARRA - State Primary Care Offices	Health and Human Services	71,180	
93.505	Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program	Health and Human Services	392,377	
93.507	PPHF 2012 National Public Health Improvement Initiative	Health and Human Services	221,231	
93.520	Affordable Care Act Communities Putting Prevention to Work	Health and Human Services	81,618	
93.521	Affordable Care Act Building Epi., Lab., & Health Info. Sys. Capacity in the ELC & EIP	Health and Human Services	286,810	
93.544	Coordinated Chronic Disease Prevention and Health Promotion Program	Health and Human Services	234,258	
93.556	Promoting Safe and Stable Families	Health and Human Services	1,447,107	
93.558	Temporary Assistance for Needy Families	Health and Human Services	16,868,703	
93.563	Child Support Enforcement	Health and Human Services	13,541,062	
93.566	Refugee and Entrant Assistance - State Administered Programs	Health and Human Services	1,466,271	
93.568	Low-Income Home Energy Assistance	Health and Human Services	26,090,471	
93.569	Community Services Block Grant	Health and Human Services	3,300,393	
93.575	Child Care and Development Block Grant	Health and Human Services	19,235,596	
93.576	Refugee and Entrant Assistance Discretionary Grants	Health and Human Services	43,987	
93.590	Community-Based Child Abuse Prevention Grants	Health and Human Services	184,040	
93.596	Child Care Mandatory & Matching Funds of the Child Care and Develop. Fund	Health and Human Services	2,622,700	
93.597	Grants to States for Access and Visitation Programs	Health and Human Services	89,868	
93.599	Chafee Education and Training Vouchers Program	Health and Human Services	107,936	
93.600	Head Start	Health and Human Services	131,754	
93.603	Adoption Incentive Payments	Health and Human Services	935,557	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Health and Human Services	369,497	
93.643	Children's Justice Grants To States	Health and Human Services	123,671	
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Health and Human Services	1,803,882	
93.658	Foster Care - Title IV-E	Health and Human Services	9,372,388	
93.659	Adoption Assistance	Health and Human Services	6,133,732	
93.667	Social Services Block Grant	Health and Human Services	11,183,947	
93.669	Child Abuse and Neglect State Grants	Health and Human Services	194,283	
93.671	Family Violence Prevention & Services/Grants for Battered Women's Shelters	Health and Human Services	863,508	
93.674	Chafee Foster Care Independence Program	Health and Human Services	282,053	
93.713	ARRA - Child Care and Development Block Grant	Health and Human Services	459,091	
93.717	ARRA - Preventing Healthcare-Associated Infections	Health and Human Services	281,780	
93.719	ARRA - State Grants to Promote Health Information Technology	Health and Human Services	432,965	
93.723	ARRA - Prevention and Wellness - State, Territories and Pacific Islands	Health and Human Services	465,148	
93.725	ARRA - Communities Putting Prevention to Work: Chronic Disease Self-Management	Health and Human Services	108,341	
93.729	ARRA - Health Information Technology and Public Health	Health and Human Services	542,672	
93.767	Children's Health Insurance Program	Health and Human Services	39,808,958	
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health and Human Services	2,610,335	
93.778	Medical Assistance Program	Health and Human Services	1,064,244,603	
93.779	Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	Health and Human Services	30,008	
93.791	Money Follows the Person Rebalancing Demonstration	Health and Human Services	489,484	
93.889	National Bioterrorism Hospital Preparedness Program	Health and Human Services	1,955,882	
93.913	Grants to States for Operation of Offices of Rural Health	Health and Human Services	217,475	
93.917	HIV Care Formula Grants	Health and Human Services	1,802,207	
93.940	HIV Prevention Activities - Health Department Based	Health and Human Services	832,317	
93.944	HIV/AIDS Surveillance	Health and Human Services	79,397	
93.958	Block Grants for Community Mental Health Services	Health and Human Services	1,725,103	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	5,305,945	
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	Health and Human Services	415,111	
93.991	Preventive Health and Health Services Block Grant	Health and Human Services	324,868	
93.994	Maternal and Child Health Services Block Grant to the States	Health and Human Services	2,852,600	
93.999	Clinical Laboratory Improvement Amendments	Health and Human Services	139,302	
93.999	Drug Alcohol Information	Health and Human Services	38,200	
93.999	Food Sanitation Inspection	Health and Human Services	46,872	
93.999	Mammography Quality	Health and Human Services	48,022	
93.999	State EPI Outcomes	Health and Human Services	167,472	
93.999	State Outcomes Measurement and Management System	Health and Human Services	72,126	
96.999	Vital Statistics Birth Records Grants	Social Security Administration	48,350	
96.999	Vital Statistics Cooperative Program	Social Security Administration	228,429	

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STATE OF IDAHO
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CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
96.999	Social Security Birth and Death Reports	Social Security Administration	$16,167	
	TOTAL HEALTH AND WELFARE, DEPARTMENT OF		$1,709,161,895	
	HISPANIC AFFAIRS, COMMISSION ON			
93.307	Minority Health and Health Disparities Research	Health and Human Services	$8,827	PT
	TOTAL HISPANIC AFFAIRS, COMMISSION ON		$8,827	
	HISTORICAL SOCIETY, IDAHO STATE			
14.246	CDBG/Brownfields Economic Development Initiative	Housing and Urban Development	$6,614	
15.224	Cultural Resource Management	Department of the Interior	1,178	
15.238	Challenge Cost Sharing	Department of the Interior	104,719	
15.904	Historic Preservation Fund Grants-in-Aid	Department of the Interior	796,464	
15.929	Save America's Treasures	Department of the Interior	13,061	
20.205	Highway Planning and Construction	Department of Transportation	3,218	
89.003	National Historical Publications and Records Grants	Natl. Archives & Records Admin.	9,902	
	TOTAL HISTORICAL SOCIETY, IDAHO STATE		$935,156	
	INDUSTRIAL COMMISSION			
16.576	Crime Victim Compensation	Department of Justice	$857,082	
17.005	Compensation and Working Conditions	Department of Labor	2,752	
	TOTAL INDUSTRIAL COMMISSION		$859,834	
	INSURANCE, DEPARTMENT OF			
93.525	State Planning and Establishment Grants for Affordable Care Act Exchanges	Health and Human Services	$770,443	
93.779	Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	Health and Human Services	498,996	
	TOTAL INSURANCE, DEPARTMENT OF		$1,269,439	
	JUDICIAL DEPARTMENT			
16.585	Drug Court Discretionary Grant Program	Department of Justice	$26,870	
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	Department of Justice	465,391	
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	Department of Justice	44,280	
16.756	Court Appointed Special Advocates	Department of Justice	44,549	PT
93.586	State Court Improvement Program	Health and Human Services	598,570	
	TOTAL JUDICIAL DEPARTMENT		$1,179,660	
	JUVENILE CORRECTIONS, DEPARTMENT OF			
16.523	Juvenile Accountability Block Grants	Department of Justice	$46,064	
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	Department of Justice	367,750	
16.548	Title V - Delinquency Prevention Program	Department of Justice	268,355	
16.727	Enforcing Underage Drinking Laws Program	Department of Justice	523,129	
84.013	Title I State Agency Program for Neglected & Delinquent Children and Youth	Department of Education	12,637	
84.027	Special Education Grants to States	Department of Education	409,283	
84.367	Improving Teacher Quality State Grants	Department of Education	12,128	
	TOTAL JUVENILE CORRECTIONS, DEPARTMENT OF		$1,639,346	
	LABOR, DEPARTMENT OF			
17.002	Labor Force Statistics	Department of Labor	$728,767	
17.207	Employment Service/Wagner-Peyser Funded Activities	Department of Labor	7,005,630	
17.225	Unemployment Insurance	Department of Labor	383,729,360	
17.235	Senior Community Service Employment Program	Department of Labor	136,296	
17.245	Trade Adjustment Assistance	Department of Labor	1,726,913	
17.258	ARRA - WIA Adult Program	Department of Labor	2,141	
17.258	WIA Adult Program	Department of Labor	3,347,551	
17.259	ARRA - WIA Youth Activities	Department of Labor	2,779	
17.259	WIA Youth Activities	Department of Labor	3,390,499	
17.260	ARRA - WIA Dislocated Workers	Department of Labor	(8,654)	
17.275	ARRA - Worker Training and Placement in High Growth and Emerging Industry Sectors	Department of Labor	2,060,775	
17.275	ARRA - Worker Training and Placement in High Growth and Emerging Industry Sectors	Department of Labor	368,754	R&D
17.277	WIA National Emergency Grants	Department of Labor	1,413,773	
17.278	WIA Dislocated Workers	Department of Labor	4,567,610	
17.801	Disabled Veterans' Outreach Program	Department of Labor	611,282	
17.804	Local Veterans' Employment Representative Program	Department of Labor	224,644	
17.807	Transition Assistance Program	Department of Labor	15,533	
93.509	Affordable Care Act State Health Care Workforce Development Grants	Health and Human Services	95,478	
94.003	State Commissions	Corp. for Natl. & Community Svc.	216,509	
94.006	AmeriCorps	Corp. for Natl. & Community Svc.	1,743,404	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
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CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
94.007	Program Development and Innovation Grants	Corp. for Natl. & Community Svc.	$10,945	
94.009	Training and Technical Assistance	Corp. for Natl. & Community Svc.	54,898	
96.001	Social Security - Disability Insurance	Social Security Administration	8,194,014	
	TOTAL LABOR, DEPARTMENT OF		$419,638,901	
	LANDS, DEPARTMENT OF			
10.064	Forestry Incentives Program	Department of Agriculture	$19,373	
10.664	Cooperative Forestry Assistance	Department of Agriculture	3,433,129	
10.676	Forest Legacy Program	Department of Agriculture	1,912,367	
10.678	Forest Stewardship Program	Department of Agriculture	6,194	
10.680	Forest Health Protection	Department of Agriculture	169,380	
10.688	ARRA - Wildland Fire Management	Department of Agriculture	330,646	
10.912	Environmental Quality Incentives Program	Department of Agriculture	5,551	
	TOTAL LANDS, DEPARTMENT OF		$5,876,640	
	LIBRARIES, IDAHO COMMISSION FOR			
11.557	ARRA - Broadband Technology Opportunities Program (BTOP)	Department of Commerce	$799,192	
45.129	Promotion of the Humanities - Federal/State Partnership	Natl. Found. on Arts & Humanities	24,320	PT
45.310	Grants to States	Natl. Found. on Arts & Humanities	1,241,616	
	TOTAL LIBRARIES, IDAHO COMMISSION FOR		$2,065,128	
	MILITARY, DIVISION OF			
11.555	Public Safety Interoperable Communications Grant Program	Department of Commerce	$1,285,675	
12.401	National Guard Military Operations and Maintenance Projects	Department of Defense	23,987,833	
12.401	National Guard Military Operations and Maintenance Projects	Department of Defense	5,303,562	NC
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Department of Transportation	208,188	
97.029	Flood Mitigation Assistance	Department of Homeland Security	214,124	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Department of Homeland Security	2,690,607	
97.039	Hazard Mitigation Grant	Department of Homeland Security	10,021	
97.042	Emergency Management Performance Grants	Department of Homeland Security	2,964,777	
97.046	Fire Management Assistance Grant	Department of Homeland Security	130,014	
97.047	Pre-Disaster Mitigation	Department of Homeland Security	469,508	
97.055	Interoperable Emergency Communications	Department of Homeland Security	134,235	
97.067	Homeland Security Grant Program	Department of Homeland Security	7,510,592	
97.078	Buffer Zone Protection Plan	Department of Homeland Security	172,432	
97.082	Earthquake Consortium	Department of Homeland Security	56,151	
	TOTAL MILITARY, DIVISION OF		$45,137,719	
	PARKS AND RECREATION, DEPARTMENT OF			
15.616	Clean Vessel Act	Department of the Interior	$14,922	
15.622	Sportfishing and Boating Safety Act	Department of the Interior	2,306	
15.916	Outdoor Recreation - Acquisition, Development, and Planning	Department of the Interior	118,695	
15.929	Save America's Treasures	Department of the Interior	318	
20.219	Recreational Trails Program	Department of Transportation	820,597	
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Protection Agency	37,688	
97.012	Boating Safety Financial Assistance	Department of Homeland Security	457,382	
	TOTAL PARKS AND RECREATION, DEPARTMENT OF		$1,451,908	
	PHARMACY, BOARD OF			
16.754	Harold Rogers Prescription Drug Monitoring Program	Department of Justice	$2,385	
	TOTAL PHARMACY, BOARD OF		$2,385	
	POLICE, IDAHO STATE			
16.017	Sexual Assault Services	Department of Justice	$199,132	
16.550	State Justice Statistics Program for Statistical Analysis Centers	Department of Justice	57,788	
16.554	National Criminal History Improvement Program	Department of Justice	80,650	
16.580	Edward Byrne Memorial Law Enforcement Assistance Discretionary Grants	Department of Justice	130,576	
16.588	ARRA - Violence Against Women Formula Grants	Department of Justice	228,904	
16.588	Violence Against Women Formula Grants	Department of Justice	1,013,936	
16.593	Residential Substance Abuse Treatment for State Prisoners	Department of Justice	99,344	
16.609	Project Safe Neighborhoods	Department of Justice	63,313	
16.710	Public Safety Partnership and Community Policing Grants	Department of Justice	248,361	
16.734	Special Data Collection and Statistical Studies	Department of Justice	11,000	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Department of Justice	1,591,460	
16.741	DNA Backlog Reduction Program	Department of Justice	244,293	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	Department of Justice	166,098	

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STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
16.753	Congressionally Recommended Awards	Department of Justice	$126,516	
16.803	ARRA - Edward Byrne Memorial Justice Assistance Grant Program	Department of Justice	1,719,468	
16.810	ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	Department of Justice	252,515	
16.813	National Criminal History Improvement Program	Department of Justice	1,672,346	
16.999	Organized Crime and Drug Task Force	Department of Justice	37,115	
20.218	National Motor Carrier Safety	Department of Transportation	1,583,534	
20.233	Border Enforcement Grants	Department of Transportation	48,054	
21.999	Equitable Sharing for Law Enforcement Agencies	Department of the Treasury	860,263	
	TOTAL POLICE, IDAHO STATE		$10,434,666	
	PROFESSIONAL-TECHNICAL EDUCATION, DIVISION OF			
84.002	Adult Education - Basic Grants to States	Department of Education	$2,281,132	
84.048	Career and Technical Education - Basic Grants to States	Department of Education	6,503,871	
97.043	State Fire Training Systems Grants	Department of Homeland Security	27,965	
	TOTAL PROFESSIONAL-TECHNICAL EDUCATION, DIVISION OF		$8,812,968	
	PUBLIC TELEVISION, IDAHO			
10.861	Public Television Station Digital Transition Grant Program	Department of Agriculture	$93,465	
11.550	Public Telecommunications Facilities Planning and Construction	Department of Commerce	328,874	
	TOTAL PUBLIC TELEVISION, IDAHO		$422,339	
	PUBLIC UTILITIES COMMISSION			
20.700	Pipeline Safety	Department of Transportation	$77,919	
20.720	State Damage Prevention Program grants	Department of Transportation	34,919	
81.122	ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	Department of Energy	170,120	
	TOTAL PUBLIC UTILITIES COMMISSION		$282,958	
	SECRETARY OF STATE			
39.011	Election Reform	General Services Administration	$309,781	
90.401	Help America Vote Act Requirements Payments	Election Assistance Commission	765,319	
93.617	Voting Access for Individuals with Disabilities - Grants to States	Health and Human Services	12,031	
	TOTAL SECRETARY OF STATE		$1,087,131	
	SPECIES CONSERVATION, OFFICE OF			
10.999	Roadless - Implementation of Roadless Rule	Department of Agriculture	$14,569	
11.438	Pacific Coast Salmon Recovery - Pacific Salmon Treaty Program	Department of Commerce	2,267,378	
15.231	Fish, Wildlife, and Plant Conservation Resource Management	Department of the Interior	26,916	
15.608	Fish and Wildlife Management Assistance	Department of the Interior	227,262	
15.657	Endangered Species Conservation - Recovery Implementation Funds	Department of the Interior	1,242,831	
81.999	Idaho OSC Accord Planning and Development	Department of Energy	932,828	
81.999	Upper Salmon Screen Tributary Passage	Department of Energy	471,067	
81.999	Exp-Lemhi River Restoration Planning	Department of Energy	601,583	
81.999	Clearwater Focus Program	Department of Energy	83,024	
81.999	Bull Trout Recovery Plan - FINS	Department of Energy	36,181	
81.999	Exp-Pahsimeroi River Habitat	Department of Energy	22,682	
	TOTAL SPECIES CONSERVATION, OFFICE OF		$5,926,321	
	SUPERINTENDENT OF PUBLIC INSTRUCTION			
10.553	School Breakfast Program	Department of Agriculture	$17,301,494	
10.555	National School Lunch Program	Department of Agriculture	5,726,758	NC
10.555	National School Lunch Program	Department of Agriculture	50,574,541	
10.556	Special Milk Program for Children	Department of Agriculture	176,845	
10.558	Child and Adult Care Food Program	Department of Agriculture	6,621,016	
10.559	Summer Food Service Program for Children	Department of Agriculture	4,530,585	
10.560	State Administrative Expenses for Child Nutrition	Department of Agriculture	976,259	
10.574	Team Nutrition Grants	Department of Agriculture	251,358	
10.579	Child Nutrition Discretionary Grants Limited Availability	Department of Agriculture	297,498	
10.582	Fresh Fruit and Vegetable Program	Department of Agriculture	1,784,415	
15.130	Indian Education - Assistance to Schools	Department of the Interior	7,707	
43.AAA	Aerospace Education Services Program	Natl. Aeronautics and Space Admin.	342,100	
84.010	Title I Grants to Local Educational Agencies	Department of Education	50,431,361	
84.011	Migrant Education - State Grant Program	Department of Education	3,661,275	
84.013	Title I State Agency Program for Neglected & Delinquent Children and Youth	Department of Education	562,415	
84.027	Special Education - Grants to States	Department of Education	56,399,644	
84.144	Migrant Education - Coordination Program	Department of Education	77,270	
84.173	Special Education - Preschool Grants	Department of Education	2,169,065	

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
84.184	Safe and Drug-Free Schools and Communities - National Programs	Department of Education	$37,167	
84.186	Safe and Drug-Free Schools and Communities - State Grants	Department of Education	86,361	
84.196	Education for Homeless Children and Youth	Department of Education	203,953	
84.213	Even Start - State Educational Agencies	Department of Education	292,795	
84.282	Charter Schools	Department of Education	1,600,678	
84.287	Twenty-First Century Community Learning Centers	Department of Education	5,327,426	
84.318	Education Technology State Grants	Department of Education	591,462	
84.323	Special Education - State Personnel Development	Department of Education	1,079,842	
84.330	Advanced Placement Program	Department of Education	72,333	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	Department of Education	1,886,904	
84.358	Rural Education	Department of Education	159,422	
84.365	English Language Acquisition State Grants	Department of Education	2,166,453	
84.366	Mathematics and Science Partnerships	Department of Education	871,888	
84.367	Improving Teacher Quality State Grants	Department of Education	12,113,991	
84.368	Grants for Enhanced Assessment Instruments	Department of Education	694,340	
84.369	Grants for State Assessments and Related Activities	Department of Education	4,097,524	
84.371	Striving Readers	Department of Education	18,934	
84.372	Statewide Data Systems	Department of Education	442,679	
84.373	Special Education - Technical Assistance on State Data Collection	Department of Education	2,240	
84.377	School Improvement Grants	Department of Education	249,782	
84.386	ARRA - Education Technology State Grants	Department of Education	1,120,060	
84.388	ARRA - School Improvement Grants	Department of Education	3,205,739	
84.389	ARRA - Title I Grants to Local Educational Agencies	Department of Education	6,183,813	
84.391	ARRA - Special Education Grants to States	Department of Education	6,059,561	
84.392	ARRA - Special Education - Preschool Grants	Department of Education	270,250	
84.410	Education Job Funds	Department of Education	30,999,472	
93.938	Comprehensive Sch. Health Prog./Prevent Spread - HIV & Other Import. Health Prob.	Health and Human Services	577,284	
94.004	Learn and Serve America - School and Community Based Programs	Corp. for Natl. & Community Svc.	53,415	
94.013	Volunteers in Service to America	Corp. for Natl. & Community Svc.	38,021	
	TOTAL SUPERINTENDENT OF PUBLIC INSTRUCTION		$282,395,395	
	TAX COMMISSION, IDAHO			
20.205	Highway Planning and Construction	Department of Transportation	$82,346	R&D
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort	Department of Transportation	3,269	R&D
	TOTAL TAX COMMISSION, IDAHO		$85,615	
	TRANSPORTATION DEPARTMENT, IDAHO			
10.692	Secure Rural Schools I Community (RAC)	Department of Agriculture	$15,000	
10.912	Environmental Quality Incentives	Department of Agriculture	10,000	
15.228	National Fire Plan - Wildland Urban Interface Community Fire Assistance	Department of the Interior	110,341	
20.106	Airport Improvement Program	Department of Transportation	183,730	
20.205	ARRA - Highway Planning and Construction	Department of Transportation	13,412,430	
20.205	Highway Planning and Construction	Department of Transportation	311,698,565	
20.205	Highway Planning and Construction	Department of Transportation	5,589,143	R&D
20.231	Performance and Registration Information Systems Management	Department of Transportation	38,878	
20.232	Commercial Driver's License Program Improvement Grant	Department of Transportation	153,854	
20.234	Safety Data Improvement Program	Department of Transportation	22,000	
20.237	Commercial Vehicle Information Systems and Networks	Department of Transportation	215,128	
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service	Department of Transportation	82,581	
20.500	Federal Transit - Capital Investment Grants	Department of Transportation	128,171	
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	Department of Transportation	1,982,843	
20.509	Formula Grants for Other Than Urbanized Areas	Department of Transportation	5,720,932	
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Department of Transportation	511,637	
20.515	State Planning and Research	Department of Transportation	99,418	
20.516	Job Access - Reverse Commute	Department of Transportation	710,988	
20.521	New Freedom Program	Department of Transportation	61,724	
20.600	State and Community Highway Safety	Department of Transportation	2,147,451	
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	Department of Transportation	1,078,682	
20.610	State Traffic Safety Information System Improvement Grants	Department of Transportation	332,347	
20.611	Incentive Grant Program to Prohibit Racial Profiling	Department of Transportation	126,188	
20.612	Incentive Grant Program to Increase Motorcyclist Safety	Department of Transportation	97,733	
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services	Department of Education	6,926,080	
97.089	Driver's License Security Grant Program	Department of Homeland Security	414,656	
	TOTAL TRANSPORTATION DEPARTMENT, IDAHO		$351,870,500	

* Type of assistance other than direct cash. NC=Non-Cash; PT=Pass-Through; R&D=Research and Development.
The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

STATE OF IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BY STATE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CFDA	STATE AGENCY FEDERAL PROGRAM TITLE	FEDERAL AGENCY	AMOUNT	TYPE*
	VETERANS SERVICES, DIVISION OF			
64.014	Veterans State Domiciliary Care	Department of Veterans Affairs	$409,034	
64.015	Veterans State Nursing Home Care	Department of Veterans Affairs	8,387,240	
64.101	Burial Expenses Allowances for Veterans	Department of Veterans Affairs	242,450	
	TOTAL VETERANS SERVICES, DIVISION OF		$9,038,724	
	VOCATIONAL REHABILITATION, DIVISION OF			
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Department of Education	$10,314,000	
84.169	Independent Living - State Grants	Department of Education	185,371	
84.187	Supported Employment Services for Individuals w/Significant Disabilities	Department of Education	375,597	
84.265	State Vocational Rehabilitation Unit In-Service Training	Department of Education	74,697	
84.390	ARRA - Vocational Rehabilitation Grants to States	Department of Education	312,630	
84.398	ARRA - Independent Living - State Grants	Department of Education	37,622	
	TOTAL VOCATIONAL REHABILITATION, DIVISION OF		$11,299,917	
	WATER RESOURCES, DEPARTMENT OF			
10.902	Soil and Water Conservation	Department of Agriculture	$24,424	
15.808	U.S. Geological Survey - Research and Data Collection	Department of the Interior	39,895	
15.999	Water Bank Program	Department of the Interior	11,874	
66.433	State Underground Water Source Protection	Environmental Protection Agency	94,934	
81.999	Tributary Water Conservation	Department of Energy	157,331	
97.023	Community Assistance Program - State Support Services Element	Department of Homeland Security	77,582	
97.041	National Dam Safety Program	Department of Homeland Security	68,532	
97.045	Cooperating Technical Partners	Department of Homeland Security	269,468	
	TOTAL WATER RESOURCES, DEPARTMENT OF		$744,040	
	TOTAL EXPENDITURES OF FEDERAL AWARDS		$3,014,136,544	

* Type of assistance other than direct cash. NC=Non-Cash; PT=Pass-Through; R&D=Research and Development.
The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

STATE OF IDAHO
NOTES TO SCHEDULES OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 – PURPOSE OF THE SCHEDULES

The Supplementary Schedules of Expenditures of Federal Awards (schedules) are in addition to the State's basic financial statements and are presented for purposes of additional analysis. The schedules are required by the Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations*. OMB *Circular A-133* is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity includes all federal awards administered by those State departments and entities included in the State's *Comprehensive Annual Financial Report* (*CAFR*), except for the colleges and universities, the Idaho Housing and Finance Association, and the Idaho Individual High Risk Reinsurance Pool. The Schedules of Expenditures of Federal Awards for the colleges and universities, the Idaho Housing and Finance Association, and the Idaho Individual High Risk Reinsurance Pool are audited by independent certified public accountants and published under separate cover.

B. Basis of Accounting

The schedules were prepared using the cash basis method of accounting. Expenditures are recognized when paid rather than when obligations are incurred. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

C. Basis of Presentation

Expenditures of Federal Awards – In accordance with the OMB *Circular A-133*, federal awards are federal cost-reimbursement contracts or federal financial assistance (cash or non-cash) in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Awards may be received directly from a federal agency or indirectly from a pass-through entity. Contracts between the State and federal government for which the federal government procures tangible goods or services are not considered to be expenditures of federal awards.

Catalog of Federal Domestic Assistance – The *Catalog of Federal Domestic Assistance* (*CFDA*) is a list of federal programs available. The OMB *Circular A-133* requires the schedules to provide total federal awards expended by the State for each individual federal program by CFDA number. Federal programs that have not been assigned a specific CFDA number are assigned a miscellaneous CFDA number – the first two digits of a miscellaneous CFDA number identify the federal awarding agency followed by ".999."

Program Clusters – Closely related programs with different CFDA numbers that share common compliance requirements are considered "program clusters." The Schedule of Expenditures of Federal Awards by Federal Agency displays programs by program cluster as mandated by the OMB *Circular A-133 Compliance Supplement*. Programs not included within a designated cluster are presented under the title "NON-CLUSTERED PROGRAMS."

Valuation of Non-Cash Assistance – Non-cash awards are identified by "NC" on the schedules. Non-cash expenditures of federal awards were determined as follows:

1. CFDA 10.551, Supplemental Nutrition Assistance Program – reported at the dollar value of electronic benefit transfers authorized and used for food purchases by recipients.

2. CFDA 10.555, National School Lunch Program – reported at the fair market value of the food commodities distributed.

3. CFDA 10.569, Emergency Food Assistance Program – reported at the fair market value of the food commodities distributed.

4. CFDA 12.401, National Guard Military Operations and Maintenance Projects – reported at face value of the goods and services rendered through cooperative agreements.

5. CFDA 39.003, Donation of Federal Surplus Personal Property – reported at the fair market value of donated property as determined by General Services Administration.

6. CFDA 66.034, Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act – reported at the fair market value of the goods and services included as in-kind awards.

7. CFDA 66.419, Water Pollution Control State, Interstate, and Tribal Program Support - reported at the fair market value of the goods and services included as in-kind awards.

8. CFDA 81.999, Miscellaneous Bonneville Power Administration Grants - reported at appraised value and purchase price of land.

9. CFDA 93.268, Immunization Cooperative Agreements - reported at the federally assigned value of the serum distributed.

State Funds Included with Federal Funds – State unemployment insurance funds are included with federal funds in the total expenditures for CFDA 17.225. The State portion was $222,284,798, and the federal portion was $161,444,562.

NOTE 3 – LOANS OUTSTANDING

The following loan programs are administered on behalf of federal awarding agencies:

A. The Office of Energy Resources administers loan and grant programs (CFDA 81.041) for the U.S. Department of Energy. The original source of these funds was petroleum price violations. The funds are used to finance various energy conservation projects. The outstanding principal and interest at June 30, 2012, was $380,651. The Office of Energy Resources determined uncollectible accounts to be $0.

B. The Department of Commerce administers loans for the U.S. Department of Treasury. The State Small Business Credit Initiative (SSBCI) provides federal funds for programs that leverage private lending to small businesses that are creditworthy, but are not getting the loans they need to expand and create jobs. The State recognized $4.3 million of federal revenue related to the SSBCI.

C. The Department of Environmental Quality administers loans for the Capitalization Grants for Clean Water State Revolving Funds (CFDA 66.458) and the Capitalization Grants for Drinking Water State Revolving Funds (CFDA 66.468). These revolving funds make loans to qualified water pollution control projects and public drinking water systems. The loans are funded by the federal capitalization grants, State match, and revolving funds. The loans are disbursed as borrowers incur costs and are repaid within 20 to 30 years of project completion. Some applicants may qualify as "disadvantaged" and be eligible for an interest rate as low as 0% and possible principal forgiveness. Interest rates vary between 0% and 4.5%. Management considers all loans to be fully collectible, so there is no allowance for uncollectible accounts.

Loan programs at June 30, 2012:

CAPITALIZATION GRANTS FOR CLEAN WATER – CFDA 66.458

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	$164,570,494	$43,224,979	$0	$121,345,515
Projects in Progress	187,950,014	19,856,711	80,157,138	87,936,165
Totals	$352,520,508	$63,081,690	$80,157,138	$209,281,680
Less: Amount Due Within 1 Year				6,737,214
Loans Receivable Net of Current Maturities				$202,544,466

CAPITALIZATION GRANTS FOR DRINKING WATER – CFDA 66.468

	Loan Authorized	Principal Repayments	Remaining Commitment	Receivable Balance
Completed Projects	$90,871,057	$16,656,852	$0	$74,214,205
Projects in Progress	77,553,825	13,418,054	30,440,996	33,694,775
Totals	$168,424,882	$30,074,906	$30,440,996	$107,908,980
Less: Amount Due Within 1 Year				3,452,167
Loans Receivable Net of Current Maturities				$104,456,813

NOTE 4 – SNAP BENEFITS (CFDA 10.551)

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents the USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, the USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 16.55 percent of the USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2011.

STATE OF IDAHO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

AUDITOR'S RESULTS

STATE OF IDAHO
SINGLE AUDIT REPORT
SUMMARY OF AUDITOR'S RESULTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

BASIC FINANCIAL STATEMENTS

1. The independent auditor's report on the basic financial statements expressed an unqualified opinion.

2. The audit of the basic financial statements disclosed significant deficiencies in internal control. Deficiencies considered to be material weaknesses were also reported.

3. The audit of the basic financial statements did not disclose any noncompliance that is material to the financial statements.

FEDERAL AWARDS

1. The audit of federal major programs in the Schedule of Expenditures of Federal Awards disclosed significant deficiencies in internal control. We consider items 12F-1, 12F-10, 12F-12, 12F-14, 12F-19, 12F-20, and 12F-21 to be material weaknesses.

2. The independent auditor's report on compliance with federal major programs expressed an unqualified opinion for all major programs except for the following programs which were qualified: Women, Infants, and Children's Program (10.557), Social Services Block Grant (93.667), and Vocational Rehabilitation Cluster (84.126 and 84.390).

3. The *Single Audit Report* disclosed findings that are required to be reported in accordance with the criteria in Section 510a of OMB *Circular A-133*.

4. The federal programs identified as major programs are listed on the following page.

5. The dollar threshold used to distinguish between Type A and Type B programs was $9,059,314.

6. For the fiscal year ended June 30, 2012, the State of Idaho did not meet OMB *Circular* A-*133's* requirements to qualify as a low-risk auditee.

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PROGRAM OR CLUSTER TITLE	CFDA
CDBG – STATE ADMINISTERED CDBG CLUSTER	
Community Development Block Grant/State's Program	14.228
ARRA – Community Development Block Grants	14.228
VOCATIONAL REHABILITATION CLUSTER:	
Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126
ARRA – Vocational Rehabilitation Grants to States	84.390
TANF CLUSTER:	
Temporary Assistance for Needy Families	93.558
CCDF CLUSTER:	
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Develop. Fund	93.596
ARRA – Child Care and Development Block Grant	93.713
MEDICAID CLUSTER:	
State Medicaid Fraud Control Units	93.775
State Survey and Certification of Health Care Providers and Suppliers	93.777
Medical Assistance Program	93.778
NON-CLUSTERED PROGRAMS:	
Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
National Guard Military Operations and Maintenance Projects	12.401
Unemployment Insurance	17.225
Capitalization Grants for Clean Water State Revolving Funds	66.458
ARRA – Capitalization Grants for Clean Water State Revolving Funds	66.458
Capitalization Grants for Drinking Water State Revolving Funds	66.468
ARRA – Capitalization Grants for Drinking Water State Revolving Funds	66.468
State Energy Program	81.041
ARRA – State Energy Program	81.041
Miscellaneous Bonneville Power Administration Grants	81.999
Child Support Enforcement	93.563
Social Services Block Grant	93.667
Children's Health Insurance Program	93.767

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE AGENCY		FEDERAL AGENCY	PAGE
BLIND AND VISUALLY IMPAIRED, COMMISSION FOR			
12F-1	Internal controls are inadequate to ensure compliance with federal requirements for the Rehabilitation Services - Vocational Rehabilitation Grants to States.	Department of Education	32
12F-2	Equipment purchased with Vocational Rehabilitation grant funds was not managed in accordance with federal and state requirements.	Department of Education	34
FISH AND GAME, DEPARTMENT OF			
12F-3	Procedures intended to ensure compliance with the Equipment and Real Property Management requirements of the Bonneville Power Administration grant contain significant deficiencies in internal control allowing errors to go undetected and uncorrected.	Department of Energy	36
HEALTH AND WELFARE, DEPARTMENT OF			
12F-4	Federal expenditures not expected to exceed $100,000 are not monitored to ensure compliance with suspension and debarment requirements.	Department of Health & Human Services Department of Agriculture	37
12F-5	Client eligibility errors may go undetected and uncorrected due to insufficient internal controls, resulting in improper payments.	Department of Health & Human Services	39
12F-6	Reimbursements for cost incurred by a contractor as a result of operating the JOBS program were made without adequate supporting documentation.	Department of Health & Human Services	41
12F-7	Health and safety requirements are not monitored for In-Home Child Care providers or for providers licensed by states other than Idaho.	Department of Health & Human Services	42
12F-8	Child Care benefits paid to or on behalf of individuals were not calculated correctly.	Department of Health & Human Services	43
12F-9	Child care costs incurred prior to the period of availability were inappropriately charged to the Child Care grant.	Department of Health & Human Services	44
12F-10	Internal controls designed to ensure compliance with federal earmarking requirements for the Social Services Block Grant (SSBG) are not adequately designed or monitored.	Department of Health & Human Services	46
12F-11	Internal controls designed to prevent or detect and timely correct improper payments in the Social Services Block Grant (SSBG) did not always operate as designed.	Department of Health & Human Services	47

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE AGENCY		FEDERAL AGENCY	PAGE
12F-12	Adjustment transactions posted to the Social Services Block Grant (SSBG) were inappropriately coded to the wrong grant year resulting in noncompliance with period of availability requirements.	Department of Health & Human Services	48
12F-13	Subawards made from the Social Services Block Grant totaling $55,996 were not reported as required under the Federal Funding Accountability and Transparency Act.	Department of Health & Human Services	49
12F-14	Subawards made from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) grant totaling $8.3 million were not reported as required under the Federal Funding Accountability and Transparency Act.	Department of Agriculture	50
12F-15	Procedures are not in place to negotiate and/or monitor indirect cost rate plans prepared by the various subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) grant, and the amounts submitted on monthly invoices are not adequately reviewed prior to processing payments.	Department of Agriculture	52
12F-16	Internal controls designed to monitor compliance with federal requirements related to the review of food instruments and cash-value vouchers in the WIC program were not operating as designed.	Department of Agriculture	53
12F-17	WIC Infant Formula Rebate invoicing errors resulted in overbilling.	Department of Agriculture	54
LABOR, DEPARTMENT OF			
12F-18	Federal Unemployment Insurance benefits expenditures were not reconciled to cash draw amounts.	Department of Labor	56
VOCATIONAL REHABILITATION, DIVISION OF			
12F-19	A cash draw from the Vocational Rehabilitation Grants to States of $1.7 million was made for reimbursement of unsupported expenditures.	Department of Education	57
12F-20	Adequate documentation to support compliance with period of availability requirements for the Vocational Rehabilitation Grants to States was not available for the 2010 and 2011 award.	Department of Education	59
12F-21	Federal financial reports for the Vocational Rehabilitation Grants to States are not supported by the Division's accounting records.	Department of Education	60

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE AGENCY		FEDERAL AGENCY	PAGE
12F-22	The indirect cost rate for the Vocational Rehabilitation Grants to States was incorrectly applied and controls were ineffective in detecting errors.	Department of Education	62
12F-23	Documentation of electronic signatures is not retained in an accessible format to provide evidence that eligibility for vocational rehabilitation services was properly determined.	Department of Education	63
12F-24	The maintenance of effort federal requirement was not met for the Vocational Rehabilitation Grants to States.	Department of Education	65

STATE OF IDAHO
SINGLE AUDIT REPORT
FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

BLIND AND VISUALLY IMPAIRED, COMMISSION FOR

FINDING 12F-1

Internal controls are inadequate to ensure compliance with federal requirements for the Rehabilitation Services - Vocational Rehabilitation Grants to States.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110017
Program Year: October 1, 2010 to September 30, 2011
Federal Agency: Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking; Reporting
Questioned Costs: None

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The *Internal Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out throughout the operation. These activities include approvals, authorizations, verifications, reconciliations, and segregation of duties.

The Vocational Rehabilitation Grants to States program requires the Idaho Commission for the Blind and Visually Impaired (Commission) to submit an *Annual Vocational Rehabilitation Program Cost Report* (RSA-2) for the Vocational Rehabilitation grant each federal fiscal year. The RSA-2 report must reflect all expenditures made during the federal fiscal year from federal, State, and other rehabilitation funds. The Commission is also required to submit a *Federal Financial Report* (SF-425) semi-annually showing the cumulative federal funds expended, unliquidated obligations incurred, and matching contributions.

Additionally, the Vocational Rehabilitation Grants to States program Maintenance of Effort requirement identifies a minimum level of State funding that shall not be less than the amount spent by the State in a specific prior federal fiscal year.

Condition: The federal fiscal year 2011 RSA-2 report due December 31, 2011 included incorrect and unsupported amounts. The Commission was unable to provide complete supporting documentation for the report, and we were unable to replicate the amounts included in the report. Based on the information available, the total grant expenditures were underreported by $267,333 on Schedule 1 of the fiscal year 2011 RSA-2 report.

The Vocational Rehabilitation Federal Financial Report SF-425 submitted for the period ending September 30, 2011, was not supported by the accounting records. The SF-425 report included a Recipient Share of Expenditures amount of $663,669 while the corresponding accounting records only support a Recipient Share amount of $499,495. This resulted in an overstatement of $164,174. Because the Recipient Share of Expenditures is non-federal expenditures used to meet the Maintenance of Effort requirements, we determined that the Commission could not substantiate compliance with Maintenance of Effort requirements.

Cause: The lack of complete reconciliations between accounting records and the federal financial reporting indicates deficiencies exist in the design and operation of internal control processes over reporting. In addition, the internal control processes over reporting lack a substantial review by a separate staff member that may have detected these errors.

Effect: The Vocational Rehabilitation grant federal financial reports included amounts that were not substantiated by the accounting records and Maintenance of Effort compliance requirements were not met. Additionally, the Department of Education Secretary could reduce future funding by the amount of the Maintenance of Effort deficit.

Recommendation: We recommend that the Commission strengthen internal controls over the process used to complete federal reports for the Vocational Rehabilitation grant to ensure compliance with federal requirements including Reporting and Maintenance of Effort.

Management's View and Corrective Action Plan: *Internal controls are not inadequate to ensure compliance with federal requirements for Title I funds. At the beginning of the audit, ICBVI represented to the audit team the FFY11 RSA-2 report contained errors as did the FFY10 RSA-2. ICBVI requested from the Rehabilitation Services Administration (RSA) approval to re-open the reports for correction. Documentation was provided to the audit team showing RSA was unable to open the reports for correction due to the pending changes to the RSA-2 report. Until the Office of Management and Budget (OMB) approves a new report, those reports will not be re-opened for correction. The RSA-2 for FFY11 did not contain unsupported amounts. All documentation to support reported expenditures is available. ICBVI erroneously did not include expenditures from the American Recovery and Reinvestment Act of 2009 (ARRA) Vocational Rehabilitation Services to States grant. While ICBVI openly admits its error, the problem did not exist due to lack of internal controls.*

Regarding the FFY11 SF-425; ICBVI disagrees with the finding. For this finding the auditor used the ICBVI cost allocation report through August; none of September's expenditures were included in the finding's totals. The audit team reported to the administrator this was done because the August cost allocation worksheet was the only accounting record which reconciled to the amount of the Federal share of expenditures reported on the SF-425.

Based on an audit in 2010, the only official records acceptable for reporting purposes are those generated by the Statewide Accounting and Reporting System (STARS). Month-end reports are generated by STARS anywhere from the 5th to the 10th of the month following the closing month; to be specific for this issue; the 09/30/11 reports were available on 10/05/11. Once month-end reports are available, reconciliation is done between the cost allocation report and the STARS reports. After the reconciliation, which cannot happen until basically the middle of the month, a draw is done for the remaining Federal portion of expenditures prior to completion of the Federal SF-425 report. This ensures MOE has not been exceeded and also ascertains MOE has indeed been met.

At September 30, 2011 ICBVI had expenditures allocable to the Title I Vocational Rehabilitation grant (Basic Support) in the amount of $2,495,793. Of this amount, and following the specific instructions on the SF-425, ICBVI had received reimbursement in the amount of $1,802,793 as recorded in the G5. The reporting requirements on the SF-425 for line 10a (Federal share of expenditures) state in part: "The net amount of funds drawn down will be shown on the G5 report and should be entered as the amount on line 10a of the SF-425 form. Grantees may want to maintain copies of the G5 External Award Activity Reports to verify the accuracy of the amount reported on line 10a." ICBVI maintained a copy of the G5 External Award Activity Report for audit purposes; this report was not used during the audit.

Because STARS reports were not available until October 10, 2011 for September 2011 expenditures, the final FFY11 draw was not a part of the G5 External Award Activity Report therefore that amount could not be entered on the SF-425 report. ICBVI has contacted its Federal liaison at the RSA for guidance on how to accurately reflect this information to satisfy audit requirements. An e-mail was sent on March l5, 2013, and as of this writing, ICBVI has not received a response.

The August cost allocation worksheet used for this audit was completed sometime mid-September which is why the draw amount matched line 10a of the SF-425. Had the auditor used the same STARS reports ICBVI uses to complete the cost allocation worksheets for September 2011, the audit would show the revenue recorded on the DAFR785O for the Basic Support 2011 grant through September 2011 does reconcile to the SF-425 report and G5 External Award Activity Report.

ICBVI had all documentation readily available. ICBVI does maintain sufficient internal controls to ensure compliance with Federal requirements for all grant funds it receives. The Financial Support Technician completes the cost allocation reconciliation; the Administrative Services Manager reviews the cost allocation worksheets once the reconciliation is completed; and the Office Specialist II requests draws on the G5.

Scheduled Completion Date for Corrective Action Plan: The agency did not provide a corrective action plan.

Contact Person: Angela Jones, Administrator
Idaho Commission for the Blind and Visually Impaired
341 W. Washington St.
Boise, ID 83720-0012
208-334-3220 ext. 123

Auditor's Concluding Remarks: We thank the Commission for its cooperation and assistance throughout the audit. We continue to assert that the Commission's internal controls were inadequate to ensure compliance with federal requirements for the Rehabilitation Services – Vocational Rehabilitation Grants to States. During the audit, the Commission did not provide specific supporting documentation to adequately substantiate amounts included on the federal financial reports. These errors could have been detected through adequate internal control procedures, such as retaining the underlying accounting records to support amounts reported and a proper review process to ensure reports are accurately prepared.

FINDING 12F-2
Equipment purchased with Vocational Rehabilitation grant funds was not managed in accordance with federal and state requirements.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110017
Program Year: October 1, 2010 to September 30, 2011
Federal Agency: Department of Education
Compliance Requirement: Equipment and Real Property Management
Questioned Costs: None

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: Federal guidelines included in the Office of Management and Budget (OMB) *Circular A-133* require the Idaho Commission for the Blind and Visually Impaired (Commission) to manage equipment purchased with grant funds in accordance with State laws and procedures. The Commission must accurately record and properly classify capital assets in an asset tracking system, maintain supporting documentation of equipment records, have proper authorizations for equipment acquisitions, and physically monitor the equipment with a State Property ID tag attached from the time of possession to the time of disposal.

Condition: We reviewed the acquisition of two 2012 Chevrolet Equinox vehicles valued at $42,649 and found the vehicles were not included in the asset tracking system as required by the State Capital Asset policy. The vehicles made up 53% of the equipment purchased with Vocational Rehabilitation funds during the audit period. In addition, the State Property ID tags were still attached to a Transfer of Property form; six months after the vehicles were placed in service. State Property ID tags should be attached upon receipt of the equipment.

Cause: While the Commission does have internal controls over equipment management those controls did not operate as intended, and the equipment management function lacked proper oversight from the Commission management.

Effect: No losses were realized due to the noncompliance however the risk of loss is increased when State policies and procedures are not followed. If equipment is not tracked as required by the State Capital Asset policy, then it could be inadvertently missed in inventory counts required by Idaho State Code Section 67-5746.

Recommendation: We recommend that the Commission strengthen internal controls to ensure that equipment management is completed in accordance with federal and state requirements.

Management's View and Corrective Action Plan: *This is not a significant deficiency. As stated in the audit report no losses were incurred due to the two vehicles not being reflected in the Fixed Asset System (FAS). The internal controls over equipment are not a problem and are not lacking. The problem existed because the employee responsible for maintenance of FAS was out of the office frequently due to an FMLA issue. Due to his absence protected by FMLA, he was quite behind fulfilling his job responsibilities. That employee is no longer employed by ICBVI and currently all inventory is accurately reflected in FAS.*

Scheduled Completion Date for Corrective Action Plan: The agency did not provide a corrective action plan.

Contact Person: Angela Jones, Administrator
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Auditor's Concluding Remarks: We thank the Commission for its cooperation and assistance throughout the audit. We continue to assert that the Commission did not manage equipment in accordance with federal and state requirements. Additionally, a deficiency in internal controls 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 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 the attention of those charged with governance. The two errors identified represented 53% of the Commissions equipment purchases related to the grant, and were a direct result of inadequately performed internal control procedures.

FISH AND GAME, DEPARTMENT OF

FINDING 12F-3

Procedures intended to ensure compliance with the Equipment and Real Property Management requirements of the Bonneville Power Administration grant contain significant deficiencies in internal control allowing errors to go undetected and uncorrected.

CFDA Title: Miscellaneous Bonneville Power Administration Grants
CFDA Number: 81.999
Federal Award Numbers: 47285, 47584, 47867, 48306, 48347, 48348, 49232, 49515, 49516, 49517, 50460, 50973, 50975, 51136, 51686, 52001, 52380, 53181, 53238, 53579, 53580, 54251, 54436, 54536, 54777, 55671, 55703, 55756, 57130, 57288, 57306
Program Years: Various – June 1, 2007 through December 31, 2013
Federal Agency: Department of Energy
Compliance Requirement: Equipment and Real Property Management
Questioned Costs: None

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget *Circular A-133* (OMB A-133) identifies internal controls and compliance requirements specific to the management of equipment and real property purchased under federal programs. A state shall use, manage, and dispose of equipment acquired under a federal grant in accordance with State laws and procedures. Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. When equipment or real property is no longer needed for a federal program, the State must follow the federal agency's guidelines for disposal, which usually means reimbursing the federal agency for their proportionate share of the sales price.

State laws and procedures related to fiscal policy are established by the Office of the State Controller under authority granted in Idaho Code Section 67-1021.

Condition: The Department of Fish and Game uses the statewide Fixed Asset System (FAS) as its capital asset record system. During fiscal year 2012, the Department purchased 22 inventoriable capital assets using Bonneville Power Administration (BPA) grant funds, but only 15 assets were recorded in FAS. The remaining seven were not recorded in FAS as required by State and Department policies.

The Department uses Program Cost Account (PCA) codes to identify the funding source of capital assets in FAS. Additionally, FAS contained 70 disposal records for fiscal year 2012, but PCA information identifying the funding source was completed for only 65 records. Testing did not identify any disposal of equipment or real property purchased with BPA grant funds; however, without proper coding, the risk exists that funds received for a disposal of federal property might not be accounted for in accordance with federal requirements.

Cause: Duties for entering assets in FAS are not properly segregated among staff and a review for accuracy or completeness before final posting is not completed. The annual inventory required by State policy was completed, but did not detect the errors.

Effect: Capital assets were not properly recorded in FAS to ensure compliance with State and Department policies. PCA codes used to identify the funding source are an integral part of capital asset management. Without a documented funding source, the correct use of sale proceeds upon disposal of the asset is not determinable, which could result in noncompliance with federal regulations.

Recommendation: We recommend that the Department strengthen internal controls over capital asset management to ensure capital assets are accounted for properly and comply with State policies.

Management's View and Corrective Action Plan: *The Department agrees with this finding. As of the date of this letter* (March 22, 2013)*, six (6) of the seven (7) assets identified in the audit as not recorded in the Fixed Asset System have been entered into FAS. The remaining item will not be added because it does not meet the criteria due to a useful life of less than one year. In response to this finding, the Department has already changed its internal processes to ensure all proper assets are recorded in FAS.*

The Department became aware of capital assets without a corresponding documented PCA funding source as a result of a previous audit for fiscal year 2010. The corrective action taken was to change procedures and address the issue going forward, and review prior year entries missing a PCA as time permitted. Due to a lack of resources and staff turnover, the Department has not made desired progress in this effort, which resulted in the historical records comprising the bulk of the disposed items that lacked PCAs. The Department will continue to review these items, and hopes to have all PCAs identified and entered into FAS by December 31, 2013.

Scheduled Completion Date for Corrective Action Plan: December 31, 2013

Contact Person: Michael Pearson, Chief of the Administration Bureau
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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

HEALTH AND WELFARE, DEPARTMENT OF

FINDING 12F-4

Federal expenditures not expected to exceed $100,000 are not monitored to ensure compliance with suspension and debarment requirements.

CFDA Title: Temporary Assistance for Needy Families Cluster, Child Care Cluster, Women, Infants, and Children's Program, Child Support Enforcement, Social Services Block Grant
CFDA Number: 93.558, 93.575, 93.596, 93.713, 10.557, 93.563, 93.667
Federal Award Number: G1202IDTANF, G1102IDTANF, G1201IDCCDF, G1101IDCCDF, G0901IDCCDF, 12127IDID7W1006, 12127IDID7W1003, 11117IDID7W1006, 11117IDID7W1003, 11107IDID2W5204, 11107IDID1W5003, 11117IDID1W5003, G1204ID4005, G1104ID4004, G1101IDSOSR, G1001IDSOSR
Program Year: October 1, 2008 to September 30, 2012
Federal Agency: Department of Health and Human Services, Department of Agriculture
Compliance Requirement: Procurement and Suspension and Debarment
Questioned Costs: None

Type of Finding: Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the OMB *Circular A-133 Compliance Supplement* prohibits non-federal entities from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition: The responsibility for ensuring vendors are not suspended or debarred is currently assigned to the grants and contracts team and is performed at the time an invitation to bid or request for proposal is prepared. The grants and contracts team handles all procurements for the Department of Health and Welfare (Department) which are expected to exceed $100,000 over the term of the contract. Those not expected to exceed this amount are handled by the division requesting the goods or services. Currently, there is not a process in place for the individual divisions (with the exception of Medicaid) to check suspension and debarment prior to awarding contracts, grants, etc. Additionally, there is no process in place to monitor and/or track expenditures to ensure that all covered transactions have been properly identified.

Cause: Procedures and controls used to ensure compliance with federal suspension and debarment requirements have not been established at the program level for purchases of less than $100,000.

The Department relies on the Office of the Attorney General (OAG) for procurement of attorneys for the child support program, but there is no process in place to ensure that the OAG checked for suspension and debarment prior to awarding attorney contracts.

Effect: Due to lack of monitoring and other internal control procedures, the Department could contract with or make subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Recommendation: We recommend that the Department implement procedures to check suspension and debarment for covered transactions that are not expected to exceed $100,000 over the term of the contract. Additionally, we recommend that the Department implement procedures to monitor federal expenditures to identify contract expenditures subject to suspension and debarment requirements.

Management's View and Corrective Action Plan: *The Department agrees with this finding and will develop a method to compare new vendors to the suspension and debarment list and to periodically compare newly added vendors from the suspension and debarment list to the vendors used by the Department.*

Scheduled Completion Date for Corrective Action Plan: December 31, 2013

Contact Person: Steve Bellomy, CPA
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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-5

Client eligibility errors may go undetected and uncorrected due to insufficient internal controls, resulting in improper payments.

CFDA Title: Medicaid Cluster and Children's Health Insurance Program (CHIP)
CFDA Number: 93.775, 93.777, 93.778, 93.767
Federal Award Number: 05-1105ID5MAP, 05-1205ID5MAP, 05-1105ID5ADM, 05-1205ID5ADM, 1205ID5021, 1105ID5021
Program Year: October 1, 2010 to September 30, 2012
Federal Agency: Department of Health and Human Services
Compliance Requirement: Eligibility
Questioned Costs: Known $241, Likely $65,075 (Medicaid); None (CHIP)

Type of Finding: Noncompliance (Medicaid) and Significant Deficiency (Medicaid and CHIP).

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, improper payments, as defined by the Improper Payments and Information Act of 2002, include those payments that should not have been made under statutory, contractual, administrative, or other legally applicable requirements.

Condition: The Department of Health and Welfare (Department) utilizes the Idaho Benefit Eligibility System (IBES) in making eligibility determinations and redeterminations and the Medicaid Management Information System (MMIS) for processing claims submitted by providers. There is an automated interface that occurs daily to upload all changes made within IBES to MMIS. When MMIS is unable to update a specific record to reflect the changes made in IBES, an alert is created. An error file is sent from MMIS to IBES daily, which contains all the alerts encountered during the upload along with the Alert ID for each error. The Alert ID indicates the specific type of error that was encountered that caused the upload to fail. During the fiscal year under review, not all interface errors were investigated and appropriately resolved.

Cause: Discrepancies between the two systems are investigated and resolved for errors which produce an alert detail report in IBES; however, due to a programming error, certain Alert IDs contained within the error file did not generate alert details. There was no process in place to reconcile the error file to the alert detail; therefore, the programming error went undetected and uncorrected.

Effect: In one of 52 Medicaid transactions reviewed, or 2%, a claim was paid on behalf of an ineligible client resulting in an improper payment. While specific instances of noncompliance were not discovered during testing of CHIP transactions, the same systems are utilized for both Medicaid and CHIP. The lack of internal controls in place related to review of the error files could result in noncompliance for each of these programs.

Recommendation: We recommend that the Department implement procedures to ensure all Alert IDs are included in the investigation and resolution of errors identified by the interface between IBES and MMIS. We further recommend that the Department increase monitoring of internal controls to ensure they are operating effectively and that claims are only processed for eligible clients.

Management's View and Corrective Action Plan: *The Department agrees that there are some issues with the current interface design between its eligibility system (IBES) and its Medicaid Claims Payment System (MMIS) and that these issues can cause improper payments. However, the Department has implemented an internal control and notification process to ensure all identified errors (Alert IDs) are included in the service desk work queue for resolution AND that all identified errors, both daily and monthly, are worked. These two changes will decrease errors and improve program integrity.*

The current Medicaid eligibility reconciliation process includes both a daily automated alert file as well as a monthly reconciliation file which identifies and reports eligibility records that cannot be loaded successfully to the MMIS system. Currently, all daily alerts are worked and resolved each day and all monthly errors identified are resolved at the end of the month. In February, an additional automated process was implemented to re-run a file through the month end sweep that ensure any "failed" interface records are re-run to immediately reconcile eligibility errors and prevent improper payments. While efforts focus on reducing errors, the ability to review all identified errors creates greater program integrity in 2013 than in past years.

Along with the reconciliation process, the Department has invested significant time and resources over the past year to improve electronic interface standards between IBES and MMIS to ensure records are sent and received accurately. Automation teams and experts have been assigned to diagnose root cause problems and build automated solutions to ensure information is accurate between the two systems. As a result, additional work and automation improvements are planned during 2013 to continue making incremental and critical improvements to the interface: a new automated rules engine in IBES, redesign of Medicaid participation in IBES, Nursing Home and Waivered services streamlining, and decoupling Medicaid from other program within IBES.

The Department believes the current effort and processes will both identify errors and provide for effective reconciliation. Reconciliation will be an ongoing process requiring focus and effort. Currently, staff from the Service Desk for both IBES and MMIS are fully engaged in monitoring and working reports; leadership in both divisions help prioritize and fund system changes and enhancements to insure proper payments are made only to eligible clients; and automation development and operational strategies focus on immediate, short term, and long term improvements.

Scheduled Completion Date for Corrective Action Plan: February 28, 2013

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-6

Reimbursements for cost incurred by a contractor as a result of operating the JOBS program were made without adequate supporting documentation.

CFDA Title: Temporary Assistance for Needy Families Cluster
CFDA Number: 93.558
Federal Award Number: G1202IDTANF, G1102IDTANF
Program Year: October 1, 2010 to September 30, 2012
Federal Agency: Department of Health and Human Services
Compliance Requirement: Activities Allowed and Unallowed; Allowable Costs/Cost Principles
Questioned Costs: Known $1,262, Likely $82,663

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, improper payments, as defined by the Improper Payments and Information Act of 2002, include those payments lacking sufficient documentation to support that they were proper.

Condition: The Department of Health and Welfare (Department) utilizes the services of a contractor to issue vouchers to certain recipients of federal assistance (clients) within the JOBS program of the Temporary Assistance to Needy Families (TANF) grant. The vouchers can then be redeemed with participating vendors for items deemed necessary in obtaining and/or maintaining employment, such as fuel and interview appropriate clothing. In situations where clients need to obtain goods or services from a specific vendor who is either unable or unwilling to accept a Department voucher, the contractor issues the vendor a check for the appropriate amount and then requests reimbursement from the Department. Two of the 45 transactions reviewed during the audit, or 4%, were related to such transactions and neither transaction was supported by sufficient documentation to provide evidence that the payments were proper.

Cause: The internal controls designed to prevent or detect and timely correct improper payments, which include review of supporting documentation, were not implemented effectively.

Effect: Improper payments, due to lack of documentation, were made to two recipients. Additionally, compliance with federal allowability requirements for these two transactions could not be determined.

Recommendation: We recommend that the Department strengthen monitoring of internal controls to ensure the controls are operating as designed and expenditures comply with federal program requirements.

Management's View and Corrective Action Plan: *The Department agrees with this finding. We will be working to implement clear, documented processes for review of the JOBS program contractor vouchers that are reimbursed to their agency for supportive services when the payment cannot be directly paid to Department authorized vendors. This new process will be for non-standard vouchers and will state documentation needed to substantiate justification of payment.*

Scheduled Completion Date for Corrective Action Plan: June 1, 2013

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-7

Health and safety requirements are not monitored for In-Home Child Care providers or for providers licensed by states other than Idaho.

CFDA Title: CCDF Cluster (Child Care)
CFDA Number: 93.575, 93.596, 93.713
Federal Award Number: G1201IDCCDF, G1101IDCCDF, G0901IDCCDF
Program Year: October 30, 2008 to September 30, 2012
Federal Agency: Department of Health and Human Services
Compliance Requirement: Special Tests and Provisions
Questioned Costs: Known $448,178

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the OMB *Circular A-133 Compliance Supplement* states that Lead Agencies must verify that child care providers serving children who receive subsidies meet requirements pertaining to prevention and control of infectious diseases, building and physical premises safety, and basic health and safety training for providers (45 CFR section 98.41). The State of Idaho opts to ensure compliance by requiring all providers to have a health and safety inspection.

Condition: 45 CFR section 98.41 allows Lead Agencies to apply certain exemptions (e.g., children who receive care in their own homes, children whose parents object to immunization on religious grounds, etc.); however, the Idaho State Plan did not include any such exemptions.

Although not exempted in the Idaho State Plan, the Department of Health and Welfare does not require In-Home Child Care Providers or providers licensed outside the State of Idaho to undergo a health and safety inspection.

Cause: The procedures implemented by Department staff did not meet the requirements set forth in the Idaho State Plan.

Effect: Two of 45 transactions tested, or 4%, represented payments made to providers who had not obtained the required health and safety inspection.

Recommendation: We recommend that the Department implement internal controls to ensure compliance with the Idaho State Plan. We further recommend that the Department contact the federal grantor to resolve the questioned costs.

Management's View and Corrective Action Plan: *The Department agrees with this finding. We have implemented a policy that will ensure that in order to be an eligible Idaho Child Care Program provider, out-of-state providers must submit evidence of annual health and safety inspections. In-home providers will also be required to have an annual health and safety inspection conducted by the local Health Districts.*

Scheduled Completion Date for Corrective Action Plan: May 1, 2013

Contact Person: Steve Bellomy, CPA
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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-8
Child Care benefits paid to or on behalf of individuals were not calculated correctly.

CFDA Title: CCDF Cluster (Child Care)
CFDA Number: 93.575, 93.596, 93.713
Federal Award Number: G1201IDCCDF, G1101IDCCDF, G0901IDCCDF
Program Year: October 1, 2008 to September 30, 2012
Federal Agency: Department of Health and Human Services
Compliance Requirement: Eligibility
Questioned Costs: Known $197, Likely $579,219

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, OMB *Circular A-133 Compliance Supplement* states that Lead Agencies shall establish a sliding fee scale, based on family size, income, and other appropriate factors, that provides for cost sharing by families that receive Child Care Development Fund (CCDF) child care services (45 CFR section 98.42). Lead Agencies may exempt families below the poverty line from making copayments and shall establish a payment rate schedule for child care providers caring for subsidized children (45 CFR section 98.43).

Additionally, improper payments, as defined by the Improper Payments and Information Act of 2002, include overpayments or underpayments that are made to eligible recipients.

Condition: The Idaho State Plan in effect from October 1, 2009, to September 30, 2011, included the required payment rate schedules and sliding fee scales; however, in 6 of 44 transactions reviewed, the benefits paid to or on behalf of individuals were not calculated in accordance with these required elements.

Some cases reviewed did not contain documentation to substantiate overriding edits that would have reduced benefits in compliance with the Idaho State Plan. There were also instances where benefits were paid in accordance with the amount calculated by the system; however, manual recalculation of the benefit amount based on the Idaho State Plan did not agree with the system calculations.

Cause: The local market rates loaded into the computerized system used to calculate benefit amounts did not always agree to the payment rate schedule in the Idaho State Plan. Additionally, overrides were in place that prevented benefits from being appropriately reduced during times when school was in session and child care services were not needed on a full-time basis.

Effect: Six of 44 transactions tested, or 14%, contained miscalculated benefit amounts, resulting in improper payments.

Recommendation: We recommend that the Department of Health and Welfare implement monitoring procedures over Child Care benefit payments to ensure amounts are properly calculated.

Management's View and Corrective Action Plan: *The Department agrees with this finding. The child care program policy still requires that staff must override system calculations in order to accommodate ongoing unique payments and other unique child care situations related to school-age children. The Department will provide additional staff training to ensure staff journal the conditions that require an override and that there is complete documentation that provides evidence that a system override was necessary and the payment properly calculated.*

Scheduled Completion Date for Corrective Action Plan: June 1, 2013

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-9
Child care costs incurred prior to the period of availability were inappropriately charged to the Child Care grant.

CFDA Title: CCDF Cluster (Child Care)
CFDA Number: 93.575, 93.596, 93.713
Federal Award Number: G1201IDCCDF
Program Year: October 1, 2011 to September 30, 2012
Federal Agency: Department of Health and Human Services
Compliance Requirement: Period of Availability

Questioned Costs: Known $46, Likely $132,442

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, OMB *Circular A-133 Compliance Supplement* states that federal awards may specify a time period during which the non-federal entity may use the federal funds and that, where a funding period is specified, a non-federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the federal awarding agency.

Condition: The Department of Health and Welfare (Department) used funds awarded for federal fiscal year 2012, which began October 1, 2011, to pay for child care services provided in September 2011. These services were provided prior to the period of availability.

Cause: The Department's computerized accounting system contains data related to the period of availability for each federal grant. The system looks to the start and end dates to ensure that the current date is within the allowed range each time a transaction is processed. The system allows transactions to be processed up to 30 days after the end date to allow for the liquidation of obligations. The system does not have an edit check related to the date goods and services were received and there is currently no manual process in place to check the date the underlying obligation occurred.

Effect: One of 45 transactions tested, or 2%, consisted of underlying obligations that occurred prior to the beginning of the grant period of availability.

Recommendation: We recommend that the Department implement control procedures to ensure that grant costs are not incurred prior to the period of availability.

Management's View and Corrective Action Plan: *The Department agrees that expenses incurred in September 2011 were charged to federal fiscal year 2012 award, which had a period of availability of October 1, 2011, to September 30, 2012. Provider payments are made in the ICCP system and the information is interfaced into the FISCAL system for grant tracking and reporting. The Department will implement a process to delay the rolling of Child Care Program Cost Accounts until mid-October to prevent payment for September services from being charged to the new phase of the grant.*

Scheduled Completion Date for Corrective Action Plan: October 31, 2013

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-10

Internal controls designed to ensure compliance with federal earmarking requirements for the Social Services Block Grant (SSBG) are not adequately designed or monitored.

CFDA Title: Social Services Block Grant
CFDA Number: 93.667
Federal Award Number: G1101IDSOSR, G1001IDSOSR
Program Year: October 1, 2009 to September 30, 2011
Federal Agency: Department of Health and Human Services
Compliance Requirement: Matching, Level of Effort, Earmarking
Questioned Costs: Known $3,688,802

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the OMB *Circular A-133 Compliance Supplement* for the Social Services Block Grant (SSBG) requires that states use all of the amount transferred from Temporary Assistance to Needy Families (TANF) only for programs and services to children or their families whose income is less than 200% of the official poverty guideline as revised annually by HHS (42 USC 604(d)(3)(A) and 9902(2)).

Condition: The Department of Health and Welfare (Department) uses the amount transferred in from TANF to provide Children's Mental Health (CMH) services. The Department estimated that approximately 90% of families receiving these services in fiscal year 2011 fell under 200% of the official poverty guideline. This estimate was applied to the use of the TANF funds for the CMH services provided during fiscal year 2012. However, the CMH expenditures were not linked to specific families.

Cause: The Department did not maintain records of spending per client or per family receiving CMH services.

Effect: Amounts transferred in from TANF may be used for programs and services to children or their families whose income is above 200% of the official poverty guideline. Due to the lack of supporting documentation in the form of amounts spent per family, compliance could not be determined.

Recommendation: We recommend that the Department strengthen internal controls over earmarking to ensure that amounts transferred from TANF are used only for programs or services to children or their families whose income is less than 200% of the official poverty guidelines. We further recommend that the Department contact the federal grantor to resolve the questioned costs.

Management's View and Corrective Action Plan: *The Department disagrees with this finding. The Department may transfer up to 10% of the Temporary Assistance for Needy Families (TANF) grant to SSBG as long as the funds are used for needy families, defined as those whose income is at or below 200% of the official poverty line. Children's Mental Health (CMH) uses a sliding fee schedule from which we may deduce the percentage of families they serve who meet that criterion. That percentage is in the 90% vicinity and is verified each fiscal year. Typically the Department has charged approximately 25% of CMH SSBG spending to TANF. In the year in question the percentage of eligible families was 92% and the Department used TANF funds for 55% of the CMH SSBG spending. While the margin for error was less than typical we believe that a) controls and procedures are in place and are adequately monitored and*

practiced; and b) while it is true that we did not tie a specific expense to a specific eligible family, the extra 37% of uncharged expenditures leaves more than adequate margin to reasonably believe we could identify a sufficient number of specific families and expenses if required to do so. The time and effort to do so is not cost effective given the reasonable size of margin.

Furthermore, the Department does believe that if required to do so, we could tie staff time to eligible families but, as stated, the cost-benefit does not warrant the effort given the margin for error.

Scheduled Completion Date for Corrective Action Plan: The agency did not provide a corrective action plan.

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We continue to assert that the Department does not match grant expenditures to eligible families and as a result we could not verify compliance with earmarking requirements.

FINDING 12F-11
Internal controls designed to prevent or detect and timely correct improper payments in the Social Services Block Grant (SSBG) did not always operate as designed.

CFDA Title: Social Services Block Grant
CFDA Number: 93.667
Federal Award Number: G1101IDSOSR, G1001IDSOSR
Program Year: October 1, 2009 to September 30, 2011
Federal Agency: Department of Health and Human Services
Compliance Requirement: Activities Allowed and Unallowed
Questioned Costs: Known $72, Likely $117,425

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, improper payments, as defined by the Improper Payments and Information Act of 2002, include those payments lacking sufficient documentation to support that they were proper.

Condition: Vendor invoices were not available for testing to ensure that payments made were proper in two of 45 transactions, or 4% of those tested. Both transactions were processed in Family Oriented Community Users System (FOCUS); however, invoices were not scanned and attached in accordance with Department procedures.

Cause: Supporting documentation was not reviewed and scanned in accordance with Department of Health and Welfare (Department) policy prior to processing payments in the FOCUS system.

Effect: Improper payments were made to two recipients. Additionally, compliance with federal allowability requirements for these two transactions could not be determined.

Recommendation: We recommend that the Department strengthen monitoring of internal controls to ensure the controls are operating as designed and supporting documentation is maintained for all expenditures in order to comply with federal program requirements.

Management's View and Corrective Action Plan: *The Department disagrees with this finding. After further research, we discovered that the transactions in this finding, while routed to the SSBG grant, did not result in SSBG funds being expended. Due to funding adjustments, the expenditures in question were ultimately paid from Social Security funds and state general funds, respectively. The documentation to show the adjustments and resultant expenditures will be provided.*

Scheduled Completion Date for Corrective Action Plan: July 1, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. At the time of the report no adjustment transactions have been provided. We will review the Department's adjustment transactions related to these expenditures during our follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-12

Adjustment transactions posted to the Social Services Block Grant (SSBG) were inappropriately coded to the wrong grant year resulting in noncompliance with period of availability requirements.

CFDA Title: Social Services Block Grant
CFDA Number: 93.667
Federal Award Number: G1101IDSOSR
Program Year: October 1, 2009 to September 30, 2010
Federal Agency: Department of Health and Human Services
Compliance Requirement: Period of Availability
Questioned Costs: Known $1,621,041

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* states that SSBG funds must be expended by the State in the fiscal year allotted or in the succeeding fiscal year (42 USC1397a(c)).

Condition: In response to prior audit findings, the Department of Health and Welfare (Department) prepared adjustment transactions to move unallowed expenditures previously recorded in various Temporary Assistance to Needy Families (TANF) grant years to SSBG. However, the processed adjustments were posted entirely to the 2011 grant year, resulting in noncompliance with period of availability requirements.

Cause: The appropriate SSBG awards for the earlier grant phases had been closed. Department staff attempted to contact the federal grantor for guidance, but did not receive a response prior to posting the entire adjustments to the 2011 grant year. Subsequent to this decision, the federal grantor did provide guidance that the transaction would be more appropriately recorded in each of the individual awards and that amended reports should be filed. The Department has not yet made the corrections necessary to comply with the guidance received from the federal grantor.

Effect: Adjustments in the amount of $1,621,041 were posted to the SSBG award for which the underlying obligations occurred prior to the beginning of the grant period of availability resulting in noncompliance with period of availability requirements.

Recommendation: We recommend that the Department make the necessary adjustments to record the expenditures in the proper grant year. We further recommend the Department contact the federal grantor to resolve the questioned costs.

Management's View and Corrective Action Plan: *The Department agrees with this finding. We will seek guidance from the federal grantor to adjust prior year reports to eliminate the questioned cost.*

Scheduled Completion Date for Corrective Action Plan: July 1, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-13
Subawards made from the Social Services Block Grant totaling $55,996 were not reported as required under the Federal Funding Accountability and Transparency Act.

CFDA Title: Social Services Block Grant
CFDA Number: 93.667
Federal Award Number: G1101IDSOSR, G1001IDSOSR
Program Year: October 1, 2009 to September 30, 2011
Federal Agency: Department of Health and Human Services
Compliance Requirement: Reporting
Questioned Costs: None

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the Federal Funding Accountability and Transparency Act (FFATA), or "Transparency Act," requires primary recipients to report each action that obligates $25,000 or more in federal funds for a subaward to an entity, no later than the end of the month following the month in which the obligation was made. A subaward is a legal agreement to provide support for the performance of a program for which a recipient received a grant or cooperative agreement and is awarded to an eligible subrecipient.

Condition: The Department of Health and Welfare (Department)makes subawards to various Native American Tribal agencies. During fiscal year 2012, two such subawards consisted of one obligation each that exceeded $25,000. Neither of these obligations was reported in accordance with the requirements of the Transparency Act.

Cause: Authority for reporting decisions related to the Transparency Act was delegated to personnel lacking the necessary knowledge to appropriately identify the requirements and implement controls to ensure compliance with those requirements.

Effect: The Department failed to report two subawards made during the fiscal year that required reporting under the Transparency Act.

Recommendation: We recommend that the Department implement internal control procedures to identify and appropriately respond to specific risks of noncompliance with federal awards. We further recommend that the Department submit the appropriate reports required under the Transparency Act.

Management's View and Corrective Action Plan: *The Department agrees with this audit finding. With the initial delay in implementing Federal Funding Accountability and Transparency Act (FFATA) at the federal level, combined with staff turnover in the Department's Financial Management Section, our FFATA reporting did not get started as planned. We are gathering the required information and will complete the reporting for this grant by the end of April 2013.*

Scheduled Completion Date for Corrective Action Plan: April 30, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-14

Subawards made from the Supplemental Nutrition Program for Women, Infants, and Children (WIC) grant totaling $8.3 million were not reported as required under the Federal Funding Accountability and Transparency Act.

CFDA Title: Supplemental Nutrition Program for Women, Infants, and Children
CFDA Number: 10.557
Federal Award Number: 12127IDID7W1006, 12127IDID7W1003, 11117IDID7W1006, 11117IDID7W1003, 11107IDID2W5204, 11107IDID1W5003, 11117IDID1W5003

Program Year: October 1, 2009 to September 30, 2013
Federal Agency: Department of Agriculture
Compliance Requirement: Reporting
Questioned Costs: None

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the Federal Funding Accountability and Transparency Act (FFATA), or "Transparency Act," requires primary recipients to report each action that obligates $25,000 or more in federal funds for a subaward to an entity no later than the end of the month following the month in which the obligation was made. A subaward is a legal agreement to provide support for the performance of a program for which a recipient received a grant or cooperative agreement and is awarded to an eligible subrecipient.

Condition: The Department of Health and Welfare (Department) makes subawards to seven Idaho public health districts and two Native American Tribal agencies, which provide services for WIC under contracts that are renewed annually in October. The contracts obligate the funds to the subrecipients.

In October 2011, the Department renewed the nine contracts, each in excess of $25,000. None of the obligations were reported in accordance with requirements of the Transparency Act.

Cause: Authority for reporting decisions related to the Transparency Act was delegated to personnel lacking the necessary knowledge to appropriately identify the requirements and implement controls to ensure compliance with those requirements.

Effect: The Department failed to report nine subawards made during the fiscal year that required reporting under the Transparency Act.

Recommendation: We recommend that the Department implement internal control procedures to identify and appropriately respond to specific risks of noncompliance with federal awards. We further recommend that the Department submit the appropriate reports required under the Transparency Act.

Management's View and Corrective Action Plan: *The Department agrees with this audit finding. With the initial delay in implementing FFATA at the federal level, combined with staff turnover in the Financial Management Section, our FFATA reporting did not get started as planned. We are gathering the required information and will complete the reporting for this grant by the end of April 2013.*

Scheduled Completion Date for Corrective Action Plan: April 30, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-15

Procedures are not in place to negotiate and/or monitor indirect cost rate plans prepared by the various subrecipients of the Supplemental Nutrition Program for Women, Infants, and Children (WIC) grant, and the amounts submitted on monthly invoices are not adequately reviewed prior to processing payments.

CFDA Title: Supplemental Nutrition Program for Women, Infants, and Children
CFDA Number: 10.557
Federal Award Number: 12127IDID7W1006, 12127IDID7W1003, 11117IDID7W1006, 11117IDID7W1003, 11107IDID2W5204, 11107IDID1W5003, 11117IDID1W5003
Program Year: October 1, 2009 to September 30, 2013
Federal Agency: Department of Agriculture
Compliance Requirement: Allowable Costs/Cost Principles
Questioned Costs: Not Determinable

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, OMB *Circular A-133 Compliance Supplement* states that where a local government receives funds as a subrecipient only, the primary recipient will be responsible for negotiating and/or monitoring the subrecipient's plan. A subaward is a legal agreement to provide support for the performance of a program for which a recipient received a grant or cooperative agreement and is awarded to an eligible subrecipient.

Condition: The Department makes subawards to seven Idaho public health districts and two Native American Tribal agencies, which provide services for WIC. The information collected by the Department regarding indirect cost rates for the Health Districts consisted only of a letter sent to the Department stating what the rates would be for each of the districts. No information was collected from the Native American Tribal agencies.

One of 45 transactions tested was a monthly invoice from a Native American Tribal agency, which consisted of direct and indirect charges. The indirect cost rate was improperly applied to total expenditures, including indirect costs, rather than the agreed upon base of salaries and wages.

Cause: Department management has not assigned the task of negotiating and/or monitoring indirect cost rate plans to a specific individual or division. Prior to a recent Financial Management Review by the United States Department of Agriculture's Food and Nutrition Service division, WIC management was unaware of the requirement to negotiate and/or monitor indirect cost rate plans prepared by their subrecipients.

Responsibility for reviewing monthly invoices submitted by the subrecipients is delegated to personnel lacking the necessary knowledge to appropriately identify the errors in application of the indirect cost rate.

Effect: The Department failed to negotiate and/or monitor indirect cost rate plans prepared by each of the nine subrecipients, resulting in an undeterminable amount of questioned costs. Additionally, invoice calculation errors went undetected and uncorrected.

Recommendation: We recommend that the Department implement internal control procedures to negotiate and monitor the indirect cost rate plans prepared by subrecipients. We further recommend training related to the proper application of the indirect cost rates be provided for staff assigned to review monthly invoices from subrecipients.

Management's View and Corrective Action Plan: *The Department agrees with this finding. The Division of Public Health has been, and continues to investigate, what is meant by the OMB Circular A-133 guidance that states primary recipients are responsible to negotiate and/or monitor indirect rates of sub-recipients. We have been unable to get clear direction on the practical nature of how the process of negotiation is achieved. Some programs, including WIC, have established procedures for monitoring indirect rates, however, standardization across the division is needed. The division will undergo an internal review by the Bureau of Audits and Investigations during fiscal year 2013. It is anticipated that practical solutions will be derived from this audit.*

Scheduled Completion Date for Corrective Action Plan: December 31, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-16

Internal controls designed to monitor compliance with federal requirements related to the review of food instruments and cash-value vouchers in the Supplemental Nutrition Program for Women, Infants, and Children (WIC) program were not operating as designed.

CFDA Title: Supplemental Nutrition Program for Women, Infants, and Children
CFDA Number: 10.557
Federal Award Number: 12127IDID7W1006, 12127IDID7W1003, 11117IDID7W1006, 11117IDID7W1003, 11107IDID2W5204, 11107IDID1W5003, 11117IDID1W5003
Program Year: October 1, 2009 to September 30, 2013
Federal Agency: Department of Agriculture
Compliance Requirement: Special Tests and Provisions
Questioned Costs: None

Type of Finding: Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, OMB *Circular A-133 Compliance Supplement* states that the State agency must have in place a process for reviewing all, or a representative sample of, food instruments (FIs) and cash-value vouchers (CVVs) submitted by vendors for redemption.

Condition: The Department of Health and Welfare (Department) has a contract with an outside vendor to perform reviews of FIs and CVVs. The contract provides that the Department will monitor the contractor's completion of these tasks through the utilization of specific performance metrics. This monitoring did not occur during the fiscal year under review.

Cause: Individuals assigned to monitor contract compliance did not have adequate knowledge to perform the essential reviews required to ensure the contractor was meeting the federal regulations on behalf of the Department.

Effect: Performance metrics described in the contract were not completed by Department personnel; thus, internal controls were not operating as designed.

Recommendation: We recommend that the Department perform monitoring procedures as outlined in the contract to ensure the contractor is completing required testing of food instruments and cash-value vouchers as required by OMB A-133.

Management's View and Corrective Action Plan: *We agree with this finding. The WIC program has since initiated monthly monitoring of random samples of all food instruments and cash-value vouchers submitted by vendors for redemption, through the WIC banking institution, as specified in the bank contract. This change in processes began in February 2013. The WIC program will review the bank contract annually to ensure that all the performance metrics specified are being met.*

Scheduled Completion Date for Corrective Action Plan: February 28, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-17
Supplemental Nutrition Program for Women, Infants, and Children (WIC) Infant Formula Rebate invoicing errors resulted in overbilling.

CFDA Title: Supplemental Nutrition Program for Women, Infants, and Children
CFDA Number: 10.557
Federal Award Number: 12127IDID7W1006, 12127IDID7W1003, 11117IDID7W1006, 11117IDID7W1003, 11107IDID2W5204, 11107IDID1W5003, 11117IDID1W5003
Program Year: October 1, 2009 to September 30, 2013

Federal Agency: Department of Agriculture
Compliance Requirement: Allowable Costs/Cost Principles
Questioned Costs: None

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, OMB *Circular A-87* states that to be allowable, costs must be net of all applicable credits and calculated in accordance with generally accepted accounting principles.

Condition: Errors in rebate invoicing noted in the fiscal year 2011 *Single Audit Report* and reported as Finding 11F-16 remain uncorrected. Furthermore, one of six rebate invoices reviewed during current audit procedures contained a transposition error which resulted in an overbilling of $3,279.28, which also went undetected and uncorrected.

Cause: The internal controls designed to ensure only allowable costs (net of rebates) were charged to the grant, including supervisory review of rebate invoices prior to submission to the vendor, were not operating as designed.

Effect: Due to the ineffective controls, a vendor was overbilled in the amount of $3,279.28 for infant formula rebates.

Recommendation: We recommend that the Department of Health and Welfare (Department) issue a credit to the vendor equal to the outstanding amount of $12,125.69 from the prior audit as well as the $3,279.28 identified in the current audit. We further recommend that the Department strengthen monitoring to ensure the controls are operating as designed and costs comply with federal program requirements.

Management's View and Corrective Action Plan: *The Department agrees with this finding. The Program is seeking an appropriate method to reimburse the vendor $12,125.69 for the rebate error from the prior year audit. The fiscal year grant in which the error was made is closed and cannot be opened to issue the credit to the vendor. Updated program procedures were put in place in July 2011, which brought the rebate invoicing procedures back to the program for completion. Prior to this timeline, the processes were being completed by persons not directly in the program. This change in procedure allows for multiple accuracy checks in the invoice preparation and receipt process.*

The Department corrected the $3,279.28 invoice error on the February 2012 rebate with a refund on January 14, 2013, to Abbott Nutrition before the fiscal year 2012 grant closed. As of November 2012, additional functionality was added to the Management Information System (MIS) that enables the program to have MIS system-generated formula invoices, eliminating the opportunity for data entry error. The Idaho WIC Program believes that system-generated invoices will decrease errors by decreasing the multiple manual entries that took place in the prior procedure for completion.

Scheduled Completion Date for Corrective Action Plan: June 30, 2013

Contact Person: Steve Bellomy, CPA
Bureau Chief, Audits and Investigations
Department of Health and Welfare
P.O. Box 83720
Boise, ID 83720-0036
208-334-0609

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

LABOR, DEPARTMENT OF

FINDING 12F-18

Federal Unemployment Insurance benefits expenditures were not reconciled to cash draw amounts.

CFDA Title: Unemployment Insurance
CFDA Number: 17.225
Federal Award Number: UI-21096-11-55-A-16, UI-22273-12-55-A-16
Program Year: October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012
Federal Agency: Department of Labor
Compliance Requirement: Cash Management
Questioned Costs: Not Determinable

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires non-federal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

In addition, the Unemployment Insurance (UI) program is covered under the State's 2012 Cash Management Improvement Act (CMIA) Agreement and the Department of Labor (Department) is required to make cash draws on a reimbursement basis. The Code of Federal Regulations (31 CFR section 205.12(b)(5)) requires states pay program expenditures prior to requesting reimbursement.

Condition: The Department performs cash draws for UI benefits on a daily basis. Calculations are performed to determine the draw amounts, and they include various rounding processes, adjustments for child support, tax withholdings, overpayment receipts, tax seizures, cancellations, and other miscellaneous receipts and expenditures. The Department inappropriately requested and received reimbursements from the federal government for UI benefit amounts in excess of the amounts supported by UI expenditures and did not reconcile the amounts received for the UI program to the amounts expended.

Cause: During the audit period the Department did not have a process in place to reconcile the total UI expenditures to the UI cash draws.

Effect: Due to the lack of a reconciliation process over cash management, the Department inappropriately advanced UI funds from the federal government. The Department completed retroactive reconciliations of UI draw requests to program expenditures. The results of the reconciliations identified approximately $2.9 million drawn in excess of UI program expenditures.

Recommendation: We recommend that the Department implement internal controls to ensure federal funding activities are reconciled and that amounts drawn for the UI Program are supported by amounts expended.

Management's View and Corrective Action Plan: *Federal cash draws and expenditures have been reconciled through the end of February, 2013. The methodology used to calculate federal program cash draws was modified in December 2012. In addition, monthly reconciliations are completed for each federal UI program to ensure federal funds drawn do not exceed federal expenditures. These reconciliations are monitored closely and cash draws adjusted, if necessary.*

Scheduled Completion Date for Corrective Action Plan: December 2012; February 2013

Contact Person: Joni Booth, Financial Executive Officer, Accounting
Idaho Department of Labor
317 West Main Street
Boise, ID 83735
208-332-3570 x3165

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

VOCATIONAL REHABILITATION, DIVISION OF

FINDING 12F-19

A cash draw from the Vocational Rehabilitation Grants to States of $1.7 million was made for reimbursement of unsupported expenditures.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110016
Program Year: October 1, 2010 to September 30, 2011
Federal Agency: Department of Education
Compliance Requirement: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management
Questioned Costs: Known $1,724,306

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires non-federal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the Code of Federal Regulations (34 CFR subpart C section 80.20(b)(6)) requires accounting records to be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-grant award documents, etc.

The Vocational Rehabilitation Grants to States (Basic VR Grants) program is covered under the State's 2012 Cash Management Improvement Act (CMIA) Agreement and the Division of Vocational Rehabilitation (Division) makes cash draws on a reimbursement basis. The Code of Federal Regulations (31 CFR section 205.12(b)(5)) requires states pay program expenditures prior to reimbursement requests.

Condition: A cash draw of $1.7 million was not completed using the Division's normal internal control procedures, and the Division was unable to provide supporting documentation that identified specific expenditures associated with the reimbursement request. The Division used a combination of reports from the federal G5 system and the Idaho Statewide Accounting and Reporting System (STARS) to calculate a difference between program expenditures and requested reimbursements over the entirety of the grant. Until 2011, the Division primarily used a separate internal accounting system, not STARS, to calculate and support amounts drawn.

Cause: In an effort to close out the grant, the Division did not follow standard procedures for requesting reimbursement of grant expenditures as they occurred; instead, the Division based the reimbursement request on a mathematical calculation that was unsupported.

Effect: Due to the lack of supporting documentation for the reimbursement request, compliance with federal requirements over cash management could not be determined.

Recommendation: We recommend that the Division follow the implemented internal controls for making cash draws. We further recommend that the Division develop procedures to provide adequate support for each cash reimbursement request.

Management's View and Corrective Action Plan: *The Division does not concur with the finding that a cash draw for $1.7 million is not supported by transactions. Total expenditure transactions recorded to the grant awards H126A100016 and H126A110016 exceed the total amount of cash draws for the grant period starting October 1, 2010 and ending December 5, 2011. The draw in question was made on December 5, 2011 in the amount of $1,724,305.67. It was the final drawdown for grant H126A110016. Total draw downs from the Basic Vocational Rehabilitation grant series, numbered H126AXX0016 where XX is the federal year, for the grant period including the final drawdown were $13,516,550.75. Total cash outlays from the federal portion of the grant were $14,705,615.81. The reason for the excess expenditures is due to expenditures later transferred to H126A120016 grant. The figures above are supported by the Statewide Accounting and Reporting System, STARS, and were determined with the use of Idaho Business Intelligence System (IBIS) data warehouse queries of STARS transactions.*

Prior incorrect drawing techniques and grant tracking necessitated making an analysis of the total grant revenues and expenditures for the entire period starting October 1, 2010 through December 5, 2011.

The Division did meet all three criteria listed in the finding:

1) *The Division did maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.*
2) *The Division has accounting records supported by source documentation.*
3) *The Division made this draw on a reimbursement basis after paying program expenditures.*

Scheduled Completion Date for Corrective Action Plan: The agency did not provide a completion date.

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
650 W State Street Room 150
Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Division for its cooperation and assistance throughout the audit. During the audit, the Division did not provide supporting documentation that identified the specific expenditures associated with the reimbursement request. Without the specific supporting documentation, we were unable to determine with certainty that the Division paid program expenditures prior to requesting reimbursement. The Division did not follow normal internal control procedures to determine the amount to request for reimbursement. Instead, the Division used an analysis of federal revenues and expenditures from the Statewide Accounting and Reporting System (STARS). The Division's fiscal staff also explained that the analysis included the utilization of past federal reports which were noted to have material errors in prior audits. If provided, we will review the Division's specific supporting documentation related to the reimbursement request during our follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-20
Adequate documentation to support compliance with period of availability requirements for the Vocational Rehabilitation Grants to States was not available for the 2010 and 2011 award.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A100016, H126A110016
Program Year: October 1, 2009 to September 30, 2010; October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012
Federal Agency: Department of Education
Compliance Requirement: Period of Availability
Questioned Costs: Not Determinable

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

In addition, the Code of Federal Regulation (CFR) (34 CFR 361.64) states that federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent the match requirement has been met. In order to meet the matching requirement, the Division is required to contribute 21.3% of Vocational Rehabilitation Grants to States (Basic VR Grants) expenditures.

Condition: The Division met the matching requirements for the 2010 and 2011 Basic VR Grant awards, thereby extending the obligation period for an additional year. The period of availability for the 2010 award was October 1, 2009 thru September 30, 2011, and the period of availability for the 2011 award was October 1, 2010 thru September 30, 2012. We were unable to specifically identify expenditures associated with the appropriate period of availability timeframes because the Division used the same grant code in STARS for all of the Basic VR Grants for many years.

Cause: The Division's previous fiscal staff lacked the knowledge necessary to properly account for the grant activity by award to ensure compliance with program requirements including period of availability. The Division's current fiscal staff has implemented changes in the accounting system to allow for proper tracking of grant activity.

Effect: Due to the accounting system structure in place for the 2010 and 2011 grant award, we were unable to determine compliance with period of availability requirements.

Recommendation: We recommend that the Division ensure the accounting structure used allows for separate identification of activity for each grant award.

Management's View and Corrective Action Plan: *The Division agrees with the recommendation and implemented this recommendation for the grant award beginning October 1, 2011. Federal award # H126A120016 is set up in STARS with structure allowing it to be tracked properly.*

Scheduled Completion Date for Corrective Action Plan: October 1, 2011

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
650 W State Street Room 150
Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-21
Federal financial reports for the Vocational Rehabilitation Grants to States are not supported by the Division's accounting records.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110016, H126A120016, H390A090016
Program Year: October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012; February 17, 2009 to September 30, 2011
Federal Agency: Department of Education
Compliance Requirement: Reporting
Questioned Costs: Not Determinable

Type of Finding: Material Noncompliance and Material Weakness.

Criteria: The Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Additionally, the Code of Federal Regulations (34 CFR subpart C section 80.20(b)(1)) requires financial reporting be accurate, current, and fully disclose the financial results of financially assisted activities. The reports must be made in accordance with the financial reporting requirements of the grant. The Code of Federal Regulations (34 CFR subpart C section 80.20(b)(6)) also requires accounting records be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub grant award documents, etc.

Condition: The federal financial reports included numerous discrepancies when compared to the Division of Vocational Rehabilitation's (Division) accounting records and supporting documentation. Examples include:

- The September 30, 2011, SF-425 report submitted for the 2011 Vocational Rehabilitation Grants to States (Basic VR Grants) identified cash disbursements as $10,782,871; however, the Division's supporting documentation showed cash disbursements were $11,731,865. The difference was $948,994.

- The March 31, 2012, SF-425 report submitted for the 2012 Basic VR Grant identified zero unliquidated obligations. The form instructions define these unliquidated obligations as obligations incurred but not yet paid. Supporting documentation for the report indicated payroll of $251,302 had been incurred by March 31, 2012, but not paid until April 13, 2012. An additional 10% of indirect costs related to the payroll would also have also been incurred. These amounts were not included as an unliquidated obligation. Additionally, the reported program income totaled $325,875; however, supporting documentation only indicates $187,369. The report also included an indirect cost base of $3,075,009, which improperly included $10,020 of capital outlay.

- The annual RSA-2 submitted for federal fiscal year 2011 indicated the Division relied on financial data from the Division's FAMIS accounting system. Based on past audits, it was determined that FAMIS could not be reconciled to Idaho Statewide Accounting and Reporting System (STARS) and, therefore, could not be relied upon to report accurate financial information. In addition, there was no evidence that the report was reviewed prior to being submitted.

- The Final Section 1512 report for American Reinvestment and Recovery Act (ARRA) submitted for September 30, 2011, reported the total federal amount of ARRA Expenditures as $2,903,676. Supporting accounting records identified ARRA expenditures, as of March 31, 2011, totaling only $2,899,833, a difference of $3,843. In addition, there was no evidence that the report was reviewed prior to being submitted.

Cause: Inaccurate and unreliable information was used to prepare the reports and errors were not identified during the review process. A portion of the information analyzed for reporting was compiled by the Division's previous fiscal staff. The Division's previous fiscal staff lacked the knowledge necessary to account for the grant activity to ensure compliance with program requirements including reporting.

Effect: Reports submitted to the federal agency contained misstatements or amounts that were inadequately supported by reliable financial information.

Recommendation: We recommend that the Division develop a process to identify and use accurate and reliable financial records that are reconciled to the statewide accounting system when preparing federal reports. We further recommend that the Division implement adequate internal controls over the reporting process such as reviews by someone knowledgeable about the required reporting information and the underlying data to ensure the report is prepared in accordance with the instructions and requirements.

Management's View and Corrective Action Plan: *The Division will review reports to insure accuracy and develop tools to compile the required data for federal reporting correctly by June 30.*

Scheduled Completion Date for Corrective Action Plan: June 30, 2013

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
650 W State Street Room 150
Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-22
The indirect cost rate for the Vocational Rehabilitation Grants to States was incorrectly applied and controls were ineffective in detecting errors.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110016, H126A120016
Program Year: October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012
Federal Agency: Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Questioned Costs: Known $70,898

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: Office of Management and Budget (OMB) *Circular A-102 Common Rule* requires that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

In addition, OMB *Circular A-133 Compliance Supplement* requires that the awarded indirect cost rate (provisional-10.72%, final-10%) should be applied to the appropriate base, so that the award is being allocated its fair share of indirect costs when requesting reimbursement for indirect costs. The costs included in the base should be consistent with the costs that were included in the base for the calculation of the indirect cost rate applied. The Division of Vocational Rehabilitation's (Division) base should include all direct costs charged to the Federal Fund for the Vocational Rehabilitation Grants to States (Basic VR Grants) less any capital outlay or unallowable costs.

Condition: Three federal draws reviewed did not have adequate support to determine that indirect costs were calculated appropriately. Two additional draws were for personnel costs, but we could not determine the nature of the cost (federal or non-federal, direct or indirect) to ensure that the expenditures were appropriately considered in the application of the indirect cost rate. Another draw indicated it was to correct indirect costs drawn to date, but support was inadequate to determine the appropriateness of the calculation. Additionally, the remaining draws with support inappropriately included non-federal expenditures in the base used to calculate the allowed reimbursement amount for indirect costs.

For all draws, supporting documentation did not adequately identify consideration of possible capital outlay or other unallowable costs that should have been excluded from the support provided. In addition, an indirect cost rate of 11%, rather than the approved 10% (or provisional 10.72%) was applied to the expenditures. An adjusting draw was completed on September 27, 2011, to correct the amount of indirect costs claimed for the fiscal year-to-date based on records from the State accounting system but still used a base that included non-federal expenditures and the unapproved rate of 11%. In fiscal year 2012, the Department also failed to remove $10,020 of capital outlay expenditures from a draw for indirect costs as required.

Cause: The staff that prepared and reviewed the calculation of the draws lacked an adequate understanding of the compliance requirements and OMB *Circular A-87* to properly calculate the amount of indirect costs to include in the cash draw.

Effect: Indirect costs included in the draws for the 2011 grant award exceeded the awarded final indirect cost rate of 10% resulting in unallowable costs of $69,897. Additionally, the failure to exclude capital outlay from the draw calculation for the 2012 grant award resulted in unallowable costs of $1,002.

Recommendation: We recommend that the Division provide staff with training to ensure adequate knowledge of the compliance requirements in OMB *Circular A-87*. We further recommend that the Division design adequate internal controls to review and approve the calculation of draw requests and ensure the proper indirect cost rate is correctly applied to the appropriate base prior to drawing amounts.

Management's View and Corrective Action Plan: *The Division will review draw downs to insure accuracy and develop tools to compile the required data for preparing draw downs correctly by June 30.*

Scheduled Completion Date for Corrective Action Plan: June 30, 2013

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
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Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-23
Documentation of electronic signatures is not retained in an accessible format to provide evidence that eligibility for vocational rehabilitation services was properly determined.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110016, H126A120016, H390A090016
Program Year: October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012; February 17, 2009 to September 30, 2011
Federal Agency: Department of Education
Compliance Requirement: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility
Questioned Costs: None

Type of Finding: Significant Deficiency.

Criteria: Office of Management and Budget (OMB) *Circular A-87* and *Circular A-102 Common Rule* (34 CFR 80.24) require that costs charged to the grant and costs used to meet the matching requirement must comply with the Allowable Costs/Cost Principles requirements. Controls over the allowability of Trustee and Benefit payments include the approval of a Counselor or Regional Manager.

The Division of Vocational Rehabilitation's (Division) Field Services Manual indicates that an individual's eligibility determination or presumption is performed by a qualified Vocational Rehabilitation Counselor (VRC). For each individual determined eligible, the record of services must include a dated Eligibility Determination completed by a qualified VRC.

In addition, OMB *Circular A-102 Common Rule* (34 CFR 80.42) requires all financial and programmatic records, supporting documents, and other records of grantees be retained for three years from the date the last expenditure report is submitted.

Condition: Authorizations for services contained in a customer's Individualized Plan for Employment (IPE) are approved by a VRC or a Regional Manager via an electronic signature pad. Once approved, the authorization is retained electronically within the Gemini case management system; however, the signature is not.

When customers are determined to be eligible for services, the VRC or Regional Manager enters the date in the electronic Eligibility Determination form within the Gemini case management system. Once this date is entered, it cannot be changed. However, in cases reviewed, no record of the electronic signature or other evidence of approval was available.

Cause: The software used to capture the electronic signature for Authorizations is separate from the Gemini case management software and once the authorization is completed, the signature is stored separately in binary code.

Additionally, the Gemini system does not contain a static field identifying the Counselor or Regional Manager that made the eligibility determination.

Effect: We were unable to determine whether a VRC or Regional Manager reviewed and approved Authorizations for payment or made the eligibility determinations of customers.

Recommendation: We recommend that the Division ensure that adequate documentation is retained to identify the staff completing key approvals and eligibility determinations.

Management's View and Corrective Action Plan: *The IDVR IT staff is evaluating several mechanisms to allow for easier methods to verify the concerns raised in audit finding number 5. However, the IT security settings for staff in GEMINI are designed to allow only approved VRC staff to input the approved date for eligibility. IDVR is confident the business rules for the IT System prevent persons without authority from signing authorizations. (Security settings for VRCs are approved only by RMs and the ability to assign security rights (In GEMINI) is only allowed by IT staff).*

1. *We have contacted the vendor of our case management system; Alliance Enterprises (AWARE VR aka GEMINI). We have inquired about being able to print (view) closed authorizations. Currently the system only allows printing of an open authorization in which the call to display the signature is made. Having the ability to print a closed authorization will allow the system to reference and display the electronic signature linked to the authorization document.*

2. *We are exploring a method to ensure the signature is viewable on all applicable documents; eligibility determination, plans, authorizations, etc. regardless of the state of the case.*

3. *We are exploring a method to query the GEMINI master event log and place an "approved by" field that would include the employee name, employee number and date/time stamp on the Eligibility Determination Form.*

Scheduled Completion Date for Corrective Action Plan: June 30, 2013

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
650 W State Street Room 150
Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12F-24
The maintenance of effort federal requirement was not met for the Vocational Rehabilitation Grants to States.

CFDA Title: Vocational Rehabilitation Cluster
CFDA Number: 84.126, 84.390
Federal Award Number: H126A110016, H126A120016
Program Year: October 1, 2010 to September 30, 2011; October 1, 2011 to September 30, 2012
Federal Agency: Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Questioned Costs: Not Determinable

Type of Finding: Noncompliance and Significant Deficiency.

Criteria: The Code of Federal Regulations (34 CFR 361.62) requires the maintenance of effort determination be based on a two-year look back of non-federal expenditures for the program. Those regulations also state that if there is a separate part of a State Plan administered by a separate State agency to provide services to individuals who are blind, then satisfaction of the maintenance of effort requirements is determined based on the total amount of non-federal expenditures of both agencies.

Condition: The federal fiscal year 2011 maintenance of effort requirement was based on the non-federal expenditures for the program from federal fiscal year 2009, reported on the SF-269 report as $3,799,757 The Division of Vocational Rehabilitation's (Division) federal fiscal year 2011 non-federal expenditures totaled $3,538,995; resulting in a maintenance of effort deficit of $260,762.

Both the Division and the Idaho Commission for the Blind and Visually Impaired administer portions of this grant and contribute to the maintenance of effort amount. The audit work completed for the Vocational Rehabilitation Grants to States (Basic VR Grants) at the Idaho Commission for the Blind and Visually Impaired also noted deficiencies in meeting the maintenance of effort requirement, so the State as a whole did not comply with this requirement.

Cause: Limited State funding provided to the Division reduces the amount of non-federal expenditures each year. Fiscal staff turn-over also affected the Division's ability to appropriately allocate federal fiscal year 2011 funding with proper supporting documentation to meet the federal maintenance of effort compliance requirements.

Effect: Maintenance of effort was not met by the Division individually or in conjunction with the Idaho Commission for the Blind and Visually Impaired. Additionally, the Department of Education Secretary could choose to reduce future funding by the amount of the Maintenance of Effort deficit.

Recommendation: We recommend that the Division properly monitor maintenance of effort requirements to ensure compliance.

Management's View and Corrective Action Plan: *The Division reported only the required matching nonfederal share for the FY 2011. There has been no net penalty to the Division due to Maintenance of Effort shortfalls. If the Division receives a penalty it will have no impact because funds reverted to the federal agency exceeded what the penalty will be.*

Scheduled Completion Date for Corrective Action Plan: The agency did not provide a completion date.

Contact Person: Mark Boisselle, Fiscal Manager
Division of Vocational Rehabilitation
650 W State Street Room 150
Boise, ID 83720
208-287-6446

Auditor's Concluding Remarks: We thank the Division for its cooperation and assistance throughout the audit. As part of accepting federal funds through the Vocational Rehabilitation Grants to States the Division committed to meeting the compliance requirements included in Office of Management and Budget (OMB) *Circular A-133*, including Maintenance of Effort. While we recognize the State funding provided to the Division limits the ability to meet the Maintenance of Effort requirement, the Division is not relieved of the responsibility to comply.

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF STATE FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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STATE OF IDAHO
SINGLE AUDIT REPORT
STATE FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CONTROLLER, OFFICE OF THE STATE

FINDING 12S-1

Guidance was incorrectly interpreted for recording unsettled trades payable resulting in a material misstatement.

Type of Finding: Material Weakness.

Criteria: Idaho Code Section 67-1001 (2) requires that the Office of the State Controller (Office) submit Generally Accepted Accounting Principles (GAAP) financial statements to the Governor and Legislative Services on or before the first day of January for the preceding fiscal year. The Office achieves compliance through the preparation and submission of the statewide *Comprehensive Annual Financial Report* (*CAFR).*

Condition: Unsettled trades payable account for tax anticipation notes security proceeds that have a trade date prior to year-end and a settle date after year-end; they are reported on the accounts payable line of the financial statements. Management incorrectly interpreted the requirements for reporting unsettled trades payable which resulted in financial statements that are not in material compliance with GAAP.

Effect: The financial statements submitted for audit contained a material misstatement of the Governmental Funds Balance Sheet. The General fund accounts payable were understated by $264,765,000. The misstatement was corrected by the Office before the *CAFR* was finalized.

Cause: Management interpreted Governmental Accounting Standards Board (GASB) guidance incorrectly for this change in reporting by the State.

Recommendation: We recommend the Office review and correctly implement accounting guidance with particular attention to higher risk areas, such as new or changing accounting standards or financial transactions.

Management's View and Corrective Action Plan: *We agree with the finding. We have reviewed the GAAP guidance and made the necessary corrections to our documentation, instructions, and in our CAFR reporting system to properly reflect the unsettled trades payable account. We have discussed the appropriate guidance and changes with staff to ensure the information is correctly reported in the future.*

Scheduled Completion Date for Corrective Action Plan: This corrective action was implemented prior to the issuance of the financial statements.

Contact Person: Brandon Purcell, CGFM, CFE
Chief, Bureau of Reporting & Review
Office of the Idaho State Controller
700 W. State Street, Boise, ID 83720
Phone Number: 208-332-8811

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit. As previously noted, the misstatement was corrected by the Office before the *CAFR* was finalized. We will review the documentation and instruction changes described in the corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12S-2

Agencies are using inappropriate signatures on time sheets and failing to maintain employee time records.

Type of Finding: Significant Deficiency.

Criteria: The Fair Labor Standards Act (FLSA) requires employers to maintain certain records for each non-exempt worker. These records include hours worked each day, total hours worked each workweek, and total overtime earnings for the workweek. FLSA requires this information to be accurate.

In addition, the internal control integrated framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out throughout the operation. Verifications, approvals, and authorizations are all control activities that support this objective.

Condition: Time sheets in I-TIME can be created, changed, and approved on behalf of an employee using one of two electronic signatures – "Employee signature on file" or "Signed on behalf of."

Time sheets that are signed "Employee signature on file" require the agency to maintain the employee-signed time sheet on file for audit purposes. We noted that there were no time sheets on file at the agency for 9 out of the 22 (41%) sampled time sheets with this signature. The following agencies were those identified in the sample that did not have the required time sheets: Idaho Senate, Office of the State Controller, Liquor Division, Military Division, Department of Correction, Department of Health and Welfare, Department of Juvenile Corrections, and Division of Veterans Services (2 instances).

Time sheets that are signed "Signed on behalf of" require the employee to verify that the time sheet submitted on their behalf was correct by signing the time sheet before another one can be created in I-TIME. We noted that 6 out of the 46 (13%) sampled time sheets with this signature were never signed by the employee. The following agencies were those identified in the sample that had time sheets never signed by the employee: Department of Administration, Department of Fish and Game (2 instances), Department of Lands, Department of Parks and Recreation, and Division of Professional-Technical Education.

Cause: Agency personnel misunderstand the requirements and use of the electronic signatures. For example, we have found that in many situations where "Signed on behalf of" was used incorrectly, the employee never enters their time; it is always entered by someone else. Therefore, until the employee enters their own time they are not required to sign them. In these situations, the time sheets should be signed "Employee signature on file," and the agency should have employee-signed time sheets on file.

The Office of the State Controller (Office) provides training and reminds agencies through various memos. However, there is still confusion at the agency level, and the Office has no process or procedures to confirm that agencies are following the correct use of the electronic signatures.

Effect: In both cases, the employees are not signing a time sheet to verify their time worked or leave taken. This creates the possibility for errors and other irregularities to occur in employee timesheets that could go undetected. In addition, it creates noncompliance with federal record-keeping requirements.

Recommendation: We recommend that the Office remind agencies when each electronic signature should be used and implement procedures or controls to ensure the proper use of the electronic signatures.

Management's View and Corrective Action Plan: *On October 25, 2012, a memorandum was sent to all agency personnel/payroll staff regarding modifications made to the I-Time application that will eliminate any confusion. As of November 2, 2012, the Central Payroll Officers or Time Entry Assistants will only see one button (either signed on behalf of-or-employee signature on file) based on the 'employee profile'. This referenced memorandum can be found on the SCO website under Payroll/Correspondence.*

With the most recent modification to I-Time, the State Controller's Office has done everything possible to eliminate any confusion between 'signed on behalf of' or 'employee signature on file'. The Division of Statewide Payroll will continue to provide training on the subject and the situation has been documented in the DSP User Manual for agencies to reference in the future.

However, as mentioned in the last three audit exit conferences, the State Controller's Office does not have audit authority to perform 'site visits' to ensure signed time sheets are on file at the individual agencies.

It is our opinion that the State Controller's Office is operating as required by law. Idaho Code 67-2012 requires the head of departments or institutions to certify that all time sheets (payroll vouchers) sent to the Controller for payment are true, just, and rendered as charged. Therefore, it is the responsibility of the individual agency to ensure a 'signed time sheet is on file' when required and when this requirement is not met it would result in an individual agency audit finding from LSO Auditors.

Scheduled Completion Date for Corrective Action Plan: November 2, 2012.

Contact Person: Audrey Musgrave, Deputy State Controller
Division of Statewide Payroll
Office of the Idaho State Controller
700 W. State Street, Boise, ID 83720
Phone Number: 208-334-2394

Auditor's Concluding Remarks: We thank the Office for its cooperation and assistance throughout the audit. We recognize the effort the Office has made through communication to state agencies and through I-Time application modifications to eliminate the identified control weakness. However, we believe the Office has statutory authority to perform procedures to ensure state agencies maintain timesheets as required by policies established by the Office. Idaho Code Section 67-1001 provides that it is the duty of the State Controller to superintend the fiscal concerns of the state, with its accounting, informational, payroll, and related data processing services. To assist in this duty, Idaho Code 67-1007 grants authority to the State Controller to examine any documents (books, papers, accounts, vouchers, and other) of any state officers and custodians of state funds. We will review the status of the Office's corrective action during follow-up procedures completed 90 days after issuance of the report.

LABOR, DEPARTMENT OF

FINDING 12S-3

The Department of Labor accounts receivable closing package included inaccurate and unsupported amounts.

Type of finding: Significant Deficiency.

Criteria: The Department of Labor (Department) is required to submit accounts receivable information to the Office of the State Controller as a part of the closing package process for inclusion in the statewide *Comprehensive Annual Financial Report (CAFR)*. Closing packages include instructions based on government accounting standards to ensure accurate information is submitted by the Department.

Additionally, the Internal Control Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out throughout the operation. These activities include approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The accounts receivable closing package originally submitted by the Department to the Office of the State Controller included several significant errors and the amounts reported were not supported by the accounting records. The Department's closing package preparation process includes a review by a separate staff member, but none of the errors were identified during this review process. These errors indicate that deficiencies exist in the internal controls designed to ensure complete, accurate, and supported accounts receivable closing package information is submitted.

The errors included in the accounts receivable closing package are summarized below:

Unemployment Insurance Tax

- The "Allowance for Uncollectable Accounts" from taxpayers was overstated by $187,796. The Department submitted a correction to the closing package to report the proper amount of $297,136.
- The "Estimate of Refunds" payable to taxpayers was overstated by $1,714,346. The Department submitted a correction to the closing package to report the proper amount of $460,398.

Unemployment Insurance Benefits from Claimants

- The amount of revenue received from claimants was overstated by $864,664. The Department submitted a correction to the closing package to report the proper amount of $93,339.
- The "Allowance for Doubtful Accounts" due from claimants was understated by $3,074,898. The Department submitted a correction to the closing package to report the proper amount of $4,946,431.

The Department's net accounts receivable at the end of fiscal year 2012 was approximately $134 million.

Cause: During the audit, we noted that the Department's various accounting systems were not set up to accurately track accounts receivable information. In addition, the Department staff did not always appear to have the necessary understanding of the closing package requirements to properly report accounts receivable information to the Office of the State Controller.

Effect: Inaccurate accounts receivable amounts were reported to the Office of the State Controller for inclusion in the statewide *CAFR*. However, the Department resubmitted materially accurate accounts receivable information after the adjustments were identified during the audit.

Recommendation: We recommend that the Department strengthen internal controls to ensure accounts receivable amounts reported in the closing package are accurate and properly supported by accounting records.

Management's View and Corrective Action Plan: *We agree that changes and corrections were made to amounts submitted on the closing packages, and thank the Legislative Audit staff for their assistance.*

The due date for the accounts receivable closing package was three weeks earlier in SFY 2012 than it was in SFY 2011, making obtaining accurate information more difficult. Appropriate adjustments for the earlier due date were not made when computing the estimate of refunds to be reported in the closing package. The closing package schedule will be reviewed in advance this year and care will be taken to ensure computations are accurate.

The amounts reported for "Allowance for Uncollectable Accounts" from taxpayers and "Allowance for Doubtful Accounts" due from claimants are estimates -- an educated guess -- on whether or not accounts will be collected. The only way to benchmark accuracy is when all accounts for a year have been either collected or written off, and that can take anywhere from five to ten years. Because these amounts are estimates, the allowances are uncollectable or doubtful accounts were not over or understated, the estimates were revised. The estimates submitted are based on the knowledge, experience, and opinion of Department staff who are experts in UI Tax and Benefit overpayment recoveries. These staff will continue to be consulted to arrive at the estimates to include in the closing package. Documentation on estimates reported will be maintained, and documentation of accounting records used in developing the estimates will be maintained.

The benefit payment system the Department currently uses is a very complex old system that does not provide the data to distinguish revenue collected form claimants for the repayment of benefit overpayments from the total repayments collected. Considerable time was spent extracting data from the benefit payment system to obtain the revenue figures reported. The Department is currently developing a new UI tax and benefit payment system that, when implemented, will provide the data to determine this revenue figure. Until that time, we will continue to use the same methodology as was used to develop the final figure for State FY 2012. Due to the limitations of the benefit payment system we cannot guarantee this figure to be 100% accurate; however we will make every effort to provide the most accurate information that is reasonably available.

This finding was discussed in December 2012 and January 2013 with staff responsible for the closing package.

Scheduled Completion Date for Corrective Action Plan: Procedures for preparing the closing package to ensure correct amounts are reported will be updated prior to June 30, 2013.

Contact Person: Joni Booth
Idaho Department of Labor
317 West Main Street, Boise, ID 83735
Phone Number: 208-332-3570 Ext. 3165

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

FINDING 12S-4

The Department of Labor did not properly account for funds advanced from the federal Unemployment Insurance Program.

Type of finding: Significant Deficiency.

Criteria: The Department of Labor (Department) is required to submit unearned revenue information to the Office of the State Controller as a part of the closing package process for inclusion in the statewide *Comprehensive Annual Financial Report (CAFR)*. Closing packages include instructions based on government accounting standards to ensure accurate information is submitted by the Department.

The Department is also only allowed to request reimbursement for the federal portion of the Unemployment Insurance Program (UI) after the State has made benefit expenditures.

Additionally, the Internal Control Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) identifies control activities that help ensure management directives are carried out throughout the operation. These activities include approvals, authorizations, verifications, reconciliations, and segregation of duties.

Condition: The Department inappropriately requested and received reimbursements from the federal government for UI Program benefit amounts in excess of the amounts supported by UI Program expenditures. They also did not reconcile the amounts received for the UI Program to the amounts expended. At the end of the fiscal year, the amount drawn in excess of expenditures should have been reported to the Office of the State Controller as unearned revenue as part of the closing package process. No unearned revenue was reported.

The Department completed retroactive reconciliations of UI Program draw requests to UI Program expenditures. The results of the reconciliations identified approximately $2.9 million drawn in excess of UI Program expenditures.

Cause: The Department knowingly drew federal UI Program funds without supporting expenditures which is not compliant with the reimbursement based requirements of the UI Program. In addition, the Department did not reconcile the amounts drawn for the UI Program to the amounts expended, and the fiscal staff did not appear to have the necessary knowledge to properly account for and report unearned revenue.

Effect: The Department did not report unearned revenue amounts to the Office of the State Controller for inclusion in the statewide *CAFR*, and the Department inappropriately advanced UI Program funds from the federal government.

Recommendation: We recommend that the Department implement internal controls to ensure federal funding activities are reconciled and that amounts drawn for the UI Program correspond to the amounts expended. We also recommend that the Department submit proper closing package information to the Office of the State Controller.

Management's View and Corrective Action Plan: *We will examine the process used to determine the amount of federal UI Program funds to draw and will ensure federal funds drawn do not exceed federal expenditures. At the time of the audit, we were in the process of implementing monthly reconciliations for each federal UI program to monitor the cash balance. These reconciliations will be completed monthly and monitored closely. In the unlikely event funds are drawn in excess of expenditures at the end of Sate Fiscal Year 2013, unearned revenue will be reported.*

We will make every reasonable effort to ensure reporting to the State Controller is correct. Our efforts to do this are constrained by existing systems and staff resources. We must balance time and money spent on reporting and time and money spent providing service to customers.

Accounting staff will review closing packages well in advance of the State fiscal year and to ensure they are familiar with the closing packages and fully understand what is to be reported.

Scheduled Completion Date for Corrective Action Plan: Monthly reconciliations of federal cash draws and expenditures have been completed from July 2012 to the present. The methodology used to calculate federal program cash draws was modified in December 2012.

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Phone Number: 208-332-3570 Ext. 3165

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

TRANSPORTATION, DEPARTMENT OF

FINDING 12S-5

Financial reporting processes contain significant deficiencies in internal control allowing several reporting errors to go undetected.

Type of Finding: Significant Deficiency.

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) published the *Internal Control Integrated Framework* which provides a basis for organizations to design internal control procedures to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Components of this framework include Risk Assessment, Control Activities, and Information and Communication.

Risk Assessment is the identification and analysis of risks in order to form a basis to manage them. Control Activities are the policies and procedures that help ensure the entity's objectives are met. These activities include adequate review and authorization of financial reporting, and using the general ledger or other reliable records as the basis for reports. Information and Communication is the identification, capture, and exchange of information, including adequate source documentation to support financial transactions.

Each year state agencies are required to report accounting information to the Office of the State Controller (SCO) in the form of closing packages, which provide the details necessary to prepare the statewide *Comprehensive Annual Financial Report (CAFR)*. The SCO provides instructions for preparing the closing packages in accordance with Generally Accepted Accounting Principles (GAAP).

Condition: The Department of Transportation's (Department) internal control system failed to prevent or detect the following closing package errors:

- Additions to Land Purchases/Right of Way incorrectly included $975,785 of expenditures unrelated to capital assets, such as payroll, travel, office equipment, and training.
- Year-end inventory records showed more than 1 million gallons of de-icer brine on hand at one storage site. Further evaluation found the actual amount was 55,000 gallons, causing inventory to be overstated by $1,359,575.
- Adjustments to the additions of $4,523,598 and dispositions of $900,891 for equipment were entered in a net amount of $3,622,707 as additions on the Equipment closing package.

Capital assets in progress (CIP) reported for bridges and roadways contained several errors:

- A $22,707,081 adjustment was made in the accounting system without adequate supporting documentation.
- Schedules to support the amounts reported in the CIP closing package could not be tied to the accounting system.
- Expenditures were recorded for multiple projects which were not included in the CIP closing package schedule.
- Related expenditures in the accounting system exceeded amounts reported as CIP increases in the closing package by $16,571,195 for Roadways and $13,250,372 for Bridges.

Effect: The misstatements were not material to the statewide financial statements. However, it is reasonably likely that the deficiencies in the Department's internal control system which allowed these misstatements to be reported would fail to detect a material misstatement in the future.

Cause: Prior to submission to the SCO, each of these closing packages was reviewed and approved as correct. The errors indicate this review was not performed at the level of detail necessary to detect misstatements. Closing package schedules were not reconciled to related expenditures in the accounting system. Closing packages determined to have a higher risk of misstatement were not given additional scrutiny in the review process that would be commensurate with the risk. For example, the inventory closing package has increased risk of misstatement because the system used to account for inventory has a known history of errors that require monthly adjustments.

Recommendation: We recommend the Department improve the design and effectiveness of internal controls over the completion of closing packages. We further recommend the Department strengthen the review process to ensure accurate reliable financial information is provided to the Office of the State Controller.

Management's View and Corrective Action Plan: *The Department has improved the design and effectiveness of internal controls related to completion of closing packages. Closing package schedules will be reconciled to related expenditures in the accounting system. Closing packages determined to have a higher risk of misstatement will be given additional scrutiny that is commensurate with the higher risk. New reports have been implemented to identify variances between closing package schedule figures and historically expected results. We have used more physical inventories to validate reported inventory quantities and values. We have also instituted more internal peer review of closing packages to improve the internal control over this financial reporting process.*

Scheduled Completion Date for Corrective Action Plan: The Department has already implemented some of these corrective processes, and plans to implement all processes by the end of June 2013.

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Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during follow-up procedures completed 90 days after issuance of the report.

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF PRIOR FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	STATE AGENCY	FEDERAL AGENCY	CURRENT STATUS	PAGE
BLIND AND VISUALLY IMPAIRED, COMMISSION FOR				
11F-1	Internal controls are inadequate to ensure compliance with federal requirements for the Rehabilitation Services grants.	Department of Education	Closed	80
ENVIRONMENTAL QUALITY, DEPARTMENT OF				
11F-2	Funding designations are not clearly communicated to ensure that monitoring efforts and other compliance requirements are met.	Environmental Protection Agency	Open	80
HEALTH AND WELFARE, DEPARTMENT OF				
10F-4	Costs of $4 million claimed as maintenance of effort for the TANF Grant are not "qualifying expenditures."	Department of Health & Human Services	Closed	80
10F-5	Contract costs of $869,000 charged to TANF for child welfare services do not meet eligibility criteria or other requirements.	Department of Health & Human Services	Closed	81
10F-7	Prior errors in allocating training costs to the TANF Grant remain unresolved and errors continued in fiscal year 2010.	Department of Health & Human Services	Closed	81
10F-8	Critical system reconciliations between the Idaho Child Support Enforcement System (ICSES) and the FISCAL accounting system have not been completed on a timely basis.	Department of Health & Human Services	Open	82
10F-9	Significant use of the "miscellaneous" code indicates possible errors in the cost allocation process.	Department of Health & Human Services	Closed	82
11F-3	Interim payments of $117,701,246 were paid to providers in advance of an incurred allowable claim, which is not in compliance with federal requirements.	Department of Health & Human Services	Closed	82
11F-4	Medicaid payments of $39 million were not identified by specific service type as required.	Department of Health & Human Services	Closed	82
11F-5	Required data mining tools and reports are not available in the new MMIS system.	Department of Health & Human Services	Open	83
11F-6	Medicare Buy-In program lacks sufficient data reports to verify Center for Medicare and Medicaid Services (CMS) monthly billings.	Department of Health & Human Services	Closed	83

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF PRIOR FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE AGENCY		FEDERAL AGENCY	CURRENT STATUS	PAGE
11F-7	Outpatient Services provided to both Medicaid and CHIP clients do not correctly process from the MMIS to the accounting system FISCAL, resulting in incorrect federal reporting.	Department of Health & Human Services	Closed	83
11F-8	Client eligibility errors may go undetected and uncorrected due to insufficient internal controls, resulting in improper payments.	Department of Health & Human Services	Closed	84
11F-9	Monthly contract payments for the Idaho Smiles program are charged entirely to the Medicaid Cluster, when approximately 11% should be charged to the Children's Health Insurance Program (CHIP).	Department of Health & Human Services	Closed	84
11F-10	Receipting Services Only (RSO) child support costs are overstated and over-allocated to the Temporary Assistance for Needy Families (TANF) grant.	Department of Health & Human Services	Closed	84
11F-11	Child support costs of $191,101 were charged to TANF without proper documentation to support allowability.	Department of Health & Human Services	Closed	85
11F-12	Child Welfare referral costs are charged entirely to TANF, resulting in an over-allocation of approximately $6.9 million for State fiscal year 2011.	Department of Health & Human Services	Closed	85
11F-13	Substance abuse costs are charged to the federal TANF grant and do not meet federal requirements for allowability.	Department of Health & Human Services	Closed	85
11F-14	Federal American Recovery and Reinvestment Act (ARRA) funds of $328,794 were incorrectly reported on the TANF ACF-196 Financial Report.	Department of Health & Human Services	Closed	85
11F-15	Access Idaho invoices contain insufficient documentation to determine allowability to the Child Support Enforcement grant.	Department of Health & Human Services	Open	86
11F-16	WIC Infant Formula Rebate invoicing errors resulted in overbilling of $22,075.	Department of Health & Human Services	Closed	86
11F-17	System edit controls intended to ensure that only allowable costs are charged to the Social Services Block Grant (SSBG) were over-ridden without proper authority or monitoring.	Department of Health & Human Services	Open	86

STATE OF IDAHO
SINGLE AUDIT REPORT
SCHEDULE OF PRIOR FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE AGENCY		FEDERAL AGENCY	CURRENT STATUS	PAGE
11F-18	Reporting errors of $111,633 occurred in the federal financial report for the Child Care Cluster.	Department of Health & Human Services	Closed	87
11F-19	Administrative costs for the Child Care Cluster exceeded allowable limits by $159,113, as reported on the June 30, 2011 ACF-696 Financial Report.	Department of Health & Human Services	Closed	87
VOCATIONAL REHABILITATION, DIVISION OF				
11F-20	Federal financial reports are not supported by the Division's accounting records.	Department of Education	Closed	88
11F-21	Contract payments made to the Community Rehabilitation Programs (CRP) include $678,844 of unallowable costs.	Department of Education	Closed	88
11F-22	Matching and Maintenance of Effort requirements are not met for the Rehabilitation Services grants.	Department of Education	Closed	88
11F-23	State procurement policies are not followed for ARRA expenditures as required by federal regulations.	Department of Education	Closed	89
11F-24	The indirect cost rate used for reimbursement of certain federal costs is not properly supported.	Department of Education	Closed	89
11F-25	Internal Controls are inadequate to ensure compliance with eligibility requirements for the Rehabilitation Services grants.	Department of Education	Closed	89

BLIND AND VISUALLY IMPAIRED, COMMISSION FOR

FINDING 11F-1

Internal controls are inadequate to ensure compliance with federal requirements for the Rehabilitation Services Grants.

Recommendation: We recommended that the Commission strengthen internal controls over the Rehabilitation Services Grant spending to ensure grant costs are properly expended, monitored, and reported.

Audit Follow-up: The Commission implemented procedures requiring additional documentation of specific controls to ensure that the accounting records support the federal financial reports and meet matching and maintenance of effort requirements. The Commission resubmitted the federal financial reports in which errors were noted.

The Commission also implemented a new equipment tracking system which allows staff to properly track equipment purchases and location. The Commission requested and received an exemption from the State Division of Purchasing requirements for the Summer Work Employment Program.

Current Status: Closed

ENVIRONMENTAL QUALITY, DEPARTMENT OF

FINDING 11F-2

Funding designations are not clearly communicated to ensure that monitoring efforts and other compliance requirements are met.

Recommendation: We recommended that the Department clearly communicate the designation of funding between program staff, fiscal staff, and subrecipients to ensure that monitoring efforts and financial reporting are accurate, complete, and consistent to ensure federal compliance.

Audit Follow-up: The Department was notified of this finding late in fiscal year 2012, and was unable to correct the issue prior to the close of the fiscal year. As a result, the finding remains open. In fiscal year 2013, the Department implemented new processes for communicating funding designations to subrecipients of federal awards as well as to the Department Staff. We were able to verify the implementation of the communication processes as we completed audit work for fiscal year 2012. We anticipate closing this finding in fiscal year 2013.

Current Status: Open

HEALTH AND WELFARE, DEPARTMENT OF

PRIOR FINDING 10F-4

Costs of $4 million claimed as maintenance of effort for the TANF Grant are not "qualifying expenditures."

Recommendation: We recommended that the Department analyze TANF Grant expenditures claimed as State maintenance of effort to ensure that only "qualifying expenditures" are included as defined by federal regulations. We also recommended that the Department contact the federal grantor to resolve the amounts

claimed during fiscal years 2009 and 2010 that do not meet these requirements, and to complete the review of administrative costs claimed to ensure that the total does not exceed the 15% limit allowed.

Audit Follow-up: We have reviewed, and agree with, the Department's proposal to use a new eligibility process implemented on Oct. 1, 2011 as a reasonable basis for estimating the eligibility that would have been associated with the Family Preservation (FP) costs charged to TANF in fiscal years 2009 and 2010. We agree that the new Family Preservation eligibility process utilized under current TANF law, and with appropriate implemented internal controls, will ensure adequate support for future FP case management costs charged to TANF. The proposed methodology to charge these costs to TANF and adjust the ineligible costs to the Social Services Block Grant (SSBG) each quarter, with supporting documentation of eligibility, is appropriate. We have reviewed the adjustments and consider the finding closed.

Current Status: Closed

PRIOR FINDING 10F-5
Contract costs of $869,000 charged to TANF for child welfare services do not meet eligibility criteria or other requirements.

Recommendation: We recommended that the Department evaluate all costs charged to the TANF Grant program for services provided under the pre-1995 (prior law) State Plan to ensure that eligibility criteria and other requirements are met. We also recommended that the Department contact the federal grantor to resolve the questioned costs identified.

Audit Follow-up: After a comprehensive review of the contracts in question, the Department determined that some of the identified contracts were designed to meet TANF criteria, but specific supporting documentation such as clients served, income verification, and time of service was not readily tied to the invoices paid and the work required to gather the appropriate information to determine allowability of these invoices is cost prohibitive.

Costs charged to TANF for these contracts were adjusted to the Social Services Block Grant (SSBG) for fiscal years 2010 and 2011. As of February, 2012, the Department asserts these contracts will no longer be charged to TANF.

Current Status: Closed

PRIOR FINDING 10F-7
Prior errors in allocating training costs to the TANF Grant remain unresolved and errors continued in fiscal year 2010.

Recommendation: We recommended that the Department adjust the costs charged to the TANF Grant for unsupported allocations for fiscal years 2008 and 2009, and contact the federal grantor to resolve the questioned cost amounts for fiscal year 2010.

Audit Follow-up: The Department posted adjustments for this finding for fiscal years 2008, 2009, and 2010 and reported the updated totals to the federal grantor on the December 2011 quarterly reports.

Current Status: Closed

PRIOR FINDING 10F-8
Critical system reconciliations between the Idaho Child Support Enforcement System (ICSES) and the FISCAL accounting system have not been completed on a timely basis.

Recommendation: We recommended that the Department reestablish the reconciliation between the ICSES and FISCAL systems to ensure that amounts are properly recorded and any errors are detected and corrected.

Audit Follow-up: A detailed line item reconciliation that would ensure individual transactions have been applied to the appropriate child support case is still not performed. The process of reconciling the total amount deposited does not identify individual errors and increases the risk that amounts are recorded incorrectly and not detected and corrected.

Current Status: Open

PRIOR FINDING 10F-9
Significant use of the "miscellaneous" code indicates possible errors in the cost allocation process.

Recommendation: We recommended that the Department evaluate the use of the "miscellaneous" code in the allocation processes to determine whether the coding structure is sufficient to identify activities, or whether additional staff training is needed to improve the accuracy and reliability of the amounts allocated.

Audit Follow-up: The Department has implemented additional training of staff who are included in the random moment time study. This is evidenced by a significant drop in the percentage of RMTS hits to the "miscellaneous" code.

Current Status: Closed

FINDING 11F-3
Interim payments of $117,701,246 were paid to providers in advance of an incurred allowable claim, which is not in compliance with federal requirements.

Recommendation: We recommended that the Department report and request reimbursement from the federal grantor only for payments supported by allowable activities as identified in the grant agreement.

Audit Follow-up: The Department has not issued any additional advanced payments and refunded the federal grantor on June 30, 2011 for unrecovered advanced payments.

Current Status: Closed

FINDING 11F-4
Medicaid payments of $39 million were not identified by specific service type as required.

Recommendation: We recommended that the Department reconcile and analyze activity in the miscellaneous unknown task code to determine the correct coding. We further recommended that the Department work with Molina Medicaid Solutions to update the financial tables in MMIS to ensure the coding in MMIS reconciles to FISCAL.

Audit Follow-up: The Department worked with Molina Medicaid Solutions to evaluate claims coded to the miscellaneous unknown task code and determine the cause of the errors. Corrections were made to the financial tables to ensure the correct task codes are used in the future. In addition, the Department posted an adjustment to claim expenses coded to the miscellaneous unknown task code. Our procedures performed during the FY12 audit included an analysis of the appropriateness of the adjustment as well as a review of the financial tables in MMIS to ensure they agreed to the accounting system. Our procedures noted no significant areas of concern.

Current Status: Closed

FINDING 11F-5
Required data mining tools and reports are not available in the new MMIS system.

Recommendation: We recommended that the Department provide required claims and provider information to the Medicaid Program Integrity Unit (MPIU) and Medicaid Fraud Control Unit (MFCU) to assist in completing the analysis of claims. We further recommended that the Department identify a specific timeline to have the reports available, or develop ad-hoc reporting capabilities for the MPIU and MFCU to meet these guidelines.

Audit Follow-up: The Department has completed a database rebuild which allows the MPIU to receive provider ranking reports and provider profile reports to assist in the investigation process. The Department previously anticipated completion of the rebuild in November 2012; however, unexpected delays occurred and the rebuild was not completed until February 2013; therefore, while the reports are now available, we have not yet been able to review how they are utilized by the Department.

Current Status: Open

FINDING 11F-6
Medicare Buy-In program lacks sufficient data reports to verify Center for Medicare and Medicaid Services (CMS) monthly billings.

Recommendation: We recommended that the Department require the systems contractors, Thomson Reuters and Molina Medicaid Solutions, to establish appropriate reporting from the MMIS to verify Medicare Buy-In eligibility.

Audit Follow-up: The Department has developed reports in their data warehouse (Cognos) that provide the necessary information from the MMIS to verify Medicare Buy-In eligibility. Medicaid Recovery Officers are now utilizing these reports to investigate and correct client records on a daily basis and to compare code type counts to those provided by CMS on the monthly billing.

Current Status: Closed

FINDING 11F-7
Outpatient Services provided to both Medicaid and CHIP clients do not correctly process from the MMIS to the accounting system FISCAL, resulting in incorrect federal reporting.

Recommendation: We recommended that the Department correct the coding and interface structure between the MMIS and FISCAL to ensure proper accounting and reporting of federal expenditures.

Audit Follow-up: The Department has corrected the coding and interface structure between the MMIS and FISCAL and posted an adjustment to correct the prior coding errors. Our procedures performed during the FY12 audit included an analysis of the appropriateness of the adjustment as well as a review of the coding and interface structure between the MMIS and FISCAL. Our procedures noted no significant areas of concern.

Current Status: Closed

FINDING 11F-8
Client eligibility errors may go undetected and uncorrected due to insufficient internal controls, resulting in improper payments.

Recommendation: We recommended that the Department refine error notification and correction procedures for the eligibility data reconciliation issues to ensure that only eligible client claims are paid.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

As stated in the original finding, internal control procedures were in place and identified the errors but allowed them to go uncorrected for months, resulting in claims paid for ineligible clients.

Current Status: Closed and repeated with additional information as current year Finding 12F-5.

FINDING 11F-9
Monthly contract payments for the Idaho Smiles program are charged entirely to the Medicaid Cluster when approximately 11% should be charged to the Children's Health Insurance Program (CHIP).

Recommendation: We recommended that the Department correct the coding in the accounting system to properly distribute these costs to the Medicaid grant and the CHIP grant based on eligible clients. We further recommend that the Department contact the federal grantor to resolve the reporting errors.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

The Department has corrected the coding in the accounting system to properly distribute these costs to the Medicaid grant and the CHIP grant based on eligible clients. An adjustment was also posted to correct the prior coding errors and was properly disclosed to the federal grantor on the required reports.

Current Status: Closed

FINDING 11F-10
Receipting Services Only (RSO) child support costs are overstated and over-allocated to the Temporary Assistance for Needy Families (TANF) grant.

Recommendation: We recommended that the Department review transactions automatically accruing to the RSO cases to ensure that unnecessary costs are not incurred. We further recommended that the Department implement appropriate case closure procedures for these RSO cases.

Audit Follow-up: Review by the Federal Grantor determined that the corrective action taken by the Department adequately addressed this issue.

Current Status: Closed

FINDING 11F-11
Child support costs of $191,101 were charged to TANF without proper documentation to support allowability.

Recommendation: We recommended that the Department provide adequate supporting documentation for all costs charged to TANF and other federal grants.

Audit Follow-up: The Department has provided supporting documentation in the form of invoices to support the total amounts billed.

Current Status: Closed

FINDING 11F-12
Child Welfare referral costs are charged entirely to TANF, resulting in an over-allocation of approximately $6.9 million for State fiscal year 2011.

Recommendation: We recommended that the Department utilize an appropriate basis for allocating risk assessment costs to all benefiting grants, to comply with all A-87 and federal TANF requirements.

Audit Follow-up: Review by the Federal Grantor determined that the discrete assessment activities described are not in violation of Cost Allocation Principles.

Current Status: Closed

FINDING 11F-13
Substance abuse costs are charged to the federal TANF grant and do not meet federal requirements for allowability.

Recommendation: We recommended that the Department develop procedures to ensure that eligibility is properly determined and documented for all clients receiving Substance Abuse referrals and/or treatment under TANF, and to ensure these costs are charged to the appropriate grant and reported correctly.

Audit Follow-up: The Department has developed a procedure to perform an adjusting entry quarterly to move the percentage of costs not allowable to TANF to the applicable grant(s) based upon eligibility rates for the period. In addition, adjustments were posted to move the appropriate percentage of expenditures previously charged to TANF to the applicable grant(s).

Current Status: Closed

FINDING 11F-14
Federal American Recovery and Reinvestment Act (ARRA) funds of $328,794 were incorrectly reported on the TANF ACF-196 Financial Report.

Recommendation: We recommended that the Department strengthen internal controls over the grant reporting process to ensure that TANF costs are properly reported in accordance with grant requirements.

Audit Follow-up: The Department has made the necessary corrections and submitted the appropriate revisions to the Federal Grantor. Our current audit work uncovered no instances of noncompliance with reporting requirement; therefore, we believe the control weaknesses previously reported have been adequately addressed.

Current Status: Closed

FINDING 11F-15
Access Idaho invoices contain insufficient documentation to determine allowability to the Child Support Enforcement grant.

Recommendation: We recommended that the Department require detailed invoices from Access Idaho to ensure the accuracy and allowability of those charges.

Audit Follow-up: An Access Idaho account has been created for the Division of Welfare, which provides additional detail and allows Department staff to review the accuracy of the invoices and the allowability of the items being charged; however, Department staff is not familiar with the data and are unable to decipher correlations between the available data and the invoices. As of the date of this report, training has not been scheduled with Access Idaho.

Current Status: Open

FINDING 11F-16
WIC Infant Formula Rebate invoicing errors resulted in overbilling of $ 22,075.

Recommendation: We recommended that the Department strengthen procedures used to complete the invoice process to reduce the risk of errors occurring and going uncorrected.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

The Department has reassigned the rebate processing task to the central office which they assert improves accuracy and reduces the risk of errors occurring and going uncorrected. However, we found in our review that a credit has not been issued for one of the transactions overbilled during the prior audit.

Current Status: Closed and repeated with additional information as current year Finding 12F-17.

FINDING 11F-17
System edit controls intended to ensure that only allowable costs are charged to the Social Services Block Grant (SSBG) were overridden without proper authority or monitoring.

Recommendation: We recommended that the Department improve procedures and internal controls over grant accounting to ensure that system edit checks are not overridden and provide adequate training to personnel.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

We were unable to verify that the Department improved internal control procedures to ensure that system edit checks are not overridden or that adequate training was provided to personnel. We affirm the original finding indicating control deficiencies existed which allowed the PCA table to be changed without appropriate monitoring. Further, the PCA table and mapping is an integral internal control to ensure costs are charged to the correct grant. Review, approval, and monitoring of changes to the PCA tables are critical steps to ensure the effectiveness of the control.

Current Status: Open

FINDING 11F-18
Reporting errors of $111,633 occurred in the federal financial report for the Child Care Cluster.

Recommendation: We recommended that the Department investigate and correct these reporting errors, including a revised submission of the report to the federal grantor if necessary. We further recommended that the Department strengthen internal controls over the reporting process to ensure that required federal reports are properly supported and reviewed for accuracy.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

The Department has made the necessary corrections and submitted the appropriate revisions to the federal grantor. Our current audit work uncovered no instances of noncompliance with reporting requirements; therefore, we feel the control weaknesses previously reported have been adequately addressed.

Current Status: Closed

FINDING 11F-19
Administrative costs for Child Care Cluster exceeded allowable limits by $159,113 as reported on the June 30, 2011, ACF-696 Financial Report.

Recommendation: We recommended that the Department improve monitoring of the grant requirements to ensure compliance with the limits for allowable administrative costs. We further recommended the Department contact the federal grantor to resolve the questioned costs.

Audit Follow-up: The Department's initial response to the finding indicated that they did not receive adequate time to provide a corrective action for inclusion in the report. A response was subsequently issued by the Department and is included in the *90-Day Follow-Up Report* for the statewide FY 2011 *Single Audit Report*. This report is available on our website.

The Department filed a revised report with the federal grantor that appropriately included a reduction in the amount of administrative costs reported and showed compliance with the applicable limits. Our current audit work uncovered no instances of noncompliance with reporting requirements; therefore, we feel the control weaknesses previously reported have been adequately addressed.

Current Status: Closed

VOCATIONAL REHABILITATION, DEPARTMENT OF

FINDING 11F-20

Federal financial reports are not supported by the Division's accounting records.

Recommendation: We recommended that the Division document the process and spreadsheets used to develop the federal reports. We also recommended that the Division reconcile this data to the amounts recorded in STARS to ensure the amounts reported and included in the statewide Single Audit are supported and accurate.

Audit Follow-up: The Division now uses the statewide STARS system as the accounting system of record. STARS data is used to develop and support all federal financial reports prepared by the Division.

Current Status: Closed

FINDING 11F-21

Contract payments made to Community Rehabilitation Providers (CRP) include $678,844 of unallowable costs.

Recommendation: We recommended that the Division ensure grant funds were expended only on allowable costs. We further recommended the Division to work with the Rehabilitation Services Administration to resolve the questioned costs.

Audit Follow-up: The payments to the Community Rehabilitation Providers ended when the federal grantor notified the Division that they were unallowable. The Division has not received further guidance from the Rehabilitation Services Administration resolving the questioned costs.

Current Status: Closed

FINDING 11F-22

Matching and Maintenance of Effort requirements are not met for the Rehabilitation Services Grants.

Recommendation: We recommended that the Division properly support all transactions used for Matching for the Rehabilitation Services Grant. We further recommended that the Division ensure all Matching funds are allowable to the grants. We also recommended that the Division properly monitor Maintenance of Effort requirements and work with the Legislature and other State entities to ensure compliance.

Audit Follow-up: The Division has refined accounting and program processes to ensure all transactions are supported and are allowable to the grants. The Division is continuing efforts to work with the Legislature and other State entities to ensure Matching funds and Maintenance of Effort requirements are met in the future.

Current Status: Closed and repeated with additional information as current year Finding 12F-24

FINDING 11F-23
State procurement policies are not followed for ARRA expenditures as required by federal regulations.

Recommendation: We recommended the Division ensure all procurements comply with the State Division of Purchasing policies.

Audit Follow-up: The Division has provided additional training to staff and will work with the Division of Purchasing as necessary. We tested procurement transactions for the grants as part of the fiscal year 2012 audit to ensure State procurement policies were followed. We found no exceptions in our testing.

Current Status: Closed

FINDING 11F-24
The indirect cost rate used for reimbursement of certain federal costs is not properly supported.

Recommendation: We recommended the Division calculate the indirect cost rate in accordance with federal regulations (OMB Circular A–87) and include all expenditures in the base.

Audit Follow-up: The Division hired a contractor with experience in preparing federal indirect cost rates to develop the fiscal year 2012 indirect rate. We reviewed and tested the development and application of the indirect cost rate and continued to note issues as described in the current year finding.

Current Status: Closed and repeated with additional information as current year Finding 12F-22

FINDING 11F-25
Internal controls are inadequate to ensure compliance with eligibility requirements for the Rehabilitation Services Grant.

Recommendation: We recommended that the Division implement internal controls to ensure compliance with eligibility requirements for the Rehabilitation Services Grants.

Audit Follow-up: The Division provided multiple training sessions for Division Regional Managers and Office Managers to reinforce eligibility requirements. The Division is also in the process of updating the Field Service Manual to properly emphasize eligibility requirements. We determined that the Division's Field Services Manual was updated, and we did not encounter compliance exceptions when we tested eligibility requirements during completion of the fiscal year 2012 audit.

Current Status: Closed