



COMPLIANCE AUDIT REPORT

**Statewide Single Audit
State of Kansas
Fiscal Year 2016**

**A Report to the Legislative Post Audit Committee
By CliftonLarsonAllen Under Contract with
the Legislative Division of Post Audit
State of Kansas**

March 2017

Legislative Division of Post Audit

The **Legislative Division of Post Audit** is the audit arm of the Kansas Legislature. Created in 1971, the division's mission is to conduct audits that provide the Legislature with accurate, unbiased information on the performance of state and local government. The division's audits typically examine whether agencies and programs are effective in carrying out their duties, efficient with their resources, or in compliance with relevant laws, regulations and other requirements.

The division's audits are performed at the direction of the **Legislative Post Audit Committee**, a bipartisan committee comprising five senators and five representatives. By law, individual legislators, legislative committees, or the Governor may request a performance audit, but the Legislative Post Audit Committee determines which audits will be conducted.

Although the Legislative Post Audit Committee determines the areas of government that will be audited, the audits themselves are conducted independently by the division's professional staff. The division's reports are issued without any input from the committee or other legislators. As a result, the findings, conclusions, and recommendations included in the division's audits do not necessarily reflect the views of the Legislative Post Audit Committee or any of its members.

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professional qualifications, the quality of the audit, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants (AICPA) and adopted by the Legislative Post Audit Committee.

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Scott Frank, Legislative Post Auditor

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

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LEGISLATURE OF KANSAS
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March 8, 2017

To: Members, Legislative Post Audit Committee

This report contains the findings, conclusions, and recommendations from the completed Statewide Single Audit for the State of Kansas for fiscal year 2016. CliftonLarsonAllen, a certified public accounting firm under contract with the Legislative Division of Post Audit, conducted this audit. Julie Pennington was the audit manager.

We would be happy to discuss the findings, conclusions, and recommendations, presented in this report with any legislative committees, individual legislators, or other state officials.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Frank', written in a cursive style.

Scott Frank
Legislative Post Auditor

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STATE OF KANSAS
Topeka, Kansas

SINGLE AUDIT REPORT
Year Ended June 30, 2016

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**INDEPENDENT AUDITORS' 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**

Legislative Post Audit Committee
Kansas State Legislature
State of Kansas

We have audited, in accordance with the 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, 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 Kansas (the State), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated November 21, 2016. Our report includes a reference to other auditors who audited the financial statements of the various component units of the six state universities, the Kansas Development Finance Authority (KDFA), the Kansas Center for Entrepreneurship (KCE), the Kansas Housing Resources Corporation (KHRC), the Kansas Bioscience Authority (KBA), the Kansas Turnpike Authority (KTA), Information Network of Kansas, Inc. (INK), Kansas Lottery and the Kansas Universal Services Fund (reported within the State Regulatory Boards and Commission Fund) as described in our report on the State's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the various component units of the six state universities, KCE and INK were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying financial statement schedule of findings listed as 2016-001 and 2016-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying financial statement schedule of findings listed as 2016-003 and 2016-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

State of Kansas' Response to Findings

The State's responses to the findings identified in our audit are described in the accompanying financial statement schedule of findings. The State's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 21, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Legislative Post Audit Committee
Kansas State Legislature
State of Kansas

Report on Compliance for Each Major Federal Program

We have audited the State of Kansas' (the State) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2016. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The State's basic financial statements include the operations of the six State universities, whose various component units received federal awards, which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2016. Our audit, described below, did not include the operations of various component units of the State, including component units of the six State universities because the university component units engage other auditors to perform audits in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The schedule of expenditures of federal awards does include the federal awards received by the Kansas Housing Resources Corporation, which is a component unit of the State.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the State's compliance.

Opinion on Each Major Federal Program

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, 2016-011, 2016-012, 2016-013, 2016-014, 2016-015, 2016-016, 2016-017, 2016-018, and 2016-019. Our opinion on each major federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-015 and 2016-018 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 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, 2016-011, 2016-012, 2016-013, 2016-014, 2016-016, 2016-017, and 2016-019 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Kansas (the State) as of and for the year ended June 30, 2016. We issued our report thereon dated November 21, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Broomfield, Colorado

February 24, 2017 except for the Schedule of

Expenditures of Federal Awards which is dated November 21, 2016

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
U. S. Department of Agriculture			
Direct Award			
SNAP Cluster:			
Supplemental Nutrition Assistance Program	10.551	\$ -	\$ 2,413
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	13,500	22,251,234
Non-Monetary Award			
Supplemental Nutrition Assistance Program	10.551	-	351,132,518
Total SNAP Cluster		13,500	373,386,165
Research and Development Programs Cluster:			
Black-Tailed Prairie Dog Monitoring on the Kiowa and Rita Blanca National Grasslands	10.000	-	5,687
Development of New Treatment Options for Khapra Beetle, Trogoderma Granarium (Everts)	10.000	-	109,504
Memorandum of Agreement between USDA, APHIS & KSU	10.000	-	319
Agricultural Research Basic & Applied Research	10.001	-	2,100,189
Plant and Animal Disease, Pest Control, & Animal Care	10.025	1,337	187,368
Wildlife Services	10.028	-	18,163
Federal-State Marketing Improvement Program	10.156	-	90,729
Transportation Services	10.167	-	26,930
Grants for Agricultural Research, Special Research Grants	10.200	709,509	1,645,702
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	-	5,075,013
Higher Education-Graduate Fellowships Grants Program	10.210	-	45,830
Higher Education-Institution Challenge Grants Program	10.217	31,900	139,613
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250	-	14,805
Integrated Programs	10.303	411,874	684,152
Homeland Security Agricultural	10.304	246,362	554,807
International Science and Education Grants	10.305	-	763
Specialty Crop Research Initiative	10.309	852,753	1,314,722
Agriculture and Food Research Initiative (AFRI)	10.310	1,970,050	5,140,434
Biomass Research & Development Initiative Competitive Grants Program	10.312	426,623	1,427,780
Sun Grant Program	10.320	-	126
Crop Protection and Pest Management Competitive Grants Program	10.329	51,899	127,322
Rural Community Development Initiative	10.446	-	36,556
Cooperative Extension Service	10.500	275,153	6,594,462
FNS Food Safety Grants	10.585	-	630,393
Novel Sorghum Based Fortified Food Blend for Infants and Young Children Nutrition	10.600	564,203	1,040,398
Great Plains Windbreak Crop Yield Study	10.600	-	9,446
Forestry Research	10.652	-	4,093
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777	-	144
Plant Materials for Conservation	10.905	-	41,918
Technical Agricultural Assistance	10.960	97,626	1,209,822
Total Research and Development Programs Cluster		5,639,289	28,277,190

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Not Clustered			
2014 Farm Bill - Producer Education - Kansas State University Extension Services	10.000	-	12,430
Swine Surveillance	10.000	-	8,974
Plant and Animal Disease, Pest Control, & Animal Care	10.025	-	695,430
Commodity Loans and Loan Deficiency Payments	10.051	-	43,786
Voluntary Public Access and Habitat Incentive Program	10.093	-	212,327
Federal-State Marketing Improvement Program	10.156	-	3,579
Farmers Market and Local Food Promotion Program	10.168	-	116
Specialty Crop Block Grant Program	10.169	-	241,417
Organic Certification Cost Share Programs	10.171	-	55,046
Higher Education-Graduate Fellowships Grant Program	10.210	-	2,965
Higher Education-Institution Challenge Grants Program	10.217	50,941	122,951
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250	-	8,731
Homeland Security Agricultural	10.304	-	47,161
Agriculture and Food Research Initiative (AFRI)	10.310	900,276	1,291,086
Women and Minorities in Science, Technology, Engineering and Mathematics (STEM) Fields	10.318	-	5,419
Farm Business Management & Benchmarking Competitive Grants Program	10.319	40,408	85,455
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326	-	55,873
Crop Protection and Pest Management Competitive Grants Program	10.329	-	259,347
Rural Business Development Grant	10.351	-	5,169
State Mediation Grants	10.435	-	415,973
Risk Management Education Partnerships	10.460	17,357	73,227
Cooperative Agreements with States for Intrastate Meat & Poultry Inspection	10.475	-	1,335,281
Cooperative Extension Service	10.500	3,321,004	4,580,363
Assistance Programs for Chronic Disease Prevention and Control	10.547	-	33,072
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	12,419,778	45,798,126
Child and Adult Care Food Program	10.558	33,763,138	34,334,982
State Administrative Expenses for Child Nutrition	10.560	-	1,733,655
Team Nutrition Grants	10.574	127,485	274,054
Farm to School Grant Program	10.575	-	552
Senior Farmers Market Nutrition Program	10.576	-	178,124
Child Nutrition Discretionary Grants Limited Availability	10.579	215,660	446,731
Fresh Fruit and Vegetable Program	10.582	2,221,647	2,233,768
Pilot Projects to Reduce Dependency & Increase Work Requirements and Work Effort under SNAP	10.596	925	1,556,751
Cooperative Forestry Assistance	10.664	49,043	2,071,485
Forest Legacy Program	10.676	-	592,160
Forest Stewardship Program	10.678	-	19,372
Solid Waste Management Grants	10.762	-	32,939
Rural Business Enterprise Grants	10.769	16,630	71,028
Soil and Water Conservation	10.902	-	1,207,686
Environmental Quality Incentives Program	10.912	-	428,681
Regional Conservation Partnership Program	10.932	-	166,837
Technical Agricultural Assistance	10.960	-	42,391
Cochran Fellowship Program - International Training - Foreign Participant	10.962	-	121,161
Total Not Clustered		53,144,292	100,905,661

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Food Distribution Cluster			
Commodity Supplemental Food Program	10.565	290,121	370,687
Emergency Food Assistance Program (Administrative Costs)	10.568	5,260	598,415
Total Food Distribution Cluster		295,381	969,102
Child Nutrition Cluster:			
School Breakfast Program	10.553	31,139,500	31,328,843
National School Lunch Program	10.555	119,472,094	120,055,805
Special Milk Program for Children	10.556	63,218	63,218
Summer Food Service Program for Children	10.559	4,031,414	4,288,581
Total Child Nutrition Cluster		154,706,226	155,736,447
Indirect Award			
Research and Development Programs Cluster:			
2015 NCR IR-4 Ornamental Horticulture Project	10.000	-	1,978
Impact of Bioenergy Crops on Pests Natural Enemies	10.000	-	2,430
Production of Advanced Biofuels from Salinity Tolerant Brown Midrib (BMR)			
Sorghum Genotypes	10.000	-	14,351
2014 NCR IR4 Ornamental Horticulture Project	10.000	-	5,778
Agricultural Research Basic & Applied Research	10.001	-	4,000
Plant and Animal Disease, Pest Control, & Animal Care	10.025	-	40,046
Specialty Crop Block Grant Program - Farm Bill	10.170	-	32,309
Grants for Agricultural Research, Special Research Grants	10.200	-	157,420
Small Business Innovation Research	10.212	-	12,896
Sustainable Agriculture Research and Education	10.215	-	88,442
Higher Education-Institution Challenge Grants Program	10.217	-	12,188
Integrated Programs	10.303	-	26,295
Homeland Security Agricultural	10.304	-	77,484
Specialty Crop Research Initiative	10.309	-	97,264
Agriculture and Food Research Initiative (AFRI)	10.310	-	2,648,396
Biomass Research & Development Initiative Competitive Grants Program	10.312	-	230,318
Cooperative Extension Service	10.500	-	191,977
National Food Service Management Institute Administration and Staffing Grant	10.587	-	28,518
Soil and Water Conservation	10.902	-	69,025
Environmental Quality Incentives Program	10.912	-	38,559
Total Research and Development Programs Cluster		-	3,779,674
Not Clustered			
Grants for Agricultural Research, Special Research Grants	10.200	-	1,683
Sustainable Agriculture Research and Education	10.215	-	34,996
Cooperative Extension Service	10.500	-	40,282
Environmental Quality Incentives Program	10.912	-	23,737
Total Not Clustered		-	100,698
Food Distribution Cluster			
Commodity Supplemental Food Program	10.565	-	1,121,085
Emergency Food Assistance Program (Administrative Costs)	10.568	-	4,916,997
Total Food Distribution Cluster		-	6,038,082
Total U. S. Department of Agriculture		213,798,688	669,193,019

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
U. S. Department of Commerce			
Direct Award			
Research and Development Programs Cluster:			
Science and Research Park Development Grants	11.030	-	107,857
Economic Development Technical Assistance	11.303	-	295,768
Measurement and Engineering Research & Standards	11.609	-	86,465
Science, Technology, Business and/or Education Outreach	11.620	-	9,565
Total Research & Development Programs Cluster		-	499,655
Not Clustered			
State and Local Implementation Grant Program	11.549	-	452,792
State Broadband Data & Development Grant Program	11.558	-	87,138
Total Not Clustered		-	539,930
Economic Development Cluster			
Economic Adjustment Assistance	11.307	-	1,743,587
Total Economic Development Cluster		-	1,743,587
Indirect Award			
Research and Development Programs Cluster			
Weather Data Library Data Sets	11.000	-	75,695
Total Research and Development Programs Cluster		-	75,695
Total U. S. Department of Commerce		-	2,858,867
U. S. Department of Defense			
Direct Award			
Research and Development Programs Cluster:			
Advanced Trenched Structure for Solid-State Neutron Detectors	12.000	-	394,594
Ballistic Strength and Optimal Design of Single & Multi-Layer 3-D Fabrics	12.000	-	130,318
Basic and Applied Scientific Research	12.300	9,723	41,498
Basic Scientific Research	12.431	88,953	275,276
Air Force Defense Research Sciences Program	12.800	216,041	539,372
Mathematical Sciences Grants Program	12.901	-	36,172
Total Research and Development Programs Cluster		314,717	1,417,230
Not Clustered			
Brigade Spouse Courses at Fort Leavenworth - 2015-2020	12.000	-	120,721
2015 University Engineering Alliance Summit	12.000	-	4,845
Brigade Spouse Courses at Fort Leavenworth - 2012-2015	12.000	-	211,580
Advanced Strategic Planning & Policy Program (ASP3)	12.000	-	8,663
Procurement Technical Assistance For Business Firms	12.002	-	326,317
Flood Control Projects	12.106	-	3,316
Navigation Projects	12.107	-	337,160
State Memorandum of Agreement Program for Reimbursement of Technical Services	12.113	-	449,000
National Guard Military Operations and Maintenance (O&M) Projects	12.401	2,562	23,251,891
National Guard ChalleNGe Program	12.404	-	1,428,205
Mathematical Sciences Grants Program	12.901	-	7,707
Total Not Clustered		2,562	26,149,405

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Indirect Award			
Research and Development Programs Cluster:			
3D Woven Preform Software Design Tool Development	12.000	-	39,572
Achieving Excellence through STEM - Evaluation	12.000	-	14,825
Extended Lifetime Electronics	12.000	-	101,938
Braiding STEM Early - Evaluation	12.000	-	69,400
2014-2015 EIDROP Collaborative with USD 475	12.000	-	706
Continuing Education for Senior Leaders (CESL) Seminar-Ft. Leavenworth	12.000	-	30,564
CREACT: Advanced Network Security Metrics for Cyber Resilience and Asset			
Criticality Measurement in Mission Success	12.000	-	17,155
Improved Design and Manufacturing of High Pressure, Layflat Hose	12.000	-	17,829
Wearable Detection Device (WDD)-Low Visibility Gamma Neutron Sensor	12.000	-	405,466
Voluntary Security Enhancements for the Research and Test Reactor at Kansas			
State University	12.000	-	2,225
UP-2 CBR Project In Ukraine	12.000	-	52,306
Procurement Technical Assistance For Business Firms	12.000	-	685,266
Portable System with Li Foil MWPC Neutron Detectors	12.000	-	54,560
Novel Biomass Conversion Process for Production of Butylenes	12.000	-	29,231
Novel Biomass Conversion Porcess for Production of Butylenes	12.000	-	54,295
Methodologies and Tools for Securing Medical Device Systems in Integrated Clinical			
Environments	12.000	-	47,568
Determining the Ability of RVSV-Zebov to Infect Domestic Livestock	12.000	-	155,294
Procurement Technical Assistance for Business Firms	12.002	-	28,079
Basic and Applied Scientific Research	12.300	-	11,564
Basic Scientific Research	12.431	-	177,496
Invitational Grants for Military-Connected Schools	12.557	-	31,775
Air Force Defense Research Sciences Program	12.800	-	149,995
Total Research & Development Programs Cluster		-	2,177,109
Not Clustered			
Child Development Center Quality Improvement Plan	12.000		54,675
Total Not Clustered			54,675
Total U. S. Department of Defense		317,279	29,798,419
U. S. Department of Housing and Urban Development			
Direct Award			
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program	14.195	-	55,559,677
Total Section 8 Project-Based Cluster		-	55,559,677
Not Clustered			
Community Development Block Grants/State's Program and Non-Entitlement Grants			
in Hawaii	14.228	15,259,231	15,900,498
Emergency Solutions Grant Program	14.231	1,511,930	1,541,175
Supportive Housing Program	14.235		144,020
HOME Investment Partnerships Program	14.239	1,832,921	6,040,591
Total Not Clustered		18,604,082	23,626,284

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Indirect Award			
Not Clustered			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	154,120
Total Not Clustered		-	154,120
Total U. S. Department of Housing & Urban Development		18,604,082	79,340,081
U. S. Department of the Interior			
Direct Award			
Research and Development Programs Cluster:			
Modeling Security/Safety Interactions in Buildings for Compositional Security/Safety Control	15.000	-	49,477
Fish, Wildlife and Plant Conservation Resource Management	15.231	-	59,439
Cultural Resources Management	15.511	-	27,140
Fish and Wildlife Coordination Act	15.517	-	34,996
Sport Fish Restoration Program	15.605	-	549,222
Wildlife Restoration and Basic Hunter Education	15.611	-	1,134,112
Cooperative Endangered Species Conservation Fund	15.615	-	15,263
State Wildlife Grants	15.634	-	538,443
Neotropical Migratory Bird Conservation	15.635	-	6,381
Research Grants (Generic)	15.650	-	35,330
Adaptive Science	15.670	-	90,448
National Fire Plan - Rural Fire Assistance	15.805	43,981	212,026
U.S. Geological Survey - Research & Data Collection	15.808	-	123,245
National Cooperative Geologic Mapping Program	15.810	-	716
Cooperative Research Units Program	15.812	-	152,886
Cooperative Research and Training Programs - Resources of National Park System	15.945	-	60,902
Total Research and Development Programs Cluster		43,981	3,090,026
Not Clustered			
U.S. Grain and Oilseed Marketing System Training	15.000	-	18,745
Wild Horse and Burro Resource Management	15.229	-	464,083
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	-	87,036
Abandoned Mine Land Reclamation (AMLR) Program	15.252	-	2,222,626
Recreation Resources Management	15.524	-	309,435
Fish and Wildlife Management Assistance	15.608	-	5,174
Cooperative Endangered Species Conservation Fund	15.615	-	6,769
North American Wetlands Conservation Fund	15.623	-	1,196
U.S. Geological Survey - Research & Data Collection	15.808	-	2,341
National Geospatial Program: Building the National Map	15.817	-	276,222
Historic Preservation Fund Grants-In-Aid	15.904	89,853	690,678
Outdoor Recreation - Acquisition, Development and Planning	15.916	86,670	249,111
National Trails System Projects	15.935	-	137
Natural Resource Stewardship	15.944	-	98,977
Cooperative Research and Training Programs - Resources of National Park System	15.945	-	1,067
Total Not Clustered		176,523	4,433,597

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Fish and Wildlife Cluster:			
Sport Fish Restoration Program	15.605	-	3,961,242
Wildlife Restoration and Basic Hunter Education	15.611	-	6,590,689
Total Fish and Wildlife Cluster		-	10,551,931
Indirect Award			
Research and Development Programs Cluster:			
Dendrochronological Assessment of Whitebark Pine Response to Past Climate Change: Implications for a Threatened Species in Grand Teton National Park			
	15.000	-	454
Environmental Quality and Protection Resource Management			
	15.236	-	55
Eastern New Mexico Rural Water System Project			
	15.553	-	50,537
Cooperative Landscape Conservation			
	15.669	-	636
National Fire Plan - Rural Fire Assistance			
	15.805	-	1,468
National Cooperative Geologic Mapping Program			
	15.810	-	5,532
Economic, Social, and Political Development of the Territories			
	15.875	-	19,925
Total Research and Development Programs Cluster		-	78,607
Not Clustered			
National Cooperative Geologic Mapping Program	15.810	-	5
Total Not Clustered		-	5
Total U. S. Department of the Interior		220,504	18,154,166
U. S. Department of Justice			
Direct Award			
Not Clustered			
MARIJUANA ERADICATION			
	16.000	-	74,850
Sexual Assault Services Formula Program			
	16.017	284,768	300,640
Juvenile Accountability Block Grants			
	16.523	291	82,337
Juvenile Justice and Delinquency Prevention - Allocation to States			
	16.540	129,164	225,638
Title V-Delinquency Prevention Program			
	16.548	4,668	4,668
State Justice Statistics Program for Statistical Analysis Centers			
	16.550	-	77,113
National Criminal History Improvement Program (NCHIP)			
	16.554	-	148,725
Crime Victim Assistance			
	16.575	6,306,292	6,613,193
Crime Victim Compensation			
	16.576	-	534,364
Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants			
	16.580	-	58,714
Crime Victim Assistance/Discretionary Grants			
	16.582	-	30,055
Violence Against Women Formula Grants			
	16.588	949,840	1,346,377
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			
	16.590	-	3,657
Residential Substance Abuse Treatment for State Prisoners			
	16.593	-	87,228
State Criminal Alien Assistance Program			
	16.606	-	219,294
Public Safety Partnership & Community Policing Grants			
	16.710	-	42,567
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities			
	16.735	-	312,830
Edward Byrne Memorial Justice Assistance Grant Program			
	16.738	1,351,536	1,705,934
DNA Backlog Reduction Program			
	16.741	-	585,146

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	15,999	35,371
Edward Byrne Memorial Competitive Grant Program	16.751	-	56,526
Harold Rogers Prescription Drug Monitoring Program	16.754	-	1,502
Second Chance Act Reentry Initiative	16.812	302,827	394,469
John R Justice Prosecutors & Defenders Incentive Act	16.816	36,037	39,268
National Sexual Assault Kit Initiative	16.833	39,759	124,937
Equitable Sharing Program	16.922	-	3,620,712
Total Not Clustered		9,421,181	16,726,115
Indirect Award			
Research and Development Programs Cluster:			
Missing Children's Assistance	16.543	-	70,798
Total Research and Development Programs Cluster		-	70,798
Not Clustered			
WCH Anti-Trafficking Training Contract	16.000	-	4,368
Juvenile Mentoring Program	16.726	-	30,129
Edward Byrne Memorial Competitive Grant Program	16.751	-	289,421
Total Not Clustered		-	323,918
Total U. S. Department of Justice		9,421,181	17,120,831
U. S. Department of Labor			
Direct Award			
WIA/WIOA Cluster:			
WIA/WIOA Adult Program	17.258	5,594,511	5,910,201
WIA/WIOAYouth Activities	17.259	4,637,817	5,047,055
WIA/WIOA Dislocated Worker Formula Grants	17.278	2,627,458	3,471,511
Total WIA/WIOA Cluster		12,859,786	14,428,767
Research and Development Programs Cluster:			
H-1B Job Training Grants	17.268	-	293,562
Total Research and Development Programs Cluster		-	293,562
Not Clustered			
Labor Force Statistics	17.002	-	679,482
Compensation and Working Conditions	17.005	-	107,312
Unemployment Insurance	17.225	-	250,251,653
Senior Community Service Employment Program	17.235	884,086	913,057
Trade Adjustment Assistance	17.245	-	3,195,386
WIA/WIOA Pilots, Demonstrations & Research Projects	17.261	-	549,864
H-1B Job Training Grants	17.268	594,635	630,211
Work Opportunity Tax Credit Program (WOTC)	17.271	-	205,718
Temporary Labor Certification for Foreign Workers	17.273	-	134,405
WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281	5,030	16,283
Workforce Innovation Fund	17.283	-	43,394
Occupational Safety and Health - Susan Harwood Training Grants	17.502	-	48,459
Consultation Agreements	17.504	-	789,611
Total Not Clustered		1,483,751	257,564,835

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	17.207	524,239	6,638,748
Disabled Veterans' Outreach Program (DVOP)	17.801	-	1,097,465
Local Veterans' Employment Representative (LVER) Program	17.804	1,200	375,170
Total Employment Service Cluster		525,439	8,111,383
Indirect Award			
Research and Development Programs Cluster:			
Soaring to Success - North Idaho College - Evaluation	17.000	-	38,201
National Aviation Consortium	17.000	-	269,015
Johnson County Community College External Evaluator Contract	17.000	-	69,387
Butler Community College TAACCCT Proposal	17.000	-	46,188
Occupational Safety and Health - Susan Harwood Training Grants	17.502	-	4,539
Total Research and Development Programs Cluster		-	427,330
Not Clustered			
H-1B Job Training Grants	17.268	-	46,697
Total Not Clustered		-	46,697
Total U. S. Department of Labor		14,868,976	280,872,574
U. S. Department of State			
Direct Award			
Research and Development Programs Cluster:			
Academic Exchange Programs-Undergraduate Programs	19.009	-	179,703
Total Research and Development Programs Cluster		-	179,703
Indirect Award			
Not Clustered			
Academic Exchange Programs-Undergraduate Programs	19.009	-	21,217
Total Not Clustered		-	21,217
Total U. S. Department of State		-	200,920
U. S. Department of Transportation			
Direct Award			
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	1,244,267	1,244,267
Job Access and Reverse Commute Program	20.516	439,456	439,456
New Freedom Program	20.521	114,078	116,148
Total Transit Services Programs Cluster		1,797,801	1,799,871
Research and Development Programs Cluster:			
Implementation of the 2002 AASHTO Design Guide for Pavement Structures	20.000	37,065	37,065
Concrete Pavement Quality Control Testing Requirements Needed Using the Super Air Meter	20.000	-	1,954
Aviation Educational - DELETE	20.100	-	87,828
Aviation Research Grants	20.108	-	235,080
Air Transportation Centers of Excellence	20.109	-	2,232,122
Highway Research and Development Program	20.200	176,569	257,977
Active Suspension Control and Positioning - A Stewart Platform	20.300	-	78,775

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Quantifying the Effect of Prestressing Steel and Concrete Variables on the Transfer Length in Pretensioned Concrete Crossties	20.300	-	184,938
Field Investigation of Concrete Tie Abrasion Wear Prevalence and Contributing Environmental Factors	20.300	-	555
Developing Qualification Tests to Ensure Proper Selection & Interaction of Pretensioned Concrete Railroad Tie Materials	20.300	-	153,788
Railroad Research and Development	20.313	80,427	167,687
Total Research and Development Programs Cluster		294,061	3,437,769
Not Clustered			
Impaired and Distracted Driving Education and Enforcement Grant	20.000	-	22,746
Airport Improvement Program	20.106	-	188,962
Highway Research and Development Program	20.200	10,283	10,283
Highway Training and Education	20.215	48,481	123,098
National Motor Carrier Safety	20.218	-	3,489,046
Commercial Driver License Program Improve Grant	20.232	-	393,931
Commercial Vehicle Information Systems and Networks	20.237	-	348,582
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	2,013,298	2,013,298
Formula Grants for Rural Areas	20.509	8,900,674	9,263,563
State Planning and Research	20.515	36,348	36,348
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614	-	45,789
Pipeline Safety Program State Base Grant	20.700	-	520,927
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	248,007	327,203
State Damage Prevention Program Grants	20.720	-	85,982
PHMSA Pipeline Safety Program One Call Grant	20.721	-	44,287
Total Not Clustered		11,257,091	16,914,045
Highway Safety Cluster:			
State and Community Highway Safety	20.600	1,550,471	3,011,281
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	-	37,015
Occupant Protection Incentive Grants	20.602	-	255,709
State Traffic Safety Information System Improvement	20.610	-	375,662
Incentive Grant Program to Prohibit Racial Profiling	20.611	102,026	182,042
Child Safety and Child Booster Seats Incentive Grants	20.613	-	31,595
National Priority Safety Program	20.616	707,013	3,465,792
Total Highway Safety Cluster		2,359,510	7,359,096
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	24,193,396	240,321,326
Recreational Trails Program	20.219	106,836	410,684
Total Highway Planning & Construction Cluster		24,300,232	240,732,010
Federal Transit Cluster:			
Bus and Bus Facilities Formula Program	20.526	1,161,730	1,192,855
Total Federal Transit Cluster		1,161,730	1,192,855

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Indirect Award			
Research and Development Programs Cluster:			
Crash Modification Factors for Lane Departure Countermeasures in Kansas	20.701	-	1,752
University Transportation Centers Program	20.701	-	143,360
Total Research and Development Programs Cluster		-	145,112
Not Clustered			
Aviation Research Grants	20.000	-	43,501
Total Not Clustered		-	43,501
Total U. S. Department of Transportation		41,170,425	271,624,259
U. S. Department of the Treasury			
Direct Award			
Not Clustered			
State Small Business Credit Initiative	21.000	667,358	675,391
Total Not Clustered		667,358	675,391
Total U. S. Department of the Treasury		667,358	675,391
U. S. Equal Employment Opportunity Commission			
Direct Award			
Not Clustered			
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002	-	312,148
Total Not Clustered		-	312,148
Total U. S. Equal Employment Opportunity Commission		-	312,148
Federal Communications Commission			
Indirect Award			
Not Clustered			
E-rate	32.000	-	1,912
USAC E-RATE program	32.000	-	740,189
Total Not Clustered		-	742,101
Total Federal Communications Commission		-	742,101
U. S. General Services Administration			
Direct Award			
Not Clustered			
HAVA Title I	39.011	-	755,641
Total Not Clustered		-	755,641
Non-Monetary Award			
Not Clustered			
Donation of Federal Surplus Personal Property	39.003	-	1,471,523
Total Not Clustered		-	1,471,523
Total U. S. General Services Administration		-	2,227,164

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
National Aeronautics and Space Administration			
Direct Award			
Research and Development Programs Cluster:			
Science	43.001	-	29,227
Exploration	43.003	-	92,176
Space Operations	43.007	-	13,686
Education	43.008	8,713	900,443
Total Research and Development Programs Cluster		8,713	1,035,532
Not Clustered			
Education	43.008	-	4,545
Total Not Clustered		-	4,545
Indirect Award			
Research and Development Programs Cluster:			
Stress Prediction For 3D Woven Preforms & Composites	43.000	-	25,980
Physiological Responses During Simulated Partial-Gravity Ambulation	43.000	-	4,822
Numerical Simulation for 3-D Reinforced Jet Turbine Engine Vane Components	43.000	-	6,849
Impact of Spaceflight on Primary and Secondary Antibody Responses	43.000	-	43,784
Design Methodology for Accelerated Development of Manufacturing and Technical Readiness Levels for Integrally Fabricated 3D Woven C-C Aeroshells	43.000	-	21,856
Constraining Dark Energy & Modified Gravity w/ Euclid	43.000	-	18,471
UAS Virtual Workshop Consulting Services for Subcontract NNL13AA05C	43.000	-	220
Science	43.000	-	37,975
	43.001	-	45,525
Education	43.008	-	44,709
Total Research and Development Programs Cluster		-	250,191
Total National Aeronautics and Space Administration		8,713	1,290,268
Institute of Museum and Library Services			
Direct Award			
Not Clustered			
Grants to States	45.310	103,483	1,625,379
Laura Bush 21st Century Librarian Program	45.313	-	295,030
Total Not Clustered		103,483	1,920,409
Total Institute of Museum and Library Services		103,483	1,920,409
National Endowment for the Arts			
Direct Award			
Not Clustered			
Promotion of the Arts - Grants to Organizations and Individuals	45.024	-	12,708
Promotion of the Arts - Partnership Agreements	45.025	427,846	535,979
Total Not Clustered		427,846	548,687
Total National Endowment for the Arts		427,846	548,687

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
National Endowment for the Humanities			
Direct Award			
Not Clustered			
Promotion of the Humanities - Challenge Grants	45.130	-	664,321
Total Not Clustered		-	664,321
Indirect Award			
Research and Development Programs Cluster:			
Promotion of the Humanities-Federal/State Partnership	45.129	-	8,563
Total Research and Development Programs Cluster		-	8,563
Not Clustered			
Promotion of the Humanities - We the People	45.168	-	67,053
Total Not Clustered		-	67,053
Total National Endowment for the Humanities		-	739,937
National Science Foundation			
Direct Award			
Research and Development Programs Cluster:			
National Science Foundation - Intergovernmental Personnel Act	47.000	-	270,837
Engineering Grants	47.041	-	1,131,102
Mathematical and Physical Sciences	47.049	-	1,635,461
Geosciences	47.050	75,933	585,383
Computer and Information Science and Engineering	47.070	103,811	1,806,047
Biological Sciences	47.074	1,073,281	5,302,392
Social, Behavioral, and Economic Sciences	47.075	-	286,423
Education and Human Resources	47.076	158,384	1,594,182
Trans-NSF Recovery Act Research Support - ARRA	47.082	-	128,543
Total Research and Development Programs Cluster		1,411,409	12,740,370
Not Clustered			
Engineering Grants	47.041	-	11,656
Computer and Information Science and Engineering	47.070	-	496
Education and Human Resources	47.076	-	281,282
Total Not Clustered		-	293,434
Indirect Award			
Research and Development Programs Cluster:			
Neon Domain 6 - Prairie Peninsula, Core Tower, Relocatable Tower and Core Aquatic Site	47.000	-	23,923
Wireless Sensor Network Architecture for Monitoring & Control in Buildings	47.000	-	15,437
TRMS: Agroecological Annotation of Gene Function and Computational Analysis of Gene Networks	47.000	-	7,110
Track-2: The Smart Material Design, Analysis, and Processing (SMATDAP)			
Consortium: Building Next-Generation Polymers and the Tools to Accelerate Cost-Effective Commercial Production - Evaluation	47.000	-	30,225
Quarknet	47.000	-	6,380
Louisiana Track 3: STEM-Discovery - Evaluation	47.000	-	25,688

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Evaluation Services, Track 1 Experimental Program to Stimulate Competitive Research (EPSCoR)	47.000	-	17,452
Evaluating Broadening Participation in Computing Alliances Program	47.000	-	21,225
RII Track-1: Louisiana Consortium for Innovation in Manufacturing and Materials - Evaluation	47.000	-	100,425
Engineering Grants	47.041	-	27,664
Mathematical and Physical Sciences	47.049	-	50,491
Geosciences	47.050	-	13,281
Biological Sciences	47.074	-	186,339
Education and Human Resources	47.076	-	725
Office of International Science and Engineering	47.079	-	998,358
Office of Experimental Program to Stimulate Competitive Research	47.081	-	334,783
Office of Integrative Activities	47.083	-	141,379
Total Research and Development Programs Cluster		-	2,000,885
Not Clustered			
Engineering Grants	47.000	-	668
Education and Human Resources	47.076	-	1,845
Office of International Science and Engineering	47.079	-	51,122
Total Not Clustered		-	53,635
Total National Science Foundation		1,411,409	15,088,324
U. S. Small Business Administration			
Direct Award			
Research and Development Programs Cluster:			
Federal and State Technology Partnership Program	59.058	-	94,034
Total Research and Development Programs Cluster		-	94,034
Not Clustered			
Small Business Development Centers	59.037	334,533	1,799,711
State Trade and Export Promotion Pilot Grant Program	59.061	-	82,407
Total Not Clustered		334,533	1,882,118
Total U. S. Small Business Administration		334,533	1,976,152
U. S. Department of Veterans Affairs			
Direct Award			
Research and Development Programs Cluster:			
Application of Human Reliability Analysis (HRA) Techniques to Prevent Healthcare-Associated Infections	64.000	-	70,693
Total Research and Development Programs Cluster		-	70,693
Not Clustered			
Veterans State Domiciliary Care	64.014	-	1,515,969
Veterans State Nursing Home Care	64.015	-	7,725,022
State Cemetery Grants	64.203	-	171,285
Total Not Clustered		-	9,412,276
Total U. S. Department of Veterans Affairs		-	9,482,969

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Environmental Protection Agency			
Direct Award			
Research and Development Programs Cluster:			
Environmental Finance Center Grants	66.203	-	200,839
Regional Wetland Program Development Grants	66.461	-	5,094
P3 Award: National Student Design Competition for Sustainability	66.516	-	13,453
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	-	486,692
Environmental Education Grants	66.951	-	14,710
Total Research and Development Programs Cluster		-	720,788
Not Clustered			
Air Pollution Control Program Support	66.001	449,032	1,405,289
State Indoor Radon Grants	66.032	-	194,271
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	83,290	614,959
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	-	232,898
State Underground Water Source Protection	66.433	-	302,139
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436	-	174
Urban Waters Small Grants	66.440	-	10,127
Water Quality Management Planning	66.454	1,905	117,346
Nonpoint Source Implementation Grants	66.460	2,220,298	3,380,182
Regional Wetland Program Development Grants	66.461	-	189,472
Performance Partnership Grants	66.605	-	4,366,204
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	-	109,731
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	-	264,125
Pollution Prevention Grants Program	66.708	-	69,462
Hazardous Waste Management State Program Support	66.801	-	1,070,817
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	-	1,090,794
Underground Storage Tank Prevention, Detection & Compliance Program	66.804	-	391,523
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	-	546,883
State and Tribal Response Program Grants	66.817	-	918,462
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	-	128,260
Total Not Clustered		2,754,525	15,403,118
Drinking Water State Revolving Fund Cluster			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	24,414	6,397,559
Total Drinking Water State Revolving Fund Cluster		24,414	6,397,559
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	-	11,495,671
Total Clean Water State Revolving Fund Cluster		-	11,495,671

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Indirect Award			
Research and Development Programs Cluster:			
ICF Basic Ordering Agreement	66.000	-	1,946
Regional Wetland Program Development Grants	66.461	-	57,698
Total Research and Development Programs Cluster		-	59,644
Not Clustered			
Pesticide Safety Education Program Support	66.000	-	8,100
State Indoor Radon Grants	66.032	-	7,065
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	-	113,070
Community Action for a Renewed Environment (CARE) Program	66.035	-	6,154
Surveys, Studies, Investigations, Demonstrations, & Training Grants - Section 1442 of the Safe Drinking Water Act	66.424	-	72,327
Nonpoint Source Implementation Grants	66.460	-	13,674
Regional Wetland Program Development Grants	66.461	-	19,681
Total Not Clustered		-	240,071
Total Environmental Protection Agency		2,778,939	34,316,851
U. S. Nuclear Regulatory Commission			
Direct Award			
Research and Development Programs Cluster:			
U.S. Nuclear Regulatory Commission Scholarship & Fellowship Program	77.008	-	135,061
U.S. Nuclear Regulatory Commission - Office of Research Financial Assistance Program	77.009	-	37,462
Total Research and Development Programs Cluster		-	172,523
Not Clustered			
U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	-	40,734
Total Not Clustered		-	40,734
Total U. S. Nuclear Regulatory Commission		-	213,257
U. S. Department of Energy			
Direct Award			
Research and Development Programs Cluster:			
Technical Assistance on High Temperature MPFD Development	81.000	-	328,606
Fuel Cladding Analysis Tool Based on Coupled Neutronics and Thermal-Hydraulics	81.000	-	4,075
A Comparative Study on the Adoption of Thermal Energy Storage or Electrical Energy Storage for Nuclear Power Plants	81.000	-	7,378
Office of Science Financial Assistance Program	81.049	-	4,467,054
Renewable Energy Research and Development	81.087	-	141,274
Nuclear Energy Research, Development & Demonstration	81.121	21,603	526,150
Total Research and Development Programs Cluster		21,603	5,474,537
Not Clustered			
Nuclear Energy Senior Design Projects	81.000	-	1,790
State Energy Program	81.041	54,599	270,732
Weatherization Assistance for Low-Income Persons	81.042	1,779,791	2,032,499
Total Not Clustered		1,834,390	2,305,021

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Indirect Award			
Research and Development Programs Cluster:			
Real-Time Navigation System Simulation Advancement	81.000	-	2,408
Develop an Active Sensor Array Prototype for Knolls Atomic Power Laboratory	81.000	-	304,464
Capacity-Oriented Relational Information Extraction from Public Domain Text Sources	81.000	-	58,568
Collegiate Wind Competition	81.000	-	2,417
2015 Intensity Frontier Fellow Program	81.000	-	18,244
Wind Turbine Data Systems Support	81.000	-	11,314
Wind For Schools (WFS) Wind Application Center (WAC) Operation Plan	81.000	-	3,020
Thermal Battery Model Interface Development	81.000	-	9,159
Testing of Small-Wind-Turbines at Regional Test Centers	81.000	4,500	4,500
Summer Packaging and Radio Frequency Research Symposium	81.000	-	1,985
RF Design/Layout of High-Frequency Electronics in Advanced PC Board Technologies	81.000	-	41,320
Capability Inference Based on Dynamic Topic Modeling and Text Information Extraction	81.000	-	2,359
Plant-Based Sesquiterpene Biofuels	81.000	-	117,286
Optimization and Production of Acetyl-Triacylglycerols for Use as Fuels, Lubricants, and Specialty Chemicals	81.000	-	38,539
LHC CMS Detector Upgrade Hcal Subsystem	81.000	-	210,129
LHC CMS Detector Upgrade FPIX Subsystem for 2014	81.000	-	151,634
Kansas State University Wind Turbine Design Team 2016	81.000	-	22,945
Interface Development for Thermal Battery Models	81.000	-	43,501
Fermilab Partial Salary Support to Collaborate on the CMS Experiment	81.000	-	21,554
Fellowship for 2016 Senior CMS LPC Distinguished Researcher	81.000	-	29,363
Fellowship	81.000	-	794
Epitaxial Growth of Icosahedral Boron Phosphide	81.000	-	8,877
SN-PB or Bb-Free Solder Interconnect Predictor Model Development	81.000	-	30,000
Office of Science Financial Assistance Program	81.049	-	201,317
Fossil Energy Research and Development	81.089	-	29,704
Defense Nuclear Nonproliferation Research	81.113	-	275,567
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	-	23,533
Nuclear Energy Research, Development & Demonstration	81.121	-	211,274
Industrial Carbon Capture and Storage (CCS) Application	81.134	-	228
Advanced Research Projects Agency - Energy	81.135	-	103,710
Total Research and Development Programs Cluster		<u>4,500</u>	<u>1,979,713</u>
Total U. S. Department of Energy		<u>1,860,493</u>	<u>9,759,271</u>
U. S. Department of Education			
Direct Award			
TRIO Cluster:			
TRIO - Student Support Services	84.042	-	1,402,040
TRIO - Talent Search	84.044	-	713,218
TRIO - Upward Bound	84.047	-	1,396,165
TRIO - Educational Opportunity Centers	84.066	-	233,780
TRIO - McNair Post-Baccalaureate Achievement	84.217	-	479,385
Total TRIO Cluster		<u>-</u>	<u>4,224,588</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Student Financial Assistance			
Federal Supplemental Educational Opportunity Grants	84.007	-	2,448,885
Federal Work-Study Program	84.033	-	3,765,981
Federal Perkins Loan Program - Federal Capital Contributions	84.038	-	58,331,541
Federal Pell Grant Program	84.063	-	82,615,197
Federal Direct Student Loans	84.268	-	469,647,111
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	-	797,655
Postsecondary Education Scholarships for Veteran's Dependents	84.408	-	10,706
Total Student Financial Assistance		-	617,617,076
Special Education Cluster (IDEA)			
Special Education-Grants to States (IDEA, Part B)	84.027	97,423,212	105,021,608
Special Education-Preschool Grants (IDEA Preschool)	84.173	3,387,863	3,601,186
Total Special Education Cluster (IDEA)		100,811,075	108,622,794
Research and Development Programs Cluster			
Child Care Access Means Parents in School	84.335	-	103,067
Total Research and Development Programs Cluster		-	103,067
Not Clustered			
Adult Education - Basic Grants to States	84.002	3,193,390	3,655,568
Civil Rights Training and Advisory Services	84.004	-	648,986
Title I Grants to Local Educational Agencies	84.010	103,221,122	104,420,129
Migrant Education - State Grant Program	84.011	11,509,639	11,776,228
Title I State Agency Program for Neglected and Delinquent Children	84.013	-	525,867
Career and Technical Education-Basic Grants to States	84.048	9,585,395	10,792,229
Fund for the Improvement of Postsecondary Education	84.116	-	7,151
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	-	15,867,737
Rehabilitation Long-Term Training	84.129	-	174,886
Migrant Education - High School Equivalency Program	84.141	257,856	474,348
Migrant Education - Coordination Program	84.144	-	49,792
Migrant Education-College Assistance Migrant Program	84.149	129,026	396,247
Independent Living - State Grants	84.169	1,610,390	1,669,287
Rehabilitation Services- Independent Living Services for Older Individuals Who are Blind	84.177	335,335	335,335
Special Education - Grants for Infants and Families	84.181	3,014,131	3,898,158
Safe and Drug-Free Schools and Communities - National Programs	84.184	387,753	699,017
Safe and Drug-Free Schools and Communities - State Grants	84.186	-	295
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	-	300,000
Education for Homeless Children and Youth	84.196	398,084	467,486
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	-	1,297
Twenty-First Century Community Learning Centers	84.287	8,194,166	8,557,220
Special Education - State Personnel Development	84.323	674,176	1,054,009
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	-	40,751
Advanced Placement Program (Advanced Placement Test Fee Advanced Placement Incentive Program Grants)	84.330	-	84,747

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	-	3,874,554
Teacher Quality Partnership Grants	84.336	-	7,585
Rural Education	84.358	650,548	682,926
English Language Acquisition State Grants	84.365	4,066,090	4,678,554
Mathematics and Science Partnerships	84.366	647,265	968,433
Improving Teacher Quality State Grants	84.367	16,263,083	17,520,216
Grants for Enhanced Assessment Instruments	84.368	-	739,719
Grants for State Assessments and Related Activities	84.369	-	6,122,660
Statewide Longitudinal Data Systems	84.372	-	30,499
College Access Challenge Grant Program	84.378	217,251	1,420,068
National Assessment of Educational Progress	84.902	-	94,941
Total Not Clustered		164,354,700	202,036,925
Non-Clustered			
School Improvement Grants	84.377	3,987,110	4,175,613
Total Non-Clustered		3,987,110	4,175,613
Indirect Award			
Research and Development Programs Cluster:			
Minority Science and Engineering Improvement	84.120	-	23,336
Total Research and Development Programs Cluster		-	23,336
Not Clustered			
James Madison Legacy Project of the We The People Program	84.000	-	159,210
Transition to Teaching	84.350	-	62,680
Improving Teacher Quality State Grants	84.367	-	11,719
State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (i3) Fund	84.411	-	2,455
Total Not Clustered		-	236,064
Total U. S. Department of Education		269,152,885	937,039,463
Vietnam Education Foundation			
Indirect Award			
Research and Development Programs Cluster:			
Fellowship Program	85.802	-	29,648
Total Research and Development Programs Cluster		-	29,648
Total Vietnam Education Foundation		-	29,648
National Archives and Records Administration			
Indirect Award			
Not Clustered			
National Historical Publications and Records Grants	89.003	-	20,572
Total Not Clustered		-	20,572
Total National Archives and Records Administration		-	20,572
U. S. Department of Health and Human Services			
Direct Award			
TANF Cluster:			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	17,224,662	76,212,346
Total TANF Cluster		17,224,662	76,212,346

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Student Financial Assistance:			
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	-	4,353,127
Nursing Student Loans	93.364	-	437,491
Total Student Financial Assistance		-	4,790,618
Research and Development Programs Cluster:			
Evaporative Resistance Properties of Fabrics Used in Isolation Gowns	93.000	-	1,130,469
Induced Contaminant Transport from Aisle Movement in a Commercial Airliner	93.000	-	16,911
Research Related to Deafness and Communication Disorders	93.173	-	465,774
Mental Health Research Grants	93.242	-	106,591
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	108,920
Drug Abuse and Addiction Research Programs	93.279	-	50,242
Research Infrastructure Programs	93.351	-	94,278
National Center for Research Resources	93.389	-	405
Cancer Cause and Prevention Research	93.393	-	39,039
Cancer Treatment Research	93.395	35,437	118,722
Cancer Biology Research	93.396	-	243,622
Health Information Technology and Public Health-ARRA	93.729	-	173,603
Cardiovascular Diseases Research	93.837	-	35,743
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	31,801	324,660
Diabetes, Digestive, & Kidney Diseases Extramural Research	93.847	219,044	538,863
Allergy, Immunology and Transplantation Research	93.855	710,458	3,510,875
Biomedical Research and Research Training	93.859	37,283	1,385,785
Child Health and Human Development Extramural Research	93.865	-	116,251
Aging Research	93.866	-	154,095
Total Research and Development Programs Cluster		1,034,023	8,614,848
Not Clustered			
Compilation of a Food Safety Preventive Controls Animal Food Training Curriculum	93.000	26,087	90,641
Special Programs for the Aging - Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042	-	215,109
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	170,709	170,709
Special Programs for the Aging - Title IV and Title II-Discretionary Projects	93.048	76,081	378,544
National Family Caregiver Support, Title III, Part E	93.052	1,283,718	1,283,718
Public Health Emergency Preparedness	93.069	3,390,154	6,439,126
Environmental Public Health and Emergency Response	93.070	-	627,289
Medicare Enrollment Assistance Program	93.071	131,093	841,598
Lifespan Respite Care Program	93.072	-	100
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	130,287	210,406
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	-	46,809

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Affordable Care Act - Personal Responsibility Education Program	93.092	235,239	266,294
Affordable Care Act - Health Profession Opportunity Grants	93.093	1,380,201	1,835,688
Food and Drug Administration - Research	93.103	-	1,001,539
Maternal and Child Health Federal Consolidated Programs	93.110	-	282,045
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	89,935	397,959
Emergency Medical Services for Children	93.127	-	134,558
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	-	220,725
Injury Prevention and Control Research and State and Community Based Programs	93.136	113,473	759,309
NIEHS Superfund Hazardous Substances - Basic Research & Education	93.143	-	13,681
Projects for Assistance in Transition from Homelessness (PATH)	93.150	370,330	377,668
Grants to States for Loan Repayment Program	93.165	120,000	120,000
Family Planning - Services	93.217	2,069,942	2,269,047
Affordable Care Act-Abstinence Education Program	93.235	89,185	324,138
State Rural Hospital Flexibility Program	93.241	33,575	857,114
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1,478,094	2,052,913
Universal Newborn Hearing Screening	93.251	-	205,795
Immunization Cooperative Agreements	93.268	560,211	3,440,195
Adult Viral Hepatitis Prevention and Control	93.270	-	67,668
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	40,000	984,514
Small Rural Hospital Improvement Grant Program	93.301	164,246	1,070,539
National State Based Tobacco Control Programs	93.305	159,900	868,344
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	-	774,225
Behavioral Risk Factor Surveillance System	93.336	-	235,086
Advanced Education Nursing Traineeships	93.358	-	652,570
Ruminant Feed Ban Support Project	93.449	-	113,967
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	3,633,045	4,783,824
ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	93.506	-	33,842
PPHF National Public Health Improvement Initiative	93.507	-	8,454
Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	93.511	-	111,447
Affordable Care Act: Building Epidemiology, Laboratory, & Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease and Emerging Infectious Program Cooperative Agreements	93.521	-	814,224
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds Promoting Safe and Stable Families	93.539	-	255,327
Child Support Enforcement	93.556	-	2,067,478
	93.563	-	28,004,440

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Refugee and Entrant Assistance - State Administered Programs	93.566	815,038	1,388,018
Low-Income Home Energy Assistance	93.568	4,981,477	36,711,727
Community Services Block Grant	93.569	4,697,027	5,186,807
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	40,318	41,231
State Court Improvement Program	93.586	-	333,346
Community-Based Child Abuse Prevention Grants	93.590	583,252	584,196
Grants to States for Access and Visitation Programs	93.597	85,265	89,546
Chafee Education and Training Vouchers Program	93.599	-	647,063
Head Start	93.600	-	106,020
Adoption and Legal Guardianship Incentive Payments	93.603	-	198,019
Developmental Disabilities Basic Support and Advocacy Grants	93.630	147,302	610,135
Children's Justice Grants to States	93.643	169,023	180,998
Child Welfare Services - State Grants	93.645	-	2,228,578
Foster Care-Title IV-E	93.658	-	23,191,623
Adoption Assistance	93.659	-	17,000,348
Social Services Block Grant	93.667	4,500,000	22,454,592
Child Abuse and Neglect State Grants	93.669	-	326,594
Family Violence Prevention & Services/Domestic Violence Shelter and Supportive Services	93.671	1,076,966	1,131,871
Chafee Foster Care Independence Program	93.674	56,699	1,462,283
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733	-	194,423
State Public Health Approaches for Ensuring QUITLINE Capacity - Funded in Part by Prevention and Public Health Funds (PPHF)	93.735	-	203,090
PPHF-Cooperative Agreements for Prescription Drug Monitoring Program Electronic Health Record (EHR) Integration and Interoperability Expansion	93.748	-	30,125
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	23,530	3,471,396
State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health finance in part by Prevention and Public Health Funding	93.757	3,256,739	4,047,596
Preventive Health and Human Services Block Grant funded solely with Prevention and Public Health Funds	93.758	117,488	384,787
Children's Health Insurance Program	93.767	-	110,588,620
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	374,807	615,485
Money Follows the Person Rebalancing Demonstration	93.791	63,306	6,603,528
State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	-	2,949,185
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	-	165,410
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	3,306	4,979
National Bioterrorism Hospital Preparedness Program	93.889		1,868,659

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Grants to States for Operation of Offices of Rural Health	93.913		176,679
HIV Care Formula Grants	93.917	624,164	3,311,742
Healthy Start Initiative	93.926	664,047	880,255
HIV Prevention Activities - Health Department Based	93.940	378,852	845,229
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		207,927
Assistance Programs for Chronic Disease Prevention and Control	93.945	208,874	1,753,858
Cooperative Agreements to Support State-Based Safe Motherhood & Infant Health Initiative Programs	93.946		44,321
Block Grants for Community Mental Health Services	93.958	2,599,267	3,337,127
Block Grants for Prevention and Treatment of Substance Abuse	93.959	9,996,281	11,657,415
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	368,232	802,704
Preventive Health and Health Services Block Grant	93.991	443,166	678,542
Maternal and Child Health Services Block Grant to the States	93.994	2,197,413	4,324,423
Total Not Clustered		54,217,344	338,729,166
Medicaid Cluster:			
State Medicaid Fraud Control Units	93.775	-	958,352
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	-	4,089,145
Medical Assistance Program	93.778	2,791,864	1,908,109,255
Total Medicaid Cluster		2,791,864	1,913,156,752
Health Center Program Cluster			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	143,054	1,228,616
Total Health Center Program Cluster		143,054	1,228,616
CCDF Cluster:			
Child Care and Development Block Grant	93.575	9,976,161	27,135,009
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	21,794,442
Total CCDF Cluster		9,976,161	48,929,451
Direct Award			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	3,214,374	3,363,185
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	6,160,708	6,814,677
Nutrition Services Incentive Program	93.053	2,040,097	2,040,097
Non-Monetary Award			
Nutrition Services Incentive Program	93.053	177,888	177,888
Total Aging Cluster		11,593,067	12,395,847
Indirect Award			
Student Financial Assistance:			
Nurse Faculty Loan Program (NFLP)	93.264	-	107,761
Total Student Financial Assistance		-	107,761

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Research and Development Programs Cluster:			
Protection of Pigs from Influenza Virus Challenge by Stalk-Reactive Antibodies: A Proof of Concept	93.000	-	242,212
Breastfeeding Coordinator for Geary County Healthy Start Project	93.000	-	15,000
Syndromic Surveillance of Swine Influenza Viruses in the United States	93.000	-	143,557
Synthesis and Quantification of TP70 and CPS in Plasma and Tissues	93.000	-	1,444
Military Couples Becoming Parents: Trajectories of Alcohol Use Across the Transition to Parenthood in Military Couples	93.000	-	550
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	-	45,187
Enhance the Safety of Children Affected by Substance Abuse	93.087	-	32,988
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	100,000
Trans-NIH Research Support	93.310	-	82,800
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact Systems, Capacity and Security	93.318	-	7,897
Cancer Biology Research	93.396	-	52,389
Cardiovascular Diseases Research	93.837	-	11,234
Lung Diseases Research	93.838	-	3,394
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	88,916
Allergy, Immunology and Transplantation Research	93.855	-	202,414
Biomedical Research and Research Training	93.859	-	1,912,655
Aging Research	93.866	-	24,808
Vision Research	93.867	-	5,801
Total Research and Development Programs Cluster		-	2,973,246
Not Clustered			
Strategic Planning	93.000	-	6,500
Wichita Coalition for Child Abuse Prevention Facilitation	93.000	-	6,500
Maternal and Child Health Federal Consolidated Programs	93.110	-	158,971
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	44,329
Minority Health and Health Disparities Research	93.307	-	482,500
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	-	139,422
Affordable Care Act (ACA) Public Health Training Centers Program	93.516	-	56,815
Promoting Safe and Stable Families	93.556	-	43,371
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	93.557	-	2,500
Basic Center Grant	93.623	-	2,500
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	-	14,300
Healthy Start Initiative	93.926	-	11,885
Maternal and Child Health Services Block Grant to the States	93.994	-	2,716
Total Not Clustered		-	972,309
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	10,962
Total CCDF Cluster		-	10,962

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Non-Monetary Award			
Not Clustered			
Immunization Cooperative Agreements	93.268	-	25,277,715
Total Not Clustered		-	25,277,715
Total U. S. Department of Health and Human Services		96,980,175	2,433,399,637
Corporation for National and Community Service			
Direct Award			
Not Clustered			
State Commissions			
AmeriCorps	94.006	713,382	1,196,698
Volunteer Generation Fund	94.021	113,280	148,726
Total Not Clustered		852,058	1,588,365
Foster Grandparent/Senior Companion Cluster:			
Foster Grandparent Program	94.011	-	509,906
Senior Companion Program	94.016	-	460,235
Total Foster Grandparent/Senior Companion Cluster		-	970,141
Total Corporation for National and Community Service		852,058	2,558,506
Executive Office of the President			
Direct Award			
Not Clustered			
High Intensity Drug Trafficking Areas Program	95.001	1,212,755	3,610,592
Total Not Clustered		1,212,755	3,610,592
Total Executive Office of the President		1,212,755	3,610,592
Social Security Administration			
Direct Award			
Disability Insurance/SSI Cluster:			
Social Security - Disability Insurance	96.001	-	13,433,043
Total Disability Insurance/SSI Cluster		-	13,433,043
Indirect Award			
Research and Development Programs Cluster:			
Cryptococcus Neoformans Knockout Resource	96.855	-	11,133
Total Research and Development Programs Cluster		-	11,133
Total Social Security Administration		-	13,444,176
U. S. Department of Homeland Security			
Direct Award			
Research and Development Programs Cluster:			
Development of a Novel Subunit Vaccine for Heartwater: A Proof-of-Principle Study	97.000	-	73,301
IPA for Dr. Marty Vanier to DHS Science and Technology Directorate	97.000	-	151,017
Modeling Security/Safety Interactions in Buildings for Compositional Security/Safety Control (HW)	97.000	32,148	46,631
Transboundary Animal Disease Workforce Development: Fellowship Training Program	97.000	-	4,299
Centers for Homeland Security	97.061	666,462	1,825,254
Total Research and Development Programs Cluster		698,610	2,100,502

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Not Clustered			
Boating Safety Financial Assistance	97.012	-	842,604
Community Assistance Program State Support Services Element	97.023	-	153,582
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	11,293,305	12,202,838
Hazard Mitigation Grant	97.039	3,015,459	3,121,938
National Dam Safety Program	97.041	-	293,922
Emergency Management Performance Grants	97.042	1,485,320	4,309,438
Cooperating Technical Partners	97.045	-	1,370,997
Fire Management Assistance Grant	97.046	-	1,272
Pre-Disaster Mitigation	97.047	345,769	345,769
Homeland Security Grant Program	97.067	3,321,838	4,121,326
State Homeland Security Program (SHSP)	97.073	-	384,477
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104	-	14,594
Total Not Clustered		19,461,691	27,162,757
Indirect Award			
Research and Development Programs Cluster:			
Assessing the Epidemiological & Economic Impacts of Countermeasures & Vaccination Strategies in Disease Outbreaks at the National Scale	97.000	-	59,685
Cyber Physical System Security	97.000		30,644
Development of Guidance to Ensure a Risk-Informed Planning Process and Appropriate Decision Making for Use by State, Local, Tribal and Territorial (SLTT) Government Entities in Creation of Emergency Operation Plans to Defend Food Safety	97.000	-	5,709
Pen-Side Multiplex Detection of Foot-and-Mouth Disease Virus and Bovine Popular Stomatitis Virus by a Portable Microfluidics PCR System for Rapid Clinical Disease Differentiation	97.000	-	411
Lessons Learned/Food Shield App	97.000	-	20,000
Evaluation of State Plans and the Livestock Emergency Response Plan	97.000	8,000	23,091
Centers for Homeland Security	97.061	-	11,639
Scholars and Fellows, and Educational Programs	97.062	-	44,704
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077	-	145,123
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104	-	9,485
Total Research and Development Programs Cluster		8,000	350,491
Not Clustered			
Centers for Homeland Security	97.061	-	62,703
Total Not Clustered		-	62,703
Total U. S. Department of Homeland Security		20,168,301	29,676,453
U. S. Agency for International Development			
Direct Award			
Research and Development Programs Cluster:			
USAID Foreign Assistance for Programs Overseas	98.001	391,820	661,400
Total Research and Development Programs Cluster		391,820	661,400

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Program	CFDA Number	Funds Passed to Subrecipients	Expenditures
Not Clustered			
Peace Corps Recruiter	98.000	-	16,682
USAID Foreign Assistance for Programs Overseas	98.001	3,942,606	6,774,996
Total Not Clustered		<u>3,942,606</u>	<u>6,791,678</u>
Indirect Award			
Research and Development Programs Cluster:			
Heat-Tolerant Pearl Millet for Increased and Stable Production in Warmer Environments	98.000	-	4,146
Targeted Engineering of Brassica Juncea Seed Biochemistry to Produce Reduced - Viscosity Plant Oils for Direct Use as Biofuel	98.000	-	22,412
USAID Foreign Assistance for Programs Overseas	98.001	60,847	547,500
Total Research and Development Programs Cluster		<u>60,847</u>	<u>574,058</u>
Not Clustered			
Training for Pakistan Proposal: On-Farm Water Management	98.000	-	49,094
On-Farm Water Management Trainings-Pakistan Part 2	98.000	-	53,390
USAID Foreign Assistance for Programs Overseas	98.001	-	19,149
Total Not Clustered		<u>-</u>	<u>121,633</u>
Total U. S. Agency for International Development		<u>4,395,273</u>	<u>8,148,769</u>
Other Federal Grants			
Direct Award			
Research and Development Programs Cluster:			
UV Degradation	99.999	-	1,047
Modification of Fibers and Meeting at Akron University to Discuss Research Activities	99.999	-	896,238
Total Research and Development Programs Cluster		<u>-</u>	<u>897,285</u>
Not Clustered			
Data Collection Grant Fees	99.006	-	247,346
National Center for Health Contract	99.007	-	328,060
MSQA Contract	99.008	-	178,530
Adult Lead Surveillance Data Contract	99.009	-	5,852
Behavioral Health (#2 of 3 KDADS Medicaid)	99.999	-	812,675
WSU VISTA Fellows: Amendment	99.999	-	10,000
Title XIX Medicaid Contract for Technical Assistance	99.999	-	528,041
Services, Youth and Parent Consumer Run Organization (FY 16)	99.999	-	26,175
Kancare Ombudsman Volunteer Program	99.999	-	59,002
HCBS Technical Assistance Training and Evaluation Services (#3)	99.999	-	389,026
Community Service Grant (CSG) FY 2015	99.999	-	171,210
Corporation for Public Broadcasting-Radio Community Service Grant	99.999	-	125,211
Total Not Clustered		<u>-</u>	<u>2,881,128</u>
Indirect Award			
Research and Development Programs Cluster:			
Metamaterial-Enhanced Magnetic Materials and Their Applications	99.999	-	28,954
High-Fidelity Residual Strength and Life Prediction Tool for Adhesively Bonded Composite Structures	99.999	-	53,320
Total Research and Development Programs Cluster		<u>-</u>	<u>82,274</u>
Total Other Federal Grants		<u>-</u>	<u>3,860,687</u>
Total Federal Award Expenditures		<u>\$ 698,755,356</u>	<u>\$ 4,880,244,568</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying schedule of expenditures of federal awards presents the activity of all federal award programs of the State of Kansas for the year ended June 30, 2016. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule. The federal awards of the component units of the six state universities are audited by other auditors in accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), as a separate engagement from the State's audit. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation, which is a component unit of the State. Federal awards passed through other third-party entities are shown as indirect awards in the schedule. The schedule of expenditures of federal awards does not include any federal awards received by the Kansas Development Finance Authority, the Kansas Center for Entrepreneurship, the Kansas Bioscience Authority, the Kansas Turnpike Authority, Information Network of Kansas, Inc., the Kansas Lottery and the Kansas Universal Services Fund (reported within the State Regulatory Boards and Commission Fund).

Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of Kansas and is presented on the modified-accrual basis of accounting, with the exception of amounts reported by the Kansas Department of Transportation (KDOT) and the Board of Regents. In accordance with KDOT's contracts with the U.S. Department of Transportation, federal expenditures are reported on a cash basis. For the Board of Regents, the expenditures are reported on a full accrual basis. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (the Catalog). Federal award titles not presented in the Catalog, but with the applicable Federal agency identified, are reported with the related Federal agency prefix number followed by (.000). If Federal award titles are not presented in the Catalog and the applicable Federal agencies have not been identified, they are reported as 99.999, in the "Other Federal Grants" section of the schedule.

Indirect Costs

The State of Kansas has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 STUDENT FINANCIAL ASSISTANCE PROGRAMS

Federally funded student financial assistance programs are directly administered for the State of Kansas by the various Boards of Regents. The programs at each institution are administered separately from those of any other institution. Loans made during the year are included in the federal expenditures presented in the schedule.

STATE OF KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

NOTE 2 STUDENT FINANCIAL ASSISTANCE PROGRAMS (CONTINUED)

The Board of Regents' institutions are responsible only for the performance of certain administration duties with respect to the Federal Direct Loan Program and, accordingly, it is not practical to determine the balance of loans outstanding to students or former students under this program.

The Board of Regents' institutions participates in the Federal Perkins Loan Program (CFDA # 84.038). As of June 30, 2016, the balance of loans outstanding was \$58,331,541.

NOTE 3 REVOLVING LOAN FUNDS

The Water Pollution Control Revolving Fund and the Public Water Supply Loan Fund (both administered by the Kansas Department of Health and Environment) are revolving loan funds. Federal funded new loans provided under these programs are included as expenditures on the schedule of expenditures of federal awards. The State had the following loan balances outstanding at June 30, 2016:

	<u>CFDA Number</u>	<u>Amounts Outstanding</u>
Water Pollution Control Revolving Fund	66.458	\$ 374,424,771
Public Water Supply Loan Fund	66.468	150,653,890

The amounts shown as outstanding for CFDA #'s 66.458 and 66.468 were not funded entirely with federal monies.

NOTE 4 UNEMPLOYMENT INSURANCE FUNDS

State unemployment tax revenues and the government and non-profit contributions in lieu of state taxes (State UI funds) must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State Unemployment Law. Federal and state UI funds in the amount of \$227,781,098 are reported along with other federal funds in the schedule of federal expenditures under CFDA 17.225.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified that are not
considered to be material weaknesses X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified that are not
considered to be material weaknesses X Yes None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)? X Yes No

CFDA Number(s)	Identification of Major Programs Name of Federal Program or Cluster
93.044, 93.045, 93.053	Aging Cluster
84.027, 84.173	Special Education Cluster (IDEA)
14.195	Section 8 Project-Based Cluster
93.767	Children's Health Insurance Program (CHIP)
17.225	Unemployment Insurance
93.775, 93.777, 93.778	Medicaid Cluster
93.658	Foster Care Title IV-E
10.551, 10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs: \$14,640,734

Auditee qualified as low-risk auditee? Yes X No

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

II. Financial Statement Findings

2016 – 001 – Net Pension Liability Material Prior Period Adjustment

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement: During fiscal year 2015, the State of Kansas (the State) implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement establishes accounting and financial reporting by state and local governments for pensions. As a result of the implementation, the State is required to calculate and report a net pension liability for its proportionate share of the Kansas Public Employees Retirement System (KPERS) Cost-Sharing Multiple-Employer Defined Benefit Pension Plan as provided by K.S.A. 74-4901. The State is also required to recognize the related deferred outflows of resources, deferred inflows of resources and pension expense.

Condition: At the conclusion of each fiscal year, the State calculates and records a net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense based on information reported by KPERS. The State's proportionate share is determined by an actuarial valuation and is based on employer contributions. State law provides the employer contribution rates be determined based on the results of each annual actuarial valuation.

During preparation of the 2015 Comprehensive Annual Financial Report (CAFR), the State inadvertently omitted the net pension liability, deferred outflows of resources and deferred inflows of resources related to the Kansas Department of Transportation (KDOT) within governmental activities on the Statement of Net Position. The State's final review process over the 2015 CAFR did not identify the omission of approximately \$168 million related to the Kansas Department of Transportation's component of the net pension liability, deferred outflows of resources and deferred inflows of resources which resulted in an overstatement of governmental activities total net position by approximately \$168 million.

In addition, the State records their share of the net pension liability, deferred outflows of resources and deferred inflows of resources related to the Special Funding Group employers, which are vocational-technical schools and community junior colleges. This Special Funding Group activity is split amongst the State and a portion is allocated to the applicable employer. During preparation of the 2015 CAFR, the State recorded 100 percent of the net pension liability, deferred outflows of resources and deferred inflows of resources. The State relied on the KPERS actuarial report which did not allocate a share to the Special Funding Group employers, thus resulting in an understatement by the State of governmental activities total net position by approximately \$28 million.

Context: As of June 30, 2015, the State recorded a net pension liability, deferred outflows of resources and deferred inflows of resources in the amounts of \$1.75 billion, \$129 million and \$298 million, respectively, within governmental activities. As of June 30, 2015, net pension liability, deferred outflows of resources and deferred inflows of resources should have been approximately \$1.9 billion, \$139 million and \$328 million, respectively, within governmental activities.

Cause: KDOT's activity related to the implementation of GASB Statement No. 68 should be recorded within governmental activities on the Statewide CAFR. In addition, the Special Funding Group's activity should be recorded within governmental activities only for the portion allocated to the State. As of June 30, 2015, the net pension liability, deferred outflows of resources and deferred inflows of resources related to KDOT were not accounted for within governmental activities on the 2015 CAFR. This resulted in a prior period adjustment on the 2016 CAFR (See Note III.J).

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Effect: The net pension liability, deferred outflows of resources and deferred inflows of resources could be materially misstated at the end of the fiscal year.

Recommendation: We recommend the State review, improve and document its procedures surrounding the year-end journal entry process regarding the recording of the net pension liability and related deferred outflows of resources and deferred inflows of resources.

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: The State discovered the omission of the KDOT net pension liability, deferred outflows of resources and deferred inflows of resources during fiscal year 2016 CAFR preparation. The State brought forth the omission to the auditors. The review process to eliminate this issue was implemented at fiscal year 2016 year-end successfully.

The allocation to the Special Funding Group was corrected by the actuarial firm in their report for fiscal year 2016. The State then made the appropriate correction.

Responsible party: DeAnn Hill, Chief Financial Officer, State of Kansas

Planned completion date for corrective action plan: Fiscal year 2016

Plan to monitor completion of corrective action plan: Part of the review process established at year-end for each fiscal year.

2016 – 002 – Department for Children and Families Material Prior Period Adjustment

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria or specific requirement: The State is required to report a receivable and related revenue due to its involvement in federal grant programs at the close of each fiscal year.

Year-end financial reporting is the responsibility of the Financial Integrity Team within the Department of Administration (DOA). The State of Kansas utilizes a financial management system called the Statewide Management Accounting and Reporting Tool (SMART). When an agency (other than the DOA) utilizes the SMART system, the accounting clerk of that agency or another agency employee with specific rights in SMART, records and codes financial activity in SMART.

For the agencies that do not use SMART to record year-end financial activity such as accounts receivable, the Financial Integrity Team sends out a questionnaire at the end of each fiscal year to these agencies to collect all necessary financial information. The Financial Integrity Team inputs this information into SMART at a summary level for recording in the CAFR. Period end account reconciliations and accruals are made either by the Finance Integrity Team or by the underlying agency. Account reconciliations performed include the recording of accounts receivable and revenue. The Financial Integrity Team reviews back up documentation for agency calculated accruals.

Condition: In accordance with K.S.A. 75-3728, a DA-32 report is submitted by the Department for Children and Families to the DOA at the conclusion of each fiscal year. The DA-32 report outlines the beginning fiscal year receivable balance, current year activity, calculated ending balance and the estimated allowance for doubtful accounts related to federal grant programs.

During the prior fiscal year, the State recorded only a portion of the accounts receivable as revenue in the year-end journal entry, which resulted in an understatement of accounts receivable and an understatement of revenue in the amount of approximately \$31 million.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Context: As of June 30, 2015 accounts receivable, revenue and fund balance was understated in the Social Services and General Fund.

Cause: The year-end journal entry made by the State to record the year-end accounts receivable and revenue was prepared incorrectly. This resulted in a \$31 million prior period adjustment to properly reflect the beginning fund balance as of July 1, 2015 in the Social Services and General Fund.

Effect: Accounts receivable, revenue and ending fund balance could be materially misstated at the close of the fiscal year if journal entries are not properly recorded and approved.

Recommendation: We recommend the State review, improve and document its procedures surrounding the year-end journal entry process, specifically, related to accounts receivable and related revenues.

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: The Department of Administration, Office of the Chief Financial Officer, will 1) review the preparation and approval processes currently in place, and 2) consider enhancements to those processes, potentially implementing an additional layer of review.

Responsible party: DeAnn Hill, Chief Financial Officer, State of Kansas

Planned completion date for corrective action plan: Fiscal year 2017

Plan to monitor completion of corrective action plan: Ongoing

2016 – 003 – Social Services Fund – Accounts Payable

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: To accurately and effectively account for financial transactions, a general ledger is utilized by the State as a way to track fiscal transactions for internal and external accountability. Proper controls ensure that all financial activities of the current period are properly captured in the comprehensive general ledger system so that activity and balances are properly reflected in the financial statements.

Condition: In performing the fiscal year 2016 audit over the Statewide CAFR, we noted the State, specifically, the Social Services Fund, has a liability balance recorded in the amount of approximately \$3.2 million. Through further inquiry of the Department of Administration, it was noted the liability balance had been recorded during the 2006 fiscal year (September 2005) and had not been changed or removed since the 2006 fiscal year. Through inquiry and work performed, it was further noted, the liability balance should have been \$0 at the conclusion of prior fiscal years and as of June 30, 2016.

Context: As of June 30, 2016, the accounts payable balance reported within the Social Services Fund is overstated by approximately \$3.2 million and fund balance is understated by \$3.2 million.

Cause: A liability was recorded during fiscal year 2006 to the Social Services Fund and was not subsequently reduced during fiscal years 2006 – 2016.

Effect: Accounts payable and ending fund balance could be misstated at the close of the fiscal year if activity during each fiscal year is not properly accounted for.

Recommendation: We recommend the State review, improve and document its procedures surrounding the year-end general ledger close process as a means to identify those account balances which are dormant year over year.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: The State will expand the variance review process at year-end to ensure it includes dormant account balances.

Responsible party: DeAnn Hill, Chief Financial Officer, State of Kansas

Planned completion date for corrective action plan: Fiscal year 2017

Plan to monitor completion of corrective action plan: The process will be included in the fiscal year 2017 year-end variance review. During sign off of this process, dormant accounts will be addressed and accounted for appropriately.

2016 – 004 – State University System Financial Statement Preparation Process

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that the financial statement close process for preparing the various Universities' year-end financial statements, including the recording of all elimination entries, occurs.

Condition: In performing the fiscal year 2016 audit over the Statewide CAFR, we noted two instances of inadequate controls over the financial close process for certain Universities. KUMC did not include all of its cash balances while preparing its year-end financial statements. This resulted in an understatement of cash in the amount of \$5.2 million. In addition, KSU did not correctly categorize the elimination of leasehold improvements of approximately \$69 million recorded on both KSU and KSU Athletics (Component unit) Universities financial statements. The elimination entry was incorrectly recorded to expenses instead of revenue. This resulted in an overstatement of revenues and an overstatement of expenses by approximately \$69 million.

Context: As of June 30, 2016, the cash balance reported by KUMC is understated by approximately \$5.2 million. The elimination entry was corrected by KSU prior to finalizing our audit.

Cause: The cause of both of these misstatements was oversight by the respective Universities.

Effect: Cash for KUMC was understated at the close of the fiscal year. Prior to KSU correcting the elimination entry, KSU's revenues were overstated as well as the expenses.

Recommendation: We recommend the respective Universities review, improve and document its procedures surrounding the year-end general ledger close process so that all balances are captured and all elimination entries are recorded properly.

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: The University of Kansas Medical Center ("KUMC") will undertake a review to determine exactly where and how this reporting error occurred. KUMC will document and make all necessary process changes to ensure that this reporting error will not occur again. Formal documentation of the review process and of corrected procedures to ensure proper internal controls are in place will occur for future periods.

This review will include senior members of the finance team of KUMC assisted by an outside accounting firm under contract by KUMC. In addition, the Internal Audit function of the University of Kansas will be asked to review and confirm the adequacy of the internal controls.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

The University of Kansas Medical Center takes full responsibility for this reporting error and will take all actions necessary to prevent any future errors of this kind. Although this reporting error did occur for financial reporting purposes, KUMC did maintain operational control and maintenance of all funds during the entire fiscal year. All funds held in the state treasury were monitored, managed, and reconciled on a monthly basis during the fiscal year; however, this error occurred when the various amounts were summarized for annual reporting statements.

Kansas State University concurs that the recommendation to categorize the elimination entry from the expense category to the revenue category (as a negative revenue) correctly presents the revenues and expenses on the Statement of Revenues, Expenses and Changes in Net Position. The change does not impact the fiscal year end net position of the university. Documentation has been updated to ensure that the entry is coded properly in the financial reporting system.

Responsible party: Mike Keeble, Associate Vice Chancellor of Finance, University of Kansas Medical Center

Fran Willbrant, Assistance Vice President for Financial Services, Kansas State University

Planned completion date for corrective action plan: Fiscal year 2017

Plan to monitor completion of corrective action plan: KUMC will complete this review and correction process by the end of February 2017 to ensure that strengthened internal control procedures are fully in place prior to the fiscal year end close of 2017. The review will include senior members of the finance team of KUMC assisted by an outside accounting firm under contract by KUMC. In addition, the Internal Audit function of the University of Kansas will be asked to review and confirm the adequacy of the internal controls.

Kansas State University will use the documentation regarding elimination entries to avoid recurrence of the error.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

III. Federal Award Findings and Questioned Costs

2016 – 005

Federal Agency: U.S. Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Award Period: July 1, 2015 – June 30, 2016
Compliance Requirement: Special Tests and Provisions
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per the U.S. Department of Labor's Standards in Employment and Training Handbook 395, 5 ed., VI-11, relating to the Special Tests and Provisions requirements for UI benefit payments, the requirements indicate that the Benefits Accuracy Measurement (BAM) program should complete a review to the following standards: 70% of paid cases within sixty days, 60% of denied claims within sixty days, and 95% of cases within ninety days.

Condition: Through testing of a representative sample of sixty cases that had gone through the BAM review process, it was noted that 40% of cases were reviewed within 60 days, and 98% of cases were reviewed within 90 days.

Questioned costs: None noted.

Context: The representative sample of cases was not in compliance with the 70% requirement for review within sixty days.

Cause: The likely cause of this finding is due to internal restructuring of activities with KDOL's BAM unit.

Effect: The State was not in compliance with requirements relating to the BAM program.

Repeat Finding: Yes, prior year finding 2015-021.

Recommendation: We recommend KDOL to review its current processes and establish a plan to complete the backlog while achieving the standard with current year cases for review.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with finding. Sampling over the course of the fiscal year means lacking initial performance from 2015 is holding back and disguising the improved performance in 2016. Because of the way the data is tested using a full fiscal year, the net result is that KDOL is not meeting the time lapse requirements laid out in the ETA 395 Handbook.

That said, KDOL's process has been to focus on hitting our 90-day target first in response to time lapse related audit findings and USDOL Corrective Action Plans. KDOL accomplished that in the first quarter of FY 2016. From there, the agency began to work toward hitting the 60-day targets. Thus, the data shows overall time lapse descending from around 90 days toward and below 60 days. For the sampled cases from CY 2016, that would make paid claims within 60 days at approximately 78%, and denied claims at approximately 84%.

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The actual data universe for BAM paints a reasonably similar picture. Paid claims closed within sixty days are about 73% and Denied Claims are about 81%. What is more, USDOL has removed all Corrective Action Plans related to BAM time lapse due to this improved performance. KDOL understands the sampling window has to be full FY 2016, KDOL did want to include explanation and detail to explain why the “Actions planned in response” effectively list no actions—as the agency has taken the necessary actions and are currently and continuously meeting USDOL requirements.

Actions planned in response to finding: KDOL is continuing the course of action that has already been implemented and proven effective.

Responsible party: Shawn Yancy, UI Reporting Manager, 785-296-5000, ext. 2582

Planned completion date for corrective action plan: Corrective action has been implemented, but continued monitoring to ensure performance standards will be ongoing.

Plan to monitor completion of corrective action plan: Weekly review of time lapse progress by the UI Performance and Reporting Manager.

2016 – 006

Federal Agency:	U.S. Department of Labor
State Department/Agency:	Kansas Department of Labor (KDOL)
Federal Program:	Unemployment Insurance
CFDA Number:	17.225
Award Period:	July 1, 2015 – June 30, 2016
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per the requirement 20 CFR section 603.2 for State programs, requires that a claimant must have been involuntarily separated from suitable work i.e., not because of such acts as leaving voluntarily without good cause, or discharge for misconduct connected with work.

Condition: Through testing of a sample of 40 cases of unemployment claims, noted that one case did not have proper documentation for involuntarily separation from employer, but was still receiving unemployment insurance benefits from the State.

Questioned costs: \$474 out of sample of \$14,204 (3.34%).

Context: The single exception originated because the claimant provided an incorrect last employer. KDOL contacted the employer provided by the claimant and ascertained it was the incorrect last employer. KDOL then contacted the correct last employer who provided separation information within the 10 day response period allowed under Kansas law. The correct last employer’s response indicated the claimant did not involuntarily separate from the employer. However, KDOL failed to properly review this information and place a temporary suspense on the payment of benefits while further investigation was conducted over a 10 day period, which stated that the claimant did not involuntarily separate from the employer. However, KDOL did not review this document in order to freeze benefit payments.

Cause: The likely cause of this finding is due to improper review of employer and claimant separation documents obtained during eligibility determination process.

Effect: The State was not in compliance with requirements relating to eligibility.

Repeat Finding: No.

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Recommendation: We recommend KDOL to review its current processes and establish a plan to ensure the eligible participants have proper separation documentation in order to receive benefit payments.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: KDOL does not disagree with the audit finding.

Actions planned in response to finding: The failure to properly suspend payment was the result of human error. KDOL's current processes and training materials dictate that a review of the separation information should have been conducted. KDOL conducts ongoing training and quality checks on proper benefit procedure. Additional training and quality checks will be conducted by benefits management on this specific issue.

Responsible party: Brett Flachsbarth, UI Director, 785-296-5000 ext. 2507, Chastity Dexter, Benefits Manager, 785-291-6103, Roberta Taylor, Training Manager, 785-296-5000

Planned completion date for corrective action plan: Quality control management is a continual and ongoing aspect of the benefits process.

Plan to monitor completion of corrective action plan: KDOL is subject to quality review of the benefit determination process as part of the federally mandated performance guidelines associated with the unemployment insurance program.

2016 – 007

Federal Agency:	U.S. Department of Labor
State Department/Agency:	Kansas Department of Labor (KDOL)
Federal Program:	Unemployment Insurance
CFDA Number:	17.225
Award Period:	July 1, 2015 – June 30, 2016
Compliance Requirement:	Reporting – ETA 227
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 2 CFR 200 requirements and instruction provided for the ETA 227 reports, this report is to be used for the State Workforce Agency (SWA) activities in principal detection and recovery areas of benefit payment control. This data should include correct data for fields presented.

Condition: Through testing of two ETA 227 reports, it was found that various numbers throughout the report were not able to be tied out to the underlying mainframe data and were provided by IT from a different system. This was due to a programming error in regards to the recording of accounts receivable. As a result, KDOL manually adjusts those items in the reports through the use of spreadsheets or detail from Criminal and Civil Prosecution Divisions.

Questioned costs: None noted.

Context: Reports selected did not have accounting system generated detail to support amounts reported, which is different from other sections of the report.

Cause: Lack of system capabilities to support certain data fields in the report could have contributed to this finding.

Effect: Amounts were not supported by system generated detail, and could be calculated incorrectly due to being a manual process.

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Repeat Finding: Yes, prior year finding 2015-017.

Recommendation: We recommend that consideration of system generated information be developed to meet this requirement and help reduce the time involved to generate these fields manually. As this was a prior year finding, we recommend reconciliation or review with supporting audit evidence for the manually adjusted data until this development can be achieved.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: We do not disagree with the finding. Current system limitations preclude the desired level of compliance by limiting communication between two programs used to house data at KDOL. As a result, some data must be manually entered.

Actions planned in response to finding: After discussion with the auditors, we have implemented their recommendation that the manual portion of our report process for the ETA 227 be double-checked before the values are reported. One individual will provide the initial numbers. A second individual will additionally validate the data (reconciliation) to ensure it is accurate. Only then will it be reported. This will ensure confidence in the data in light of our system limitations.

Responsible party: Brett Flachsbarth, UI Director 785-296-5000 ext. 2507 and Shawn Yancy, UI Performance and Reporting Manager, Office: 785-296-5000 ext. 2582

Planned completion date for corrective action plan: Already implemented the new reconciliation process; next report period occurred 2016 Q3.

Plan to monitor completion of corrective action plan: Will review the initial report period to ensure the reconciliation process is complete, and then the process will remain in place indefinitely.

2016 – 008

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Low-Income Home Energy Assistance
CFDA Number:	93.568
Award Period:	October 1, 2015 through September 30, 2016
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Under 42 USC 8624(b)(2), eligibility for the LEAP program has numerous requirements including:

- Grantees may provide assistance to (a) households in which one or more individuals are receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP) benefits, or certain needs-tested veterans benefits;
- or (b) households with incomes which do not exceed the greater of 150 percent of the State's established poverty level, or 60 percent of the State median income. Grantees may establish lower income eligibility criteria, but no household may be excluded solely on the basis of income if the household income is less than 110 percent of the State's poverty level. Grantees may give priority to those households with the highest home energy costs or needs in relation to income. The grantee should have internal controls designed to ensure compliance with those provisions.

Condition: From a sample of forty participant case files, one selection had an overpayment due to an incorrect fuel type and incorrect utility range designation being entered into the system.

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Questioned costs: \$5.

Context: Total sampled costs were \$16,119 and net unsupported costs in the sample equaled \$5, an error rate of 0.03%.

Cause: The recordkeeping and case management function for eligibility determinations may be inadequate to appropriately support claims reported.

Effect: The eligible benefits being claimed under the program may be overstated.

Repeat Finding: Yes, prior year finding 2015-008.

Recommendation: The State should continue to focus on the design of internal controls that monitor workflow of participant case files. We also recommend that further training be provided to staff regarding noted concerns.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: Additional attention in training to how to identify primary heating vendor. By accurately identifying the primary heating vendor, that should help to avoid inappropriate payment to the wrong vendor.

Trainings on this matter are currently included in worker training process and this issue was emphasized when training was provided in January 2017.

Responsible party: Program: Lewis Kimsey, LIHEAP Program Manager, 785-296-0147.
Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296-3836

Planned completion date for corrective action plan: See Response above.

Plan to monitor completion of corrective action plan: The corrective actions will be monitored by KDCF Audit Services as part of its follow up responsibilities under applicable standards.

2016 – 009

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Programs:	Foster Care -Title IV-E; Supplemental Nutrition Assistance Program (SNAP) Cluster; Low-Income Home Energy Assistance
CFDA Numbers:	93.658; 10.551, 10.561; 93.568
Award Periods:	July 1, 2015 through June 30, 2016; October 1, 2015 through September 30, 2016; October 1, 2015 through September 30, 2016
Compliance Requirement:	Allowable Costs / Cost Principles
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), went into effect on December 26, 2014. This requires non-Federal entities to establish and maintain effective internal controls over Federal awards so that they provide reasonable assurance that the non-Federal entity is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards per 2 CFR section 200.303(a). Expenditures are to include evidence of review of a payment request form, vendor invoice, or related information to ensure the accuracy, validity and allocated is approved by a person qualified to determine the allowability of the cost as a program expenditure.

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Condition: From a sample of sixty non-payroll cost allocation plan expenditures, one selection did not have evidence of review for accuracy, validity and allocation by a person qualified to determine the allowability of the expenditure. This selection did have proper supporting documentation evidencing the expenditure incurred.

Questioned costs: None noted.

Context: One selection did not have the proper evidence of approval, an error rate of 1.7%.

Cause: Internal controls around the approval process for payment request forms and invoices may be lacking.

Effect: The potential for data entry error is more prevalent when segregation of duties is not in place.

Repeat Finding: No

Recommendation: We recommend that KDCF continue to evaluate the design of internal controls to ensure an adequate review of payment request forms and vendor invoices are conducted to verify the accuracy, validity and allocation of the expenditure.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding. After reviewing this purchase it was determined that this was a facilities related purchase, made by our facilities manager. Currently the majority of p-cards that our utilized in central office are held by managers and senior positions that come with additional duties and responsibilities. As facilities purchases are typically needed immediately and quickly, our managers and staff within the facilities team have a large amount of discretion and responsibility to make necessary p-card charges when needed. Additionally, the facilities manager's supervisor gave verbal approval and directions to this individual concerning this purchase, as it was a time sensitive purchase, as this spray paint was needed to mark document boxes that were being shipped to Business Technology Career Opportunities, Inc. (BTCO) for scanning and destruction. Additionally we feel as though the main benefit of the p-card program is the flexibility it offers our staff, and to add on additional prior approvals before the purchase is made would hamper their ability to perform their assigned jobs. The positions that utilize the p-cards on a regular basis are filled and held by individuals that were chosen for their judgment and for their ability to utilize the agencies resources in a correct and responsible manner, which includes having the judgment to know when to use, when not to use, and how to use their personal p-cards. Additionally we require documentation in the form of receipts of every Business Procurement Card (BPC) purchase along with review and approval by additional staff to ensure a check on p-card usage.

Actions planned in response to finding: We are open to reviewing the final p-card audit and looking at possible recommendations for a review of the internal control structure of the p-card program, however we see a continued need for our facilities staff to have a certain amount of latitude to allow them to meet the needs of the agency and of the building to ensure that everything flows smoothly and without any issues. We believe that the facilities staff have the necessary training to not abuse or misuse the BPC program along with the current reconciliation process.

However we are reviewing the current p-card process and are looking at implementing an additional approval and check with the employee's supervisor signing off on the purchase on the receipt along with dating it, and providing a brief explanation as to why the purchase was made. This will be implemented within the next month.

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Responsible party: Operations Facilities Manager: Paul Fernkopf, KDCF Operations 785-296-6186; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296-3836.

Planned completion date for corrective action plan: January 15, 2017

Plan to monitor completion of corrective action plan: Management will work with our p-card admin and our facilities staff to ensure that this new process is implemented and understood by the completion date.

2016 – 010

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Foster Care -Title IV-E
CFDA Number:	93.658
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), went into effect on December 26, 2014. Per 2 CFR section 200.331 – *Requirements for Pass Through Entities*, the pass through entity (PTE) should ensure that every subaward is clearly identified to the subrecipient as a subaward and includes certain data elements at the time of the subaward; and, if any of these data elements change, include the changes in subsequent award modification.

When some of this information is not available, the PTE must provide the best information available to describe the Federal Award and subaward. The data elements must include CFDA number and name and the PTE must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement.

Condition: During our testing of two subrecipients, including the review of contract amendments with the subrecipients, we were unable to determine that the “Award Identification” information was passed to the subrecipient at the time of subaward.

Questioned costs: None noted.

Context: Both subrecipients were missing Award Identification paperwork at the time of subaward.

Cause: Lack of internal controls around subaward agreement procedures could be the cause of the finding.

Effect: If award identification documentation is not provided, the subrecipient does not know if they are following the guidelines of the awarded program.

Repeat Finding: Yes, prior year finding 2015-013.

Recommendation: We recommend the State develop more robust internal controls over program documentation provided to subrecipients at the time of subaward.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

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Actions planned in response to finding: It is our understanding that this finding refers to KDCF's failure to notify the two foster care contractors about the funding source(s) or CFDA number(s) associated with their awards. As stated in the SFY 2015 Single Audit response and reaffirmed to the external audit staff while onsite, we have ensured that the funding information was communicated to them formally in the next contract amendment that was to occur by July 1, 2016.

Responsible party: Deputy Secretary of Operations: Daniel Klucas, Director, KDCF Grants and Contracts, 785-368-7039; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296 3836.

Planned completion date for corrective action plan: This finding and related corrective actions are considered complete with no further action required by KDCF to resolve this finding.

Plan to monitor completion of corrective action plan: This finding and related corrective actions are considered complete with no further action required by KDCF to resolve this finding.

2016 – 011

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Foster Care -Title IV-E
CFDA Number:	93.658
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), went into effect on December 26, 2014. Per 2 CFR 200.331 – *Requirements for Pass Through Entities*, paragraph (b), the pass through entity (PTE) must evaluate the subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e).

Condition: During our testing of two subrecipients, we noted that KDCF did not document risk assessments relating to these subrecipients for the State's fiscal year 2016 subawards. This impacts program monitoring as it increases the risk that the State is not able to ensure proper accountability and compliance with program requirements and achievement of specific performance goals. We did note that KDCF did perform subrecipient monitoring steps for these subrecipients during the fiscal year but the initial risk assessment process to determine the extent of the monitoring needed was not documented.

Questioned costs: None noted.

Context: Formal risk assessments were not documented for these subrecipients relating to fiscal year 2016 to outline their risks of noncompliance and document the subrecipient monitoring to be performed as a result.

Cause: Lack of internal controls around all aspects of subrecipient monitoring and management under the Uniform Guidance could be the cause of the finding.

Effect: This finding indicates that there could be process and documentation improvement in how compliance with all aspects of subrecipient monitoring and management is maintained.

Repeat Finding: No.

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Recommendation: We recommend KDCF document all subrecipient monitoring procedures that will be used under the Uniform Guidance to outline the result of the risk assessment process for each subrecipient so that proper monitoring steps are developed from this risk assessment process.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: It is our understanding that this finding refers to KDCF's failure to complete formal risk assessments for the two foster care contractors relating to fiscal year 2016. Formal risk assessments have been completed for the two foster care contractors relating to fiscal year 2017. This is planned to be continued practice going forward.

Responsible party: Prevention and Protection Services Director: Deneen Dryden, Director, KDCF Prevention and Protection Services 785-368-8156; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296 3836.

Planned completion date for corrective action plan: This finding and related corrective actions are considered complete with no further action required by KDCF to resolve this finding.

Plan to monitor completion of corrective action plan: This finding and related corrective actions are considered complete with no further action required by KDCF to resolve this finding.

2016 – 012

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Foster Care -Title IV-E
CFDA Number:	93.658
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Special Tests and Provisions – Payment Rate Setting and Application
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Under 42 USC 671(a)(11), 45 CFR section 1356.21(m)(1), and 45 CFR section 1356.60(a)(1) and (c)), Title IV-E agencies are to establish payment rates for maintenance payments (e.g., payments to foster parents, child care institutions or directly to youth). Payment rates may also be established for Title IV-E administrative expenditures (e.g., payments to child placement agencies or other contractors, which may be either subrecipients or vendors) and for other services.

Payment rates must provide for proper allocation of costs between Foster Care maintenance payments, administrative expenditures, and other services in conformance with the cost principles. The Title IV-E agency's plan approved by ACF must also provide for periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited periods established by the Title IV-E agency to assure the rate's continuing appropriateness for the administration of the Title IV-E program.

Condition: During our testing, we noted that KDCF's State plan does not include information in relation to review of payment rates for Title IV-E-Foster Care maintenance and administrative payments at reasonable, specific, time-limited periods to assure the rates continuing appropriateness for the administration of the Title IV-E Program.

Questioned costs: None noted.

Context: During our testing, it was noted that the State plan does not address the review of payment rates for Foster Care maintenance and administrative payments at reasonable, specific, time-limited periods. Additionally, no other supporting documentation was provided to show that the review of these rates occurred. This affects the ability to determine the appropriateness of maintenance and administrative payment rates for the Foster Care IV-E program and Federal claims.

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Cause: KDCF does not have clearly documented plan for reviewing the rates of maintenance and administrative payments.

Effect: The State is not in compliance with payment rate setting and application requirements for the Foster Care-Title IV-E program.

Repeat Finding: No.

Recommendation: KDCF should document formal maintenance and administrative payment review procedures within their state plan and maintain support of determinations made on the respective rates during these periodic reviews to evidence compliance with the requirements.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: Formal maintenance and administrative review procedures will be documented in the next submission of the Kansas State Plan. In addition, Kansas is currently planning changes to how rates are determined and calculated and, once that plan is finalized will be incorporating that into the State Plan as well. All those plans will be documented.

Responsible party: Prevention and Protection Services Director: Deneen Dryden, Director, KDCF Prevention and Protection Services 785-368-8156; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296 3836.

Planned completion date for corrective action plan: Implementation estimated by July 1, 2018 for rate structure change; state plan changes by next report submission.

Plan to monitor completion of corrective action plan: The corrective actions will be monitored by KDCF Audit Services as part of its follow up responsibilities under applicable standards.

2016 – 013

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Aging and Disability Services (KDADS)
Federal Program:	Aging Cluster
CFDA Number:	93.044, 93.045, and 93.053
Award Period:	October 1, 2015 through September 30, 2016
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), went into effect on December 26, 2014. This required that pass-through entities provide federal award identification information, which includes the CFDA number and identification of the dollar amount made available under each Federal award and the CFDA number as required by 2 CFR section 200.331(a).

Condition: Through testing of a sample of two subrecipients and the related notice of grant awards (NGAs) applicable for the period of October 1, 2015 through September 30, 2016, we were not able to determine that the award identification information containing the CFDA number was passed to the subrecipient at the time of the subaward or through an amendment to the subaward.

Questioned costs: None noted.

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Year Ended June 30, 2016

Context: The two exceptions are a result of both agreements being approved under the Circular A-133 regulations and not updated to meet the new requirements under 2 CFR section 200.331.

Cause: The likely cause is due to KDADS not amending its agreements to include the required information by 2 CFR section 200.331(a).

Effect: If full award identification documentation is not provided, the subrecipient could be unaware of the correct guidelines of the awarded program.

Repeat Finding: No.

Recommendation: We recommend KDADS develop more robust internals over program documentation provided to subrecipients at the time of subaward to ensure all required elements per 2 CFR section 200.331(a) are being included.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no dispute with the audit finding. KDADS is aware of the requirements under 2 CFR section 200.331(a) and is in the process of updating the notice of grant award template to include the necessary information.

Actions planned in response to finding: KDADS is currently in the process of revising its standard subrecipient template to include the required information per 2 CFR section 200.331(a).

Responsible party: Bob Parker, KDADS Director of Finance, 785-296-4037

Planned completion date for corrective action plan: Notification letter was sent to all subgrantees to inform them of Uniform Grant Guidance requirements by December 15, 2016. An appendix covering all requirements of 200.331(a)(1) is being developed and will be attached to all new awards as of January 1, 2017.

Plan to monitor completion of corrective action plan: All grants will be reviewed prior to issuance to ensure required information per 200.331(a) has been included within the award document or with the attached appendix. This process will be carried out by the Grants Monitoring Unit prior to issuance of the award document.

2016 – 014

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Aging and Disability Services (KDADS)
Federal Program:	Aging Cluster
CFDA Number:	93.044, 93.045, and 93.053
Award Period:	October 1, 2015 through September 30, 2016
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), section 200.331(b) requires entities to perform a documented subrecipient risk assessment of potential noncompliance prior to granting awards to subrecipients.

Condition: Through testing of a sample of two subrecipients and the related notice of grant awards (NGAs) applicable for the period of October 1, 2015 through September 30, 2016, it was noted that KDADS did not perform a risk assessment of noncompliance prior to granting the award.

Questioned costs: None noted.

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Year Ended June 30, 2016

Context: The two exceptions are a result of both agreements being approved under the Circular A-133 regulations and not updated to meet the new requirements under 2 CFR section 200.331.

Cause: The likely cause is due to KDADS not amending its agreements to include the required information by 2 CFR section 200.331(b).

Effect: The State was not in compliance with requirements relating to the Aging Cluster.

Repeat Finding: No.

Recommendation: We recommend KDADS update its subrecipient policy to include a documented risk assessment of subrecipients prior to granting awards as well as throughout the fiscal year to meet the requirements per 2 CFR section 200.331(b).

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no dispute with the audit finding. KDADS is aware of the requirements under 2 CFR section 200.331(a) and is in the process of updating the notice of grant award template to include the necessary information.

Actions planned in response to finding: KDADS is currently in the process of revising its standard subrecipient template to include the required information per 2 CFR section 200.331(a).

Responsible party: Bob Parker, KDADS Director of Finance, 785-296-4037

Planned completion date for corrective action plan: KDADS has placed quarterly meetings on Calendar of due dates for OAA programs to review risk assessment of subgrantees by Program, Fiscal, and Audit staff. Similar processes will be instituted for all grants by December 31, 2016.

Plan to monitor completion of corrective action plan: Risk assessment findings will be reviewed prior to issuance of Grant Award Document. This will be a standard practice for all grants awarded.

2016 – 015

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Foster Care -Title IV-E
CFDA Number:	93.658
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Eligibility
Type of Finding:	Material Weakness in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 45 CFR Section 1356.21 (m)(1) and 45 CFR section 1356.60 (a)(1) and (c), the Title IV-E agency must provide periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited period to establish the continuing appropriateness for the administration of the Title IV-E program. This includes verification that the Title IV-E Foster Care maintenance expenditure payment rates are properly calculated in accordance with the Title IV-E agency's policies and procedures.

Condition: From a sample of sixty Foster Care cases, we noted that twelve selections had incorrect mileage rates used by the subrecipients in the transportation encounter data, which relates to maintenance expenditures. There was a rate change on mileage rates used by subrecipients during fiscal year 2016 that was not updated in one of the subrecipient's systems. This was corrected in the claiming process after this issue was noted through the audit.

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Questioned costs: None noted.

Context: Twelve selections had the incorrect mileage rates used, an error rate of 20%.

Cause: KDCF did not follow up to confirm the subrecipient was using the correct mileage rate when the change was made during the fiscal year.

Effect: KDCF could incorrectly claim maintenance expenses submitted as part of the claiming process if actual encounter data expenditures are used instead of the base and case rate for the month. The claiming process by KDCF uses the lower of the actual encounter data or the base and case rate total when submitting claims to the federal government.

Repeat Finding: Yes, prior year finding 2015-012.

Recommendation: KDCF should work with the foster care subrecipients to emphasize documentation requirements and an internal review process to maintain compliance with the requirement.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: KDCF has already submitted corrections to the IV-E claim previously submitted to HHS ACF. KDCF Audit Services will provide documentation training to subrecipients and has plans to begin ongoing datamining activities of these expenses.

Responsible party: Office of Financial Management Director: Daniel Lewien, Director, KDCF Office of Financial Management 785-296-0761; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296-3836.

Planned completion date for corrective action plan: Documentation Training will be completed by March 31, 2017. Ongoing data mining activities started in January 2017.

Plan to monitor completion of corrective action plan: The corrective actions will be monitored by KDCF Audit Services as part of its follow up responsibilities under applicable standards.

2016 – 016

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Health and Environment (KDHE)
Federal Program:	State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX) – Medicaid Cluster
CFDA Number:	93.775, 93.777, 93.778
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Reporting – CMS-64 Reports
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per the Office of Management and Budget (OMB) June 2016 Compliance Supplement for the Medicaid Cluster, Part IV, *CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program (OMB No. 0938-0067)*, CMS-64 reports are to be prepared quarterly, and submitted to CMS within 30 days after the end of the quarter.

Condition: From a sample of two CMS-64 reports, it was found that one of the reports was not submitted within 30 days after the end of the quarter.

Questioned costs: None noted.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Context: Two CMS-64 reports were selected for testing and one of the reports was not submitted within 30 days after the end of the quarter. It is noted the reports were supported and evidenced review by appropriate personnel.

Cause: The likely cause of this finding is lack of all information or personnel being available at the time the report was due.

Effect: Compliance with the timeliness requirement for this program is not being met.

Repeat Finding: No.

Recommendation: We recommend that KDHE continue to develop cross-training for employees so there is more than one individual that can conduct program tasks to ensure reporting deadlines are being met.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: Since the audit period under review, the Payments & Reporting team has filled a vacant position and trained the additional staff on program tasks involving federal reporting. This will allow for back-up staff and cross-training of employees to ensure reporting deadlines are met.

Responsible party: Melissa Keller, KDHE-DHCF Payments & Reporting Manager, 785-296-3993

Planned completion date for corrective action plan: The corrective action plan has been implemented.

Plan to monitor completion of corrective action plan: The corrective action plan has been implemented. The Payments and Reporting Manager will monitor submission dates of the CMS 64 to ensure reports are submitted timely.

2016 – 017

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Children and Families (KDCF)
Federal Program:	Child Care Development Fund Cluster: Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number:	93.575, 93.596
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Eligibility
Type of Finding:	Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Under 45 CFR 98.42, 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 received CCDF child care services. Additionally, under 45 CFR section 98.43 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.

Condition: In the sixty samples tested, three selections had exceptions related to errors with Family Share Deductions (FSD). For one selection, the FSD was applied to a sibling who stopped receiving benefits but the FSD was not applied to the other siblings on the case when the first sibling was removed.

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For another selection, the appropriate amount of FSD was calculated but not applied to the case. For the other selection, the wrong household size was applied to the case, which resulted in less FSD charged to the recipient.

During our follow up procedures to determine the status of prior year findings, this finding was not resolved for the year ended June 30, 2016.

Questioned costs: None noted.

Context: Prior year finding 2015-010 was not resolved for the year ended June 30, 2016.

Cause: The likely cause of this finding is due to a lack of internal control that monitors changes in the cases to ensure the changes are appropriate.

Effect: Families receiving benefits are not paying the appropriate Family Share.

Repeat Finding: Yes, prior year finding 2015-010.

Recommendation: We recommend that KDCF develop a more robust internal control to review the changes that are implemented in cases for this program to help identify changes in benefits paid.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: A letter was received on January 11, 2017 from the Department of Health and Human Services (HHS) Administration for Children and Families (ACF) conveying their decisions regarding the Child Care and Development Fund (CCDF) program findings contained in the SFY 2015 Single Audit Report for the Kansas Department for Children and Families (KDCF). The ACF has concurred with the corrective actions taken and planned for the 2015 findings. The ACF does not sustain the questioned costs.

When the original response to this error was written for the fiscal year 2015 audit, the implementation of the new KEES system, which is expected to substantially reduce the possibility that such errors will occur, was expected to be implemented in late 2016. That implementation has been delayed, and is now planned for some time in early 2017. In the meantime, the finding will again be reviewed with EES Program Administrators at the January 2017 PA meeting, and they will be asked to review again with regional staff to remind them of the correct procedures.

The frequency of the errors such as those included in this finding should decrease substantially when the new eligibility system (KEES) goes live, as the new system is expected to automate these processes. The finding included three separate errors. The first error was failing to apply the family share to a younger sibling on the case when the plan for the older sibling (to whose plan the family share had been applied) was closed. With KEES, this type of error will not occur, as the family share will not be applied to a specific child, but to the family plan as a whole. The second error resulted from failing to count child support income. With KEES, this error will not occur, as long as all income is entered correctly into the system. This function will be automated within KEES. KEES will determine what income is countable and what is not based on the types of income entered into the system – it will not be up to the worker to enter the total countable income as is now done in KsCares. The third error, which occurred as a result of a change in family share deduction amount not being applied to a case when a household member left, resulted in counting the incorrect household size. The current system (KsCares) counts a person in the household size if they are listed on the case, requiring a worker to actually remove the person from the case, which is different from the way it is done for other DCF programs in the other KAECSES eligibility system. This too will be automated within KEES, and should not occur.

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The system will determine the correct family share based on the correct household size when the worker codes the person leaving as being out of the household. Since all the agency assistance programs are included on the KEES system, workers will only need to make this change once. Immediate action to be taken to address these errors will include:

- The finding and the individual cases will be reviewed with the Economic and Employment Services (EES) Program Administrators (PAs) at the March 9, 2016 PA Meeting,
- PAs will be advised to review the errors with their agency supervisors and supervisors will be required to review with staff the correct procedure for addressing these errors in the KsCares system.
- Workers will be instructed to:
 - Check the family share when a child is no longer receiving child care to make sure the family share is applied to a child who does still receive child care benefits;
 - Make sure to enter all the countable income – not just earnings; and
 - Completely remove a person from the KsCares case when they leave a household to prevent an incorrect household size in the eligibility determination.

Responsible party: Program: Sally Hargis, KDCF Child Care Subsidy Program Manager, 785-296-6753; Implementation Oversight: Mary S. Hoover, KDCF Audit Director, 785-296-3836

Planned completion date for corrective action plan: By June 30, 2017

Plan to monitor completion of corrective action plan: The finding will again be reviewed with EES Program Administrators at the January 2017 PA meeting, and they will be asked to review again with regional staff to remind them of the correct procedures. The corrective actions will also be monitored by DCF Audit Services as part of its follow up responsibilities under applicable standards.

2016 – 018

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Health and Environment (KDHE)
Federal Program:	State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX) – Medicaid Cluster
CFDA Number:	93.775, 93.777, 93.778
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Eligibility – Eligibility for Individuals
Type of Finding:	Material Weakness in Internal Control Over Compliance, Other Matters

Criteria or specific requirement: Per the Office of Management and Budget (OMB) June 2016 Compliance Supplement for the Medicaid Cluster, Part IV, eligibility determinations and renewal not performed timely or performed within the timeliness standard have been found to be internal control deficiencies. The timeliness standard according to 42 CFR 435.912 indicates this is 90 days for applicants who apply for Medicaid on the basis of disability and 45 days for all other applicants.

Condition: Through the end of the State's fiscal year 2016, the State reported to the U.S. Department of Health and Human Services Centers for Medicaid and Medicare Services (CMS) a total of 807 applications and reviews pending on the basis of disability greater than 90 days old as of June 30, 2016. They also reported another 6,117 unprocessed applications and 28,689 unprocessed reviews for a total of 34,806 other applications and redeterminations greater than 45 days old as of June 30, 2016.

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Year Ended June 30, 2016

Questioned costs: None noted.

Context: The State reports to CMS the status of applications and reviews in backlog every two weeks. According to the State's statistics as of June 30, 2016, the 807 applications and reviews pending on the basis of disability greater than 90 days old account for 72% of the 1,127 total unprocessed applications and reviews pending on the basis of disability. The 6,117 unprocessed applications account for 68% and the 28,689 unprocessed reviews account for 82% of the total number of other applications and redeterminations, respectively, as of June 30, 2016. In total, there are 35,613 cases out of 45,233 cases, or 79%, for which remain unprocessed outside of the timeliness standard as of June 30, 2016.

Cause: The State has a backlog of applications, which have not been processed within the timeliness standard due to various issues encountered during the implementation of its new Kansas Eligibility Enforcement System (KEES). Due to the implementation setbacks the KDHE staff members were focused on remedying problems with existing eligibility cases and unable to process new applications and redeterminations promptly.

Effect: Compliance with the timeliness requirement for this program is not being met and presents difficulty in proving there were not improper payments made.

Repeat Finding: No.

Recommendation: We recommend that KDHE continue to monitor the applications considered to be backlogged and continue to process oldest applications as a priority. A continued analysis of the priority of staff resources or use of additional resources to help process the applications is recommended to focus on alleviating the backlog issue.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: KDHE developed mitigation plans to address both the processing backlog and call center issues. The processing backlog mitigation plan is composed of four elements: 1) staff augmentation/resource reallocation and realignment; 2) process improvements/system defects resolution; 3) mitigation of impact on beneficiaries; and 4) provider reimbursements.

- a. Staff augmentation and realignment: KDHE and its contractor have added 20 temporary full time eligibility staff. Additionally, KDHE has secured resources from other agencies. The targeted staff has experience with application and review processing and will be productive immediately. Overtime has been authorized for both State staff and contractor staff.
- b. Process improvements and defect resolution initiatives: The agency implemented a plan to ensure alignment of the defects resolution with the business needs. The first step was to perform on site observation of the processing staff to identify improvement opportunities. The second step was to create a list of top challenges encountered during processing and prioritize the implementation of system fixes/enhancements based on this list. These efforts have resulted in a significant drop in processing time over the past several months from 50 minutes per application to 38-40 minutes per application.
- c. Beneficiary impact mitigation: To minimize the impact of the processing delays on beneficiaries, special attention is given to pregnant women applications, newborns and applicants with urgent medical needs. This inventory is closely monitored. The call center has a process in place to escalate for immediate processing any application or review identified as urgent. Specialized voice mail boxes have been established to report pregnancies or births.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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- d. Once eligibility is determined, it is retroactively established as appropriate to ensure reimbursement of care to providers.

To address the call center challenges, the agency has taken the following steps:

- a. Analyzed the calls to identify the reason for the call and triaged appropriately
- b. Created specialized voice mails to triage calls and allocate to appropriate staff
- c. Redesigned the scripts to provide information to callers faster
- d. Realigned the IVR workflow to help callers navigate to the appropriate queue faster
- e. Created a special unit to handle the calls related to 1095-B inquiries
- f. Added 19 staff to the call center
- g. Added additional weekend hours to return voice mails
- h. Are in the process of developing an implementation plan for an automated voice response system to provide status information 24/7

Responsible party: Jason Osterhaus, KDHE Program Integrity Manager, 785-296-2319; Carla Williams, Program Integrity Analyst, 785-296-7762

Planned completion date for corrective action plan: KDHE will continue to report to CMS on these corrective actions until CMS releases us from the corrective action plan.

Plan to monitor completion of corrective action plan: The mitigation plan for the backlog was implemented October 2016. Since that time, the agency has continued to assess the processing backlog plan and update the approach based on experience. Originally our back log number was 18,000 however it was discovered this was inaccurate and the number rose to 30,000. As of January 20, 2017, the backlog number is down to 1,409.

Implementation of the mitigation plan for the call center performance is on target. A four week average of calls from December 19, 2016 through January 13, 2017, shows the agency receives an average of 1,976 calls per week. An average of 1,419 of the calls are answered in a wait time of 6:35 minutes and a maximum wait time of 18:08 minutes. An average of 304 calls were abandoned by the caller before they could be answered.

Call distribution by average wait time shows 99.9% of calls are answered between 0-15 minutes and .10% of calls are answered between 15-18.08 minutes. Call distribution by wait time monitoring shows that 99.72% of instances of abandoned calls occurred during a wait time between 0-15 minutes and 0.28% of abandoned calls were during a wait time of 15-18.08 minutes.

The agency continues to closely monitor each area and makes necessary adjustments to ensure continuous improvement. The agency reports monitoring activity to CMS every two weeks.

2016 – 019

Federal agency:	U.S. Department of Health and Human Services
State Department/Agency:	Kansas Department of Health and Environment (KDHE)
Federal Program:	State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX) – Medicaid Cluster
CFDA Number:	93.775, 93.777, 93.778
Award Period:	July 1, 2015 through June 30, 2016
Compliance Requirement:	Eligibility – Eligibility for Individuals
Type of Finding:	Significant Deficiency in Internal Control and Compliance, Other Matters

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Criteria or specific requirement: Per the Office of Management and Budget (OMB) June 2016 Compliance Supplement for the Medicaid Cluster, Part IV, the State or its designee shall accept an application submitted online, by telephone, via mail, or in person and include each applicant's case records facts to support the agency's decision on the application.

Condition: From a sample of sixty individual Medicaid participants, applications and case record facts to support the agency's decision on the applications of twenty-nine participants were not supported in the individuals' case file.

Questioned costs: None noted.

Context: Twenty-nine of the sixty sampled individual Medicaid recipients were missing applications and facts to support the agency's decision on applicant eligibility, which is an error rate of 48%.

Cause: The cost-benefit of tracking down the paper files from across the State was considered. The State has hired a vendor to convert its paper records to a scanned paperless document storage system. To reduce disruption with this conversion the paper files containing applications were not requisitioned.

Effect: Compliance with the requirement to accept applications and record facts on agency's decision of applicant eligibility was not met.

Repeat Finding: No.

Recommendation: We recommend that KDHE continue to collect paper files and store in an electronic database for ease of reviewing.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: KDHE/DHCF coordinated with Department of Children and Family Services (DCFS), previously responsible for processing Elderly and Disabled Medical beneficiary applications, and Business Technology Career Opportunities (BTCO) for the collection of paper files. KDHE began the contract with BTCO, August 2016.

Paper files were boxed and transported to a secure location provided by BTCO. The paper files are being scanned and uploaded to Image Now.

Responsible party: Jason Osterhaus, KDHE Program Integrity Manager, 785-296-2319; Carla Williams, Program Integrity Analyst, 785-296-7762

Planned completion date for corrective action plan: The contract between KDHE/DHCF and BTCO ends June 20, 2018.

Plan to monitor completion of corrective action plan: KDHE/DHCF receives a weekly report from BTCO regarding the amount of documents scanned and uploaded to Image Now. Quality assurance reviews are conducted by KDHE/DHCF to assure documents are scanned and uploaded correctly, and that images are useable.

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SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 001- Income Tax Receivable, Deferred Inflow of Resources and Revenue

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Throughout the year, the State collects individual income tax withholdings from employees throughout the State. Related to collections during the second half of the fiscal year (January through June), the State reports a June 30 liability for the portion it expects to refund to taxpayers the following spring. Likewise, the State reports a June 30 receivable for amounts it expects to receive from annual filers the following spring.

The State inadvertently posted a journal entry to revenue, rather than to deferred inflows of resources and did not identify the error in a timely manner. The State performs a final analytical review over account fluctuations from the prior year to the current year. This final review is performed prior to the State releasing a draft Comprehensive Annual Financial Report (CAFR) to the auditors, but after the audit process begins. During our test work over the tax receivables, deferred inflows of resources and revenues, we noted the journal entry to record the deferred inflow of resources was inadvertently posted to revenue in the amount of \$162 million prior to our receipt of the general fund trial balance on October 1, 2015. The error was brought to the Department of Administration's attention on October 23, 2015 prior to the receipt of the draft CAFR on November 1, 2015. The State does have a review process after journal entries are posted to the general ledger; however, this review process did not identify the incorrect posting in a timely manner. Consequently, the review process for journal entries was identified as a material weakness due to the necessary adjustment to the trial balance being material to the financial statements.

Recommendation: We recommend the State review, improve and document its procedures surrounding the year-end journal entry process specifically related to tax receivables, deferred inflows of resources and revenues.

Current Year Status: Through work performed during fiscal year 2016, prior year material weakness appears to be mitigated.

2015 – 002 – Department of Commerce and State Universities Material Prior Period Adjustment

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During fiscal year 2015, the State revised the process by which financial information is communicated from the six major Universities, to the Department of Administration as a means to more effectively account for the Universities financial information. The changes instituted by the State enabled it to identify that the reimbursement process between the Department of Commerce, KSU and WSU, had in fact not been accounted for properly prior to fiscal year 2015. As a result of the State's identification of the omitted reimbursement process, a material adjustment to a prior period balance was proposed by the State. CLA agreed with the material adjustment related to the Department of Commerce, KSU and WSU.

Recommendation: We recommend the State continue to evaluate and implement new processes and procedures, specifically, revolving around the flow of financial information from outside agencies and discretely presented component units to the Department of Administration. As the State continues to revise or implement new procedures, it will help to ensure the flow of information is both effective and efficient. In addition, as the State institutes new procedures, specifically related to the flow of financial information, the State will continue to strengthen its control environment and will ensure all financial information is properly accounted for at the end of the fiscal year.

Current Year Status: Through work performed during fiscal year 2016, prior year material weakness appears to be mitigated.

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 003 – Kansas Department of Health and Environment Receivable and Revenue

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Provider assessments paid by hospitals are receipted into a fund reported in the Kansas Department of Health and Environment (KDHE) related to the fee-for-service program. The total amount assessed in fiscal year 2015 was approximately \$48 million, which has remained unchanged from prior years.

The State's accounting function is highly decentralized, in that the DOA is reliant on various State agencies, departments and components to provide accurate financial information necessary to draft the Comprehensive Annual Financial Report. Through work performed and inquiries of DOA and KDHE personnel, it was noted that approximately \$31.5 million of the total \$48 million assessed during fiscal year 2015, was received prior to June 30, 2015. It was also noted, there was not a receivable recorded as of June 30, 2015 for the additional \$16.5 million not yet received as of June 30, 2015. Through additional discussions with State personnel, it was noted that a prior year receivable balance of approximately \$13 million had not been recorded.

Recommendation: We recommend the Department of Administration re-evaluate the process by which it obtains and reviews the information necessary to draft and review the State's Comprehensive Annual Financial Report prior to the start of the audit. This will help ensure information obtained from outside agencies is complete prior to drafting of the Comprehensive Annual Financial Report.

Current Year Status: Through work performed during fiscal year 2016, prior year material weakness appears to be mitigated.

2015 – 004, State University System Restatement and Financial Statement Preparation Process:

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: In performing the Fiscal Year 2015 audit of the State's CAFR, a restatement of beginning net position was required for the State University System in the CAFR to correct errors that were not noted or corrected in the 2014 CAFR. In addition, the detail for the restatement supported \$176 million but the actual restatement on the financial statements was only \$169 million.

Recommendation: We noted that some policies, procedures and processes were implemented from our 2014 material weakness over financial reporting. While we recognize that some improvements were made from the fiscal 2014 audit and there were not as many adjusting entries in the current year audit when compared to 2014, we recommend that the DOA and State University System continue to re-evaluate and improve the process by which financial information from the State University System is obtained and recorded for inclusion in the CAFR. First, all universities should obtain a comprehensive general ledger system (see finding 2015-005 below). The DOA and the State University system should continue to mutually agree on deadlines for submission of complete financial statements, including component units, with all eliminations made, on the State's timeline to meet its statutory requirements. Secondly, we also recommend that the DOA and the State University System agree upon an appropriate threshold to record adjustments to numbers already submitted to the DOA to ensure that both the DOA and State University System are presenting the same financial information for a given fiscal year end. Lastly, absent audits for all universities, DOA should share the final consolidating information with the universities so that the universities can certify that complete and accurate data is being reflected in the CAFR so that all parties take appropriate ownership.

Current Year Status: Through work performed during fiscal year 2016, prior year material weakness appears to be mitigated.

STATE OF KANSAS
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Year Ended June 30, 2016

2015 – 005, State University System General Ledger

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: In performing the fiscal year 2015 audit of the State University System column of the State's CAFR, we noted that certain universities did not have a comprehensive automated general ledger system to track and account for fiscal transactions. Those universities included University of Kansas Medical Center (KUMC) and Fort Hays State University (FHSU). In addition, we noted that the current general ledger systems for two schools – Kansas State University (KSU) and Pittsburg State University (PSU) – were either dated or did not capture all financial activity. In order to capture the financial activity for the financial statements, some of the universities had to review bank statement activity for the year and capture the information into excel spreadsheets. Then, accrual based adjustments were posted to these excel spreadsheets. For others, large adjustments for material activity had to be made outside of the general ledger system. (Excel workbook). These processes provide opportunities for errors and misstatements to occur.

Recommendation: We recommend the State Universities noted above implement a comprehensive automated general ledger system to account for fiscal transactions. This will help to ensure all fiscal transactions are appropriately tracked and accounted for.

Current Year Status: Through work performed during fiscal year 2016, prior year material weakness appears to be mitigated.

2015 – 006

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department of Health and Environment (KDHE)
Federal Program: State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX) – Medicaid Cluster
CFDA Number: 93.775, 93.777, 93.778
Compliance Requirement: Special Tests and Provisions – Provider Eligibility
Type of Finding: Material Weakness in Internal Control, Noncompliance

Condition: From a sample of forty providers, it was found that eight providers did not initially have completed agreements as required per 42 CFR part 455 subpart B to contain information on ownership and control. The forms for the providers were completed in August 2015 or later, which was after the audit request had been made. Also, one of these providers was missing information so we were unable to verify the provider was licensed in accordance with the State plan.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 007

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department of Health and Environment (KDHE)
Federal Program: State Medicaid Fraud Control Units, State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare, Medical Assistance Program (Medicaid; Title XIX) – Medicaid Cluster
CFDA Number: 93.775, 93.777, 93.778
Compliance Requirement: Reporting – SF-425 Reports
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

Condition: Through testing of two SF-425 reports submitted for the State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare program, CFDA 93.777, it was noted that the reports did not have evidence of a review being conducted other than someone preparing the reports.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 008

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Low-Income Home Energy Assistance (LIHEAP)
CFDA Number: 93.568
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: From a sample of forty participant case files, three selections had findings regarding over payment and/or incorrectly deemed eligible and one selection had a finding due to being incorrectly deemed ineligible.

Current Year Status: Repeat finding, see current year finding 2016-008.

Reason for finding's recurrence: This is due to human error. KDCF Staff have to determine the primary heating fuel to determine the appropriate benefit. On occasion the client does not want to use the primary and tries to mislead the worker. Other possibility is that since the vendor for both heating and cooling fuel is the same entity that they inadvertently selected the wrong vendor number.

2015 – 009

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Adoption Assistance – Title IV-E
CFDA Number: 93.659
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: From a sample of sixty beneficiary payments, one exception was noted. For one participant, the State provided adoption assistance for the participant for a year past the individual's eighteenth birthday with no documentation regarding the reason for the continued benefits. This case was closed and benefits ceased as a result of the audit testing.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

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SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 010

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Child Care Development Fund Cluster: Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number: 93.575, 93.596
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: In the sixty samples tested, three selections had exceptions related to errors with Family Share Deductions (FSD). For one selection, the FSD was applied to a sibling who stopped receiving benefits but the FSD was not applied to the other siblings on the case when the first sibling was removed. For another selection, the appropriate amount of FSD was calculated but not applied to the case. For the other selection, the wrong household size was applied to the case, which resulted in less FSD charged to the recipient.

Current Year Status: Repeat finding, see current year finding 2016-017.

Reason for finding's recurrence: A letter was received on January 11, 2017 from the Department of Health and Human Services (HHS) Administration for Children and Families (ACF) conveying their decisions regarding the Child Care and Development Fund (CCDF) program findings contained in the SFY 2015 Single Audit Report for the Kansas Department for Children and Families (KDCF). The ACF has concurred with the corrective actions taken and planned for the 2015 findings. The ACF does not sustain the questioned costs.

When the original response to this error was written for the fiscal year 2015 audit, the implementation of the new KEES system, which is expected to substantially reduce the possibility that such errors will occur, was expected to be implemented in late 2016. That implementation has been delayed, and is now planned for some time in early 2017. In the meantime, the finding will again be reviewed with EES Program Administrators at the January 2017 PA meeting and they will be asked to review again with regional staff to remind them of the correct procedures.

2015 – 011

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Child Care Development Fund Cluster: Child Care and Development Block Grant, Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA Number: 93.575, 93.596
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: During testing of two subrecipients, we were not able to determine that the "Award Identification" containing the CFDA number was passed to the subrecipient at the time of subaward or through any amendment to the subaward.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

**STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016**

2015 – 012

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Foster Care – Title IV-E
CFDA Number: 93.658
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: From a sample of sixty foster care claim payments, one payment was not appropriately supported by the foster care subrecipient's documentation due to an incorrect calculation, which resulted in an underpayment.

Current Year Status: Repeat finding, see current year finding 2016-015.

Reason for finding's recurrence: KDCF staff missed verifying the rate change. Staff will verify that providers submit future transportation encounters at the approved rates.

2015 – 013

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Foster Care – Title IV-E
CFDA Number: 93.658
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: During testing of the two subrecipients, we were not able to determine that the "Award Identification" was passed to the subrecipient at the time of subaward.

Current Year Status: Repeat finding, see current year finding 2016-010.

Reason for finding's recurrence: This finding has been addressed and resolved. As stated in the SFY 2015 Single Audit response and reaffirmed to the external audit staff while onsite, we have ensured that the funding information was communicated to them formally in the next contract amendment that was to occur by July 1, 2016.

2015 – 014

Federal Agency: Department of Health and Human Services
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Temporary Assistance for Needy Families (TANF)
CFDA Number: 93.558
Compliance Requirement: Special Tests and Provisions
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: From the sample of forty participant files, one selection had a finding regarding establishing relationship for "Initial Referral Out of Home Placement for Child in DCF Custody."

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 015

Federal Agency: Department of Education
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States
CFDA Number: 84.126
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: In one of the sixty samples tested, there were not eligibility determinations made within the sixty day requirement.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 016

Federal Agency: Department of Education
State Department/Agency: Kansas Department for Children and Families (KDCF)
Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States
CFDA Number: 84.126
Compliance Requirement: Procurement, Suspension and Debarment
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: For five of the fourteen entities tested, evidence that the entity was checked against the www.sam.gov website was not found to verify it was not suspended or debarred. Also, for one of the fourteen entities tested, we found that the State's procurement policy was not followed for this entity as a contract was not entered into.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 017

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Reporting – ETA 227
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: Through testing of two ETA 227 reports, it was found that various numbers throughout the report were not able to be tied to the underlying mainframe data. This was due to an incorrect programming error in regards to the recording of accounts receivable. As a result, KDOL manually adjusts those items in the reports through the use of spreadsheets or detail from the Criminal and Civil Prosecution division.

Current Year Status: Repeat finding, see current year finding 2016-007.

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

Reason for finding's recurrence: This finding, though ongoing, has been partially corrected. All financial information reported on the ETA 227 is automatically pulled from Mainframe data. This was corrected for all parts of the report since 1st Quarter 2016. Based upon auditor review of 09/30/2015 report the audit conclusion evidences (at that time) ongoing manual adjustment of some financial data in the report, but that has been corrected and those corrections are reflected in the 06/30/2016 report which was also audited.

The only portions of the report that are not automated are Section B, Column (6): "Number of Cases Investigated"; and Section D, "Criminal/Civil Actions." System limitations (due to housing this data in a separate system that does not fully integrate with the mainframe) prevent full automation of these portions of the ETA report. However, KDOL has implemented the 2016 recommendations given by the auditors to have the information independently checked by a second person prior to reporting in order to ensure accuracy of the data as best KDOL is able given the system limitations KDOL faces.

2015 – 018

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Reporting – ETA 581
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: Through testing of two ETA 581 reports, it was noted that the reports did not have evidence of a review being conducted other than someone preparing the report.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 019

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Special Tests and Provisions
Type of Finding: Significant Deficiency in Internal Control

Condition: We were unable to verify if the samples selected for review by KDOL existed or was reviewed.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 020

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Cash Management
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: We were unable to verify who reviewed one of the administrative cash draws and two administrative cash draws were not properly supported.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 021

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Special Tests and Provisions
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: Through testing of a sample of sixty cases that had gone through the BAM review process, it was noted that there were eleven exceptions found that were not in compliance with the timeliness standards.

Current Year Status: Repeat finding, see current year finding 2016-005.

Reason for finding's recurrence: This finding is ongoing due to the natural delay and time it takes to correct such a finding coupled with reflecting back a year into the past. Thus, poor past performance in 2015 in particular continued to drive down KDOL's time lapse percentage in the audit. Current 60-day performance (CY 2016 to date) tells a different story entirely: Paid claims at 78% (minimum is 70%) and all denied claims equal or greater than 80% (minimum is 60%). This is also reflected by USDOL finding KDOL compliant with performance expectations and ending KDOL's requirement to submit corrective action plans on the subject as part of their SQSP process. Thus, KDOL is currently within compliance and have corrected the finding, but KDOL acknowledges that the data selected for audit in 2016 did not yet reflect this compliance.

2015 – 022

Federal Agency: Department of Labor
State Department/Agency: Kansas Department of Labor (KDOL)
Federal Program: Unemployment Insurance
CFDA Number: 17.225
Compliance Requirement: Allowable Costs/Cost Principles
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: An employee was paid using an incorrect wage rate.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

2015 – 023

Federal Agency: Department of Education
State Department/Agency: University of Kansas, University of Kansas Medical Center, Kansas State University, Wichita State University, Pittsburg State University, Emporia State University and Fort Hays State University
Federal Program: Student Financial Assistance Cluster
CFDA Number: 84.268 and 84.038
Compliance Requirement: Special Tests and Provisions – Enrollment Reporting
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: Review of enrollment reporting data from the Universities showed that errors were not corrected and returned to NSLDS within the prescribed timeframe and, per a sample of 40 students whose underlying enrollment reporting data were tested for accuracy of status and timeliness of reporting, one student's status (University of Kansas Medical Center) was not uploaded accurately or within the prescribed timeframes noted above.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 024

Federal agency: Department of Education
State Department/Agency: University of Kansas and Wichita State University
Federal program: Student Financial Assistance Cluster
CFDA Number: 84.007, 84.033, 84,038, 84.063, 84.268, 84.379, 93.264, 93.342, 93.364 and 93.925
Compliance Requirement: Special Tests and Provisions – Disbursements to or on Behalf of Students (240 Day Rule)
Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition: There were several outstanding checks as of June 30, 2015 from Wichita State University and University of Kansas that were made out to students or parents for refunds of Federal Title IV aid and were outstanding for a period greater than 240 days.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 025

Federal agency: Department of Education
State Department/Agency: Wichita State University
Federal program: Student Financial Assistance Cluster
CFDA Number: 84.007, 84.033, 84,038, 84.063, 84.268, 84.379, 93.264, 93.342, 93.364 and 93.925
Compliance Requirement: Not Applicable
Type of Finding: Significant Deficiency in Internal Control - Schedule of Expenditures of Federal Awards

STATE OF KANSAS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2016

Condition: During review of the University's federal student aid listing and FISAP compiled from the University's student aid module and accounting system, as compared to the University's DA-89 report (the Kansas Department of Administration's reporting mechanism for gathering the Statewide SEFA information), it was found that the Perkins Loans amount reported per the DA-89 report was approximately \$38 million larger than the Perkins Loan amount from the supporting federal student aid listing and FISAP for the University. This was due to a data entry error on the DA-89 report by the University, which was used to compile the Statewide SEFA amounts reported. This amount was corrected after being discussed with the University.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.

2015 – 026

Federal Agency:	Department of Agriculture
State Department/Agency:	Kansas Department of Health and Environment (KDHE)
Federal Program:	Special Supplemental Nutrition Program for Women, Infants, and Children
CFDA Number:	10.557
Compliance Requirement:	Procurement, Suspension and Debarment
Type of Finding:	Significant Deficiency in Internal Control, Noncompliance

Condition: For one of the two entities tested, evidence that the entity was checked against the www.sam.gov website was not found to verify it was not suspended or debarred.

Current Year Status: During this year's testing, we determined that corrective action was implemented. No similar findings were noted during the current year audit.