

STATE OF KANSAS
Topeka, Kansas

SINGLE AUDIT REPORT
Year Ended June 30, 2017

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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, 2017, 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 17, 2017. 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 Turnpike Authority (KTA), the 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying financial statement schedule of findings listed as 2017-001 and 2017-002 that we consider 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 response to the findings identified in our audit are described in the accompanying financial statement schedule of findings. The State's response 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

Greenwood Village, Colorado
November 17, 2017



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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, 2017. 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, 2017. 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, 2017.

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 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-009, 2017-010, 2017-011, 2017-012, 2017-013, 2017-014, 2017-015, and 2017-016. 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 have not been 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-010 and 2017-014 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 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, 2017-011, 2017-012, 2017-013, 2017-015, and 2017-016 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, 2017. We issued our report thereon dated November 17, 2017, 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

Broomfield, Colorado
February 26, 2018

STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
U. S. Department of Agriculture					
Direct Award					
<i>SNAP Cluster:</i>					
Supplemental Nutrition Assistance Program	10.551			\$ -	\$ 3,180
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561			-	25,717,686
<i>Total Direct Award SNAP Cluster</i>				-	25,720,866
Non-Monetary Award					
<i>SNAP Cluster</i>					
Supplemental Nutrition Assistance Program	10.551			-	324,165,620
Total SNAP Cluster				-	349,886,486
Direct Award					
<i>Research and Development Programs Cluster:</i>					
16-JV-11242309-109, Cost-effective Surveillance & Control Planning for Emerald Ash Borer in Community Forests	10.000			-	143,765
Development of New Treatment Options for Khapra Beetle, Trogoderma Granarium Everts	10.000			-	29,819
Memorandum of Agreement Between USDA, APHIS & KSU	10.000			-	1,052
Agricultural Research Basic & Applied Research	10.001			-	2,137,249
Plant and Animal Disease, Pest Control, and Animal Care	10.025			68,359	341,675
Wildlife Services	10.028			-	8,333
Federal-State Marketing Improvement Program	10.156			-	101,116
Transportation Services	10.167			-	42,976
Specialty Crop Block Grant Program - Farm Bill	10.170			-	3,797
Grants for Agricultural Research, Special Research Grants	10.200			688,759	1,795,709
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203			-	4,856,451
Higher Education - Graduate Fellowships Grant Program	10.210			-	19,746
Higher Education - Institution Challenge Grants Program	10.217			5,788	5,788
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			-	34,193
Agricultural Market and Economic Research	10.290			-	13,088
Integrated Programs	10.303			69,273	253,927
Homeland Security Agricultural	10.304			196,381	465,736
Specialty Crop Research Initiative	10.309			1,042,147	1,469,151
Agriculture and Food Research Initiative	10.310			2,657,089	6,200,069
Biomass Research and Development Initiative					
Competitive Grants Program (BRDI)	10.312			77,111	643,701
Sun Grant Program	10.320			-	890
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326			-	267,017
Crop Protection & Pest Management Competitive Grants Program	10.329			35,038	61,933

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Enhancing Rural Practitioner Aptitude for Endemic, Transboundary, and Emerging Diseases of Production Animals	10.336			-	47,149
Cooperative Extension Service	10.500			229,576	6,974,170
FNS Food Safety Grants	10.585			-	770,748
Great Plains Windbreak Crop Yield Study	10.600			-	5,190
Food for Education	10.608			195,068	385,724
Forestry Research	10.652			-	8,880
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777			-	31,375
Soil and Water Conservation	10.902			-	72,409
Environmental Quality Incentives Program	10.912			-	33,396
Technical Agricultural Assistance	10.960			-	888,740
Cochran Fellowship Program - International Training-Foreign Participant	10.962			-	39,075
Total Research and Development Programs Cluster				5,264,589	28,154,037
<i>Not Clustered</i>					
Plant and Animal Disease, Pest Control, and Animal Care	10.025			-	926,478
Commodity Loans & Loan Deficiency Payments	10.051			-	46,808
Voluntary Public Access & Habitat Incentive Program	10.093			-	1,269,772
Biofuel Infrastructure Partnership	10.117			-	414,256
Federal-State Marketing Improvement Program	10.156			-	39,010
Farmers' Market & Local Food Promotion Program	10.168			-	75,807
Specialty Crop Block Grant Program	10.169			-	297,564
Specialty Crop Block Grant Program-Farm Bill	10.170			-	19,896
Organic Certification Cost Share Programs	10.171			-	48,404
Higher Education - Institution Challenge Grants Program	10.217			37,688	90,768
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250			-	3,882
Integrated Programs	10.303			-	23,773
Homeland Security Agricultural	10.304			-	8,726
Agriculture and Food Research Initiative	10.310			613,340	940,016
National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	10.328			-	18,945
Crop Protection & Pest Management Competitive Grants Program	10.329			-	264,493
Rural Business Development Grant	10.351			-	329
Farm Operating Loans	10.406			-	7,927
State Mediation Grants	10.435			-	392,563
Risk Management Education Partnerships	10.460			-	52,091
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475			-	1,550,305
Cooperative Extension Service	10.500			2,051,561	3,219,490

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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Professional Standards for School Nutrition Employees	10.547			-	64,353
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557			12,997,629	41,439,577
Child and Adult Care Food Program	10.558			33,099,897	33,605,222
State Administrative Expenses for Child Nutrition	10.560			-	2,199,739
Team Nutrition Grants	10.574			184,540	346,082
Senior Farmers Market Nutrition Program	10.576			-	142,582
WIC Grants To States (WGS)	10.578			-	13,426
Child Nutrition Discretionary Grants Limited Availability	10.579			259,600	559,177
Fresh Fruit and Vegetable Program	10.582			2,666,735	2,675,364
Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP	10.596			243,193	3,082,444
High Resolution Land Cover and Wind Break Assessment Products of Kansas	10.600			-	13,667
Scientific Cooperation Exchange Program with China	10.614			-	7,114
Cooperative Forestry Assistance	10.664			4,292	2,017,930
Forest Legacy Program	10.676			-	32,159
Rural Business Enterprise Grants	10.769			-	12,622
Soil and Water Conservation	10.902			-	680,284
Environmental Quality Incentives Program	10.912			16,002	490,729
Regional Conservation Partnership Program	10.932			131,821	432,597
Cochran Fellowship Program - International Training-Foreign Participant	10.962			-	133,510
Total Not Clustered				52,306,298	97,659,881
<i>Food Distribution Cluster</i>					
Commodity Supplemental Food Program	10.565			327,526	412,674
Emergency Food Assistance Program (Administrative Costs)	10.568			-	689,893
Total Direct Award Food Distribution Cluster				327,526	1,102,567
Non-Monetary Award					
<i>Food Distribution Cluster</i>					
Commodity Supplemental Food Program	10.565			-	1,278,479
Emergency Food Assistance Program (Administrative Costs)	10.568			-	3,884,196
Total Food Distribution Cluster				-	6,265,242
Direct Award					
<i>Child Nutrition Cluster:</i>					
School Breakfast Program	10.553			31,623,378	31,787,540
National School Lunch Program	10.555			118,456,259	118,816,165
Special Milk Program for Children	10.556			67,138	67,138
Summer Food Service Program for Children	10.559			4,247,346	4,468,144
Total Child Nutrition Cluster				154,394,121	155,138,987

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Flavor of Ground Beef - Phase II	10.000	National Cattlemens Beef Association	MOA - Collaborator II	-	10,000
Beef Cattle Selection and Management for Adaptation to Drought	10.000	Oklahoma State University	Award	-	1,291
Impact of Bioenergy Crops on Pests, Natural Enemies	10.000	University of Arkansas	UA AES91084-02/PO#6662933	-	20
2015 NCR IR-4 Ornamental Horticulture Project	10.000	Michigan State University	265836	-	14,745
Plant and Animal Disease, Pest Control, and Animal Care	10.025	Iowa State University of Science & Technology	412-05-73	-	29,228
Plant and Animal Disease, Pest Control, and Animal Care	10.025	Iowa State University of Science & Technology	412-05-62/PO#161589123	-	28,349
Grants for Agricultural Research, Special Research Grants	10.200	Purdue University	8000064908-AG	-	29,123
Small Business Innovation Research	10.212	MS Biotec	Award	-	47,729
Small Business Innovation Research	10.212	Heartland Plant Innovations	AWARD	-	55,334
Sustainable Agriculture Research & Education	10.215	University of Minnesota	54633	-	41,464
Sustainable Agriculture Research & Education	10.215	University of Minnesota	H003679402	-	25,000
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H004991205	-	47,885
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H003679423	-	1,962
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H003679421	-	5,115
Biotechnology Risk Assessment Research	10.219	University of Nebraska	25-6241-0232-003	-	258
1994 Institutions Research Program	10.227	BIA Haskell Indian Nations University	A16PX01007	-	11,843
Enhancing Animal Care Strategies on Organic Dairy Farms	10.300	University of Minnesota	H005961601	-	11,331
Integrated Programs	10.303	Michigan State University	RC106420A	-	15,403
Integrated Programs	10.303	Mississippi State University	012000.322662.01	-	16,910
Homeland Security Agricultural	10.304	Michigan State University	RC106556B,	-	19,129
Homeland Security Agricultural	10.304	Michigan State University	RC101676KSU	-	41,056
Homeland Security Agricultural	10.304	Cornell University	67826-9937	-	1,763
Specialty Crop Research Initiative	10.309	North Carolina State University	2011-1609-12	-	62,089
Specialty Crop Research Initiative	10.309	North Carolina State University	2016-1498-07	-	6,839
Agriculture and Food Research Initiative	10.310	VA Polytechnic Institute and State University	422262-19050	-	4,555
Agriculture and Food Research Initiative	10.310	University of Vermont	29034SUB51755	-	91,564
Agriculture and Food Research Initiative	10.310	Iowa State University of Science & Technology	4162808A	-	70,101
Agriculture and Food Research Initiative	10.310	Tennessee State University	332.77-16-16.081	-	147,623
Agriculture and Food Research Initiative	10.310	University of Tennessee	A15-0169-S002	-	67,785
Agriculture and Food Research Initiative	10.310	University of Nebraska	25-6268-0005-006	-	59,172
Agriculture and Food Research Initiative	10.310	University of Nebraska	25-6239-0235-300	-	1,815,347

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Agriculture and Food Research Initiative	10.310	University of Georgia	RC398-139/S000788	-	65,183
Agriculture and Food Research Initiative	10.310	University of California Davis	201603566-04	-	3,676
Agriculture and Food Research Initiative	10.310	University of California Davis	201223090	-	125,659
Agriculture and Food Research Initiative	10.310	Colorado State University	G-06263-8	-	494,928
Agriculture and Food Research Initiative	10.310	Texas A&M Agrilife Research South Dakota State University	06-S161604	-	11,738
Agriculture and Food Research Initiative	10.310	Oregon State University	3TB757	-	5,008
Agriculture and Food Research Initiative	10.310	Oregon State University	C0490A-B	-	2,749
Agriculture and Food Research Initiative	10.310	Oklahoma State University Iowa State University of Science & Technology	AB-5-68980.KSU	-	19,755
Agriculture and Food Research Initiative	10.310	Oklahoma State University	416-41-21A	-	52,547
Agriculture and Food Research Initiative	10.310	Oklahoma State University	AB-5-82070-KSU	-	32,565
Agriculture and Food Research Initiative	10.310	University of California Davis	201015718-17	-	133,150
Agriculture and Food Research Initiative	10.310	Michigan State University	RC100233KSU	-	22,275
Agriculture and Food Research Initiative	10.310	Louisiana State University	14-09-005	-	7,107
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312	Technology Holding LLC	Subcontract	-	96,260
Sun Grant Program	10.320	North Dakota State University	FAR0027043	-	3,008
Sun Grant Program	10.320	Oklahoma State University	2568930.KSU1	-	28,984
Alfalfa and Forage Research Program	10.330	University of Wyoming	1003308B-KSU	-	3,667
Cooperative Extension Service	10.500	Michigan State University	RC103176BI	-	23,856
Cooperative Extension Service	10.500	Michigan State University	RC103176AX	5,459	12,490
Cooperative Extension Service	10.500	Michigan State University	RC103176BC	-	42,801
Soil and Water Conservation	10.902	Oregon State University	DA886A-A	-	5,268
Environmental Quality Incentives Program	10.912	Colorado State University	G-06507-01	-	94,048
Environmental Quality Incentives Program	10.912	Oklahoma State University University of Missouri at Columbia	3-580130.KSU1	-	43,691
Environmental Quality Incentives Program	10.912	Columbia	E00037651-2	-	5,678
Total Research and Development Programs Cluster				<u>5,459</u>	<u>4,116,104</u>
<i>Not Clustered</i>					
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H003679407	-	3,364
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H004403718	-	41,898
Sustainable Agriculture Research & Education	10.215	Regents of the University of Minnesota	H004991212	-	15,423
Organic Agriculture Research & Extension Initiative	10.307	University of Minnesota	H005663301	-	16,293
Cooperative Extension Service	10.500	University of Nebraska	25-6324-0150-006	-	29,909
Cooperative Extension Service	10.500	Regents of the University of Minnesota	H003703707	-	14,015
Food for Progress	10.606	American Soybean Association South Dakota Department of Agriculture (SDDA)	FCC-641-2015/016-00	230,319	465,673
Cooperative Forestry Assistance	10.664	MOA	MOA	-	50,964
Rangeland Management Lesser Prairie-Chicken Initiative Site Specific Agreement with Pheasants Forever	10.900	Pheasants Forever, Inc. Oklahoma Conservation Commission	AGREEMENT	-	150
Regional Conservation Partnership Program	10.932	Commission	14-N-OK-432	37,500	37,500
Total Not Clustered				<u>267,819</u>	<u>675,189</u>
Total U. S. Department of Agriculture				<u>212,565,812</u>	<u>641,895,926</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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
U. S. Department of Commerce					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Science & Research Park Development Grants	11.030			-	186,917
Economic Development Technical Assistance	11.303			-	256,658
Economic Adjustment Assistance	11.307			-	5,322,259
Measurement and Engineering Research and Standards	11.609			-	31,600
Total Research & Development Programs Cluster				-	5,797,434
<i>Not Clustered</i>					
Climate and Atmospheric Research	11.431			-	132,508
State & Local Implementation Grant Program	11.549			-	405,726
Total Not Clustered				-	538,234
Indirect Award					
<i>Research and Development Programs Cluster</i>					
Weather Data Library Data Sets	11.000	Earth Networks, Inc	AGREEMENT	-	15,333
Weather Data Library Data Sets	11.000	Earth Networks, Inc	AGREEMENT	-	105,775
Total Research and Development Programs Cluster				-	121,108
<i>Not Clustered</i>					
Manufacturing Extension Partnership	11.611	Mid America Manufacturing Technology Center Inc.	70NANB17H009	-	25,000
Total Not Clustered				-	25,000
Total U. S. Department of Commerce				-	6,481,776
U. S. Department of Defense					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Advanced Trenched Structure for Solid-State Neutron Detectors	12.000			-	310,053
Low-Profile HPGE Gamma Ray Spectrometer for Radiological Detection, Localization, and Isotope Identification	12.000			-	114,554
Basic Scientific Research	12.431			29,554	266,986
DOD, NDEP, DOTC - STEM Education Outreach Implementation	12.560			25,671	38,848
Air Force Defense Research Sciences Program	12.800			348,399	736,629
Total Research and Development Programs Cluster				403,624	1,467,070
<i>Not Clustered</i>					
Advanced Strategic Planning and Policy Program (ASP3)	12.000			-	3,305
Brigade Spouse Courses at Fort Leavenworth-2015-2020	12.000			-	180,991
2015 University Engineering Alliance Summit	12.000			-	5,155
Procurement Technical Assistance For Business Firms	12.002			76,396	352,019
Flood Control Projects	12.106			-	274,011
Navigation Projects	12.107			-	189,524
State Memorandum of Agreement Program for Reimbursement of Technical Services	12.113			-	653,977

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Military Construction, National Guard	12.400			-	49,950
National Guard Military Operations & Maintenance (O&M) Projects	12.401			-	23,968,766
National Guard ChalleNGe Program	12.404			-	1,432,945
Mathematical Sciences Grants Program	12.901			-	42,571
Total Not Clustered				76,396	27,153,214
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Methodologies and Tools for Securing Medical Device Systems in Integrated Clinical Environments (ICE)	12.000	How Many Engineers, Inc.	MOA	-	21,302
Novel Biomass Conversion Process for Production of Butylenes	12.000	Technology Holding LLC	MOA	-	45,769
Achieving Excellence Through STEM - Evaluation	12.000	USD 475	MOA	-	23,925
			COOPERATIVE AGREEMENT		
Braiding Stem Early - Evaluation	12.000	USD 475		-	29,450
3D Woven Preform Software Design Tool(s) Development	12.000	Textile Eng & Mfg Inc (TEAM)	MOA	-	45,066
Human Factors Support of Hybrid Acquisition Release I	12.000	General Atomics	FA8620-16C-3003	-	39,713
Novel Extensible Design Approaches for Advanced Aircraft Composite Structural Architectures	12.000	Materials Sciences Corporation	PO 7569-CH02	-	61,335
Determining the Ability of rVSV-ZEBOV to Infect Domestic Livestock	12.000	Bioprotection Systems Corp.	PO#1636/HDTRA1-15-EBOLA-BAA	-	563,039
Portable System with Li Foil MWPC Neutron Detectors	12.000	Radiation Detection Technologies, Inc.	T14B-005-0015	-	7,927
Comprehensive Reduced Order Modeling and Validations for Loads and Flight Stability of a Flapping Wing	12.000	BAE Systems	943700	-	108,354
Testing and Validation of Porcine Affective States and Neurofunctional Assessment Tools	12.000	Applied Research Assoc., Inc.	S-002950.01.KSU	-	6,656
Wearable Detection Device (WDD) - Low Visibility Gamma Neutron Sensor	12.000	Alion Science and Technology Corp	SUBCONTRACT #SUB1113361	-	213,462
Metamaterial-Enhanced Magnetic Materials and Their Applications	12.000	Air Force Research Laboratory	FA2386-14-1-0026	-	23,142
Anaerobic Membrane Bioreactor (ANMBR) for Sustainable Wastewater Treatment	12.000	CDM Federal Programs Corp	6444-001-005-CS	-	88,563
Human Factors Support of Block 50: Initial Fielding	12.000	General Atomics	SO1412101 / 4300001706	-	339,042
CREACT: Advanced Network Security Metrics for Cyber Resilience and Asset Criticality Measurement in Mission Success	12.000	Intelligent Automation Inc	2186-1	-	63,275
UP-2 CBR Project in Ukraine	12.000	Metabiota Inc.	2015-28-DTR	-	12,794
Testing and Validation Support for GEM's CB2ATA Toolkit Using Bolted and Bonded Composite Joints of Triton Material	12.000	Navy Engineering Logistics Office	0012-0001-2016	-	76,640
Continuing Education for Senior Leaders (CESL) Seminar - Ft. Leavenworth	12.000	Prairie Quest Inc.	SUBCONTRACT AGMT	-	101,177

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Development of Neutron Spectrometer with Directional Sensitivity - Neukopis: Portable Neutron Spectrometer	12.000	Radiation Detection Technologies, Inc.	DTRA SBIR 2015	-	61,905
Methodologies and Tools for Securing Medical Device Systems in Integrated Clinical Environments (ICE, Phase 2 SBIR for Topic DHP 15-004)	12.000	Adventium Enterprises LLC	1059-001-001-008	-	18,293
Procurement Technical Assistance For Business Firms	12.002	Fairmount Technologies	DLA P00006	-	74,426
Basic and Applied Scientific Research	12.300	Office of Naval Research University of Kansas Center for Research Inc.	N000141712071	-	203,289
Basic and Applied Scientific Research	12.300	Office of Naval Research	FY2016-048	-	57,204
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000171712327	-	120,960
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712259	-	543,427
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712070	-	1,317,324
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712069	-	799,200
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712031	-	499,795
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712030	-	134,424
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712028	-	1,310,400
Basic and Applied Scientific Research	12.300	Office of Naval Research	N000141712326	-	108,938
Basic Scientific Research	12.431	Mississippi State University	038400.360634.01	-	74,904
Basic Scientific Research	12.431	University of Michigan	#3004329471	-	194,951
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	USD 475	Cooperative Agreement	-	6,875
Invitational Grants for Military-Connected Schools	12.557	USD 475	Award	-	550
Air Force Defense Research Sciences Program	12.800	Air Force Research Laboratory	FA94531610049	-	60,428
Air Force Defense Research Sciences Program	12.800	Massachusetts Institute of Technology	SUB #5710003754	-	84,442
Air Force Defense Research Sciences Program	12.800	Florida State University	R01777	-	68,968
Total Research & Development Programs Cluster				-	7,611,334
Total U. S. Department of Defense				480,020	36,231,618
U. S. Department of Housing and Urban Development					
Direct Award					
Section 8 Project-Based Cluster:					
Section 8 Housing Assistance Payments Program	14.195			-	56,509,935
Total Section 8 Project-Based Cluster				-	56,509,935
<i>Not Clustered</i>					
Community Development Block Grants/State's Program & Non-Entitlement Grants in Hawaii	14.228			20,075,765	20,701,472
Emergency Solutions Grant Program	14.231			1,538,708	1,635,496
Supportive Housing Program	14.235			-	130,309
HOME Investment Partnerships Program	14.239			1,939,342	4,533,566
Housing Trust Fund	14.275			-	12,961
Total Not Clustered				23,553,815	27,013,804

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Indirect Award					
<i>Not Clustered</i>					
Community Development Block Grants/State's Program & Non-Entitlement Grants in Hawaii	14.228	City of Topeka	45584 & 45585	-	111,078
Total Not Clustered				-	111,078
Total U. S. Department of Housing & Urban Development				23,553,815	83,634,817
U. S. Department of the Interior					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Cultural Resources Management	15.511			-	49,594
Sport Fish Restoration	15.605			-	588,003
Wildlife Restoration and Basic Hunter Education	15.611			-	1,277,189
Cooperative Endangered Species Conservation Fund	15.615			-	15,504
State Wildlife Grants	15.634			-	780,078
Neotropical Migratory Bird Conservation	15.635			-	42,343
Research Grants (Generic)	15.650			-	107,601
Cooperative Ecosystem Studies Units	15.678			-	44,237
National Fire Plan - Rural Fire Assistance	15.805			52,383	208,020
U.S. Geological Survey - Research and Data Collection	15.808			-	65,383
National Cooperative Geologic Mapping	15.810			-	21,411
Cooperative Research Units	15.812			-	33,019
Visitor Flow, Pattern and Resource Useage Proposal Fort Larned National Historic Site	15.900			-	5,033
Cooperative Research and Training Programs - Resources of National Park System	15.945			58,756	306,944
Total Research and Development Programs Cluster				111,139	3,544,359
<i>Not Clustered</i>					
Wild Horse and Burro Resource Management	15.229			-	443,252
Wildland Fire Research and Studies	15.232			12,825	132,214
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250			-	75,194
Abandoned Mine Land Reclamation (AMLR)	15.252			-	1,660,506
Recreation Resources Management	15.524			-	139,823
Fish and Wildlife Management Assistance	15.608			-	21,528
Cooperative Endangered Species Conservation Fund	15.615			-	13,941
North American Wetlands Conservation Fund	15.623			-	220
U.S. Geological Survey - Research and Data Collection	15.808			-	7,426
Historic Preservation Fund Grants-In-Aid	15.904			191,946	1,094,545
Outdoor Recreation - Acquisition, Development & Planning	15.916			656,222	800,685
National Trails System Projects	15.935			-	33,773
Natural Resource Stewardship	15.944			-	12,992
Water Use and Data Research	15.981			-	8,769
Total Not Clustered				860,993	4,444,868

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Fish and Wildlife Cluster:</i>					
Sport Fish Restoration Program	15.605			-	3,694,291
Wildlife Restoration and Basic Hunter Education	15.611			30,000	6,865,740
Total Fish and Wildlife Cluster				30,000	10,560,031
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Eastern New Mexico Rural Water System	15.553	Rainwater Basin Joint Venture	Task Order	-	57,414
National Cooperative Geologic Mapping	15.810	University of Kansas Center- Research Inc.	G15AC00225	-	6,947
Economic, Social, and Political Development of the Territories	15.875	University of Hawaii	MA140013	-	616
Total Research and Development Programs Cluster				-	64,977
Total U. S. Department of the Interior				1,002,132	18,614,235
U. S. Department of Justice					
Direct Award					
<i>Not Clustered</i>					
Marijuana Eradication	16.000			-	38,015
Sexual Assault Services Formula Program	16.017			299,900	313,675
Juvenile Accountability Block Grants	16.523			60,884	102,586
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540			67,696	206,569
State Justice Statistics Program for Statistical Analysis Centers	16.550			-	30,329
National Criminal History Improvement Program	16.554			-	437,200
Crime Victim Assistance	16.575			10,214,123	10,783,332
Crime Victim Compensation	16.576			-	596,457
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580			-	42,707
Crime Victim Assistance/Discretionary Grants	16.582			-	42,361
Violence Against Women Formula Grants	16.588			839,019	1,291,186
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590			100,232	162,763
Residential Substance Abuse Treatment for State Prisoners	16.593			-	64,875
State Criminal Alien Assistance Program	16.606			-	274,785
Public Safety Partnership and Community Policing Grants	16.710			-	46,630
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735			-	184,726
Edward Byrne Memorial Justice Assistance Grant Program	16.738			1,630,920	1,867,639
DNA Backlog Reduction Program	16.741			-	250,056
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742			41,782	72,093
Edward Byrne Memorial Competitive Grant Program	16.751			28,885	124,006

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Harold Rogers Prescription Drug Monitoring Program	16.754			-	123,318
Second Chance Act Reentry Initiative	16.812			-	8,267
John R. Justice Prosecutors and Defenders Incentive Act	16.816			21,883	24,141
National Sexual Assault Kit Initiative	16.833			114,292	346,232
Body Worn Camera Policy & Implementation	16.835			-	6,678
Equitable Sharing Program	16.922			-	1,697,490
Total Not Clustered				13,419,616	19,138,116
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Missing Children's Assistance	16.543	Many	WSU#13546/WSU#83	-	76,440
Edward Byrne Memorial Competitive Grant Program	16.751	University of Nebraska at Omaha	46-0306-1097-201	-	5,328
Total Research and Development Programs Cluster				-	81,768
<i>Not Clustered</i>					
WCH Anti-Trafficking Training Contract	16.000	University of Kansas Center-Research Inc.	WSU/WCH	-	9,646
Juvenile Mentoring Program	16.726	National 4-H Council	Subgrant Agreement	-	21,152
Total Not Clustered				-	30,798
Total U. S. Department of Justice				13,419,616	19,250,682
U. S. Department of Labor					
Direct Award					
<i>WIA/WIOA Cluster:</i>					
WIA/WIOA Adult Program	17.258			5,028,893	5,028,893
WIA/WIOAYouth Activities	17.259			4,555,529	5,034,824
WIA/WIOA Dislocated Worker Formula Grants	17.278			2,317,856	4,191,645
Total WIA/WIOA Cluster				11,902,278	14,255,362
<i>Research and Development Programs Cluster:</i>					
H-1B Job Training Grants	17.268			-	22,813
Total Research and Development Programs Cluster				-	22,813
<i>Not Clustered</i>					
Labor Force Statistics	17.002			-	735,734
Compensation and Working Conditions	17.005			-	90,750
Registered Apprenticeship	17.201			18,291	50,385
Unemployment Insurance	17.225			-	203,545,301
Senior Community Service Employment Program	17.235			821,906	862,604
Trade Adjustment Assistance	17.245			-	2,841,155
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261			-	635,079
H-1B Job Training Grants	17.268			13,580	17,244
Work Opportunity Tax Credit Program WOTC	17.271			-	204,674
Temporary Labor Certification for Foreign Workers	17.273			-	121,792
WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281			-	73,713
Workforce Innovation Fund	17.283			87,253	705,092
Apprenticeship USA Grants	17.285			-	12,218
Consultation Agreements	17.504			-	712,822
Total Not Clustered				941,030	210,608,563

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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Employment Service Cluster:</i>					
Employment Service/Wagner-Peyser Funded Activities	17.207			555,396	6,768,339
Disabled Veterans' Outreach Program DVOP	17.801			-	1,060,029
Local Veterans' Employment Representative Program	17.804			2,400	367,379
Total Employment Service Cluster				<u>557,796</u>	<u>8,195,747</u>
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
National Aviation Consortium	17.000	Wichita Area Technical College	AGREEMENT	-	267,278
Soaring to Success - North Idaho College - Evaluation	17.000	North Idaho College	MOA	-	47,586
Johnson County Community College External Evaluator Contract	17.000	Johnson County Community College	JCCC-1205	-	57,665
Butler Community College TAACCCT Proposal	17.000	Butler Community College	PO # P0023478	-	79,901
Total Research and Development Programs Cluster				<u>-</u>	<u>452,430</u>
<i>Not Clustered</i>					
H-1B Job Training Grants	17.268	Workforce Alliance of South Central Kansas	HG 226151260A20	-	7,479
Total Not Clustered				<u>-</u>	<u>7,479</u>
Total U. S. Department of Labor				<u>13,401,104</u>	<u>233,542,394</u>
U. S. Department of State					
Indirect Award					
<i>Not Clustered</i>					
Academic Exchange Programs - Undergraduate Programs	19.009	International Research and Exchanges Board	FY16-YALI-CL-KSU-01	-	143,403
Total Not Clustered				<u>-</u>	<u>143,403</u>
Total U. S. Department of State				<u>-</u>	<u>143,403</u>
U. S. Department of Transportation					
Direct Award					
<i>Transit Services Programs Cluster:</i>					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			1,152,702	1,251,411
Job Access and Reverse Commute Program	20.516			59,441	59,441
New Freedom Program	20.521			61,313	67,062
Total Transit Services Programs Cluster				<u>1,273,456</u>	<u>1,377,914</u>
<i>Research and Development Programs Cluster:</i>					
Aviation Research Grants	20.108			-	160,371
Air Transportation Centers of Excellence	20.109			119,827	5,181,941
Highway Research & Development Program	20.200			248,065	382,382
Highway Training and Education	20.215			-	131,422
Field Investigation of Concrete Tie Abrasion Wear Prevalence and Contributing Environmental Factors	20.300			39,962	372,673
Total Research and Development Programs Cluster				<u>407,854</u>	<u>6,228,789</u>

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Not Clustered</i>					
Airport Improvement Program	20.106			-	273,957
Highway Training and Education	20.215			182,024	188,865
Motor Carrier Safety Assistance	20.218			-	4,872,964
Commercial Driver License Program Improvement Grant	20.232			-	3,637
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237			-	381,226
Metropolitan Transportation Planning & State & Non-Metropolitan Planning & Research	20.505			2,472,424	2,472,424
Formula Grants for Rural Areas	20.509			9,611,691	9,611,691
State Planning and Research	20.515			22,186	61,817
National Highway Traffic Safety Administration Discretionary Safety Grants	20.614			-	12,498
Pipeline Safety Program State Base Grant	20.700			-	712,665
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703			247,078	410,267
State Damage Prevention Program Grants	20.720			-	57,215
PHMSA Pipeline Safety Program One Call Grant	20.721			-	56,635
Total Not Clustered				12,535,403	19,115,861
<i>Highway Safety Cluster:</i>					
State and Community Highway Safety	20.600			1,625,057	3,876,836
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601			-	10,181
Occupant Protection Incentive Grants	20.602			-	20,699
State Traffic Safety Information System Improvement Grants	20.610			-	258,792
Incentive Grant Program to Prohibit Racial Profiling	20.611			93,385	98,587
Child Safety & Child Booster Seats Incentive Grants	20.613			-	20,760
National Priority Safety Program	20.616			727,379	2,489,528
Total Highway Safety Cluster				2,445,821	6,775,383
<i>Highway Planning and Construction Cluster:</i>					
Highway Planning and Construction	20.205			29,987,698	438,262,888
Recreational Trails Program	20.219			478,896	1,647,492
Total Highway Planning & Construction Cluster				30,466,594	439,910,380
<i>Federal Transit Cluster:</i>					
Bus and Bus Facilities Formula Program	20.526			3,337,257	3,337,257
Total Federal Transit Cluster				3,337,257	3,337,257
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Self De-Icing LED Signals	20.000	University of Kansas Center for Research Inc.	FY20174-033	-	626
Highway Research and Development Program	20.200	Board - Federal Highway Admin	NFP0077169	-	10,708

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
University Transportation Centers Program	20.701	Iowa State University of Science and Technology	436-78-00A	-	18,686
University Transportation Centers Program	20.701	Iowa State University of Science and Technology	436-78-00B	-	49,217
University Transportation Centers Program	20.701	Iowa State University	436-77-40	-	75,774
Total Research and Development Programs Cluster				<u>-</u>	<u>155,011</u>
<i>Not Clustered</i>					
Development of Administrative Support Services for WAMPO	20.000	City of Wichita	WAMPO-WSU	-	83,387
Total Not Clustered				<u>-</u>	<u>83,387</u>
Total U. S. Department of Transportation				<u>50,466,385</u>	<u>476,983,982</u>
U. S. Department of the Treasury					
Direct Award					
<i>Not Clustered</i>					
State Small Business Credit Initiative	21.000			618,287	622,490
Equitable Sharing	21.016			-	2,901
Total Not Clustered				<u>618,287</u>	<u>625,391</u>
Total U. S. Department of the Treasury				<u>618,287</u>	<u>625,391</u>
U. S. Equal Employment Opportunity Commission					
Direct Award					
<i>Not Clustered</i>					
Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	30.002			-	274,325
Total Not Clustered				<u>-</u>	<u>274,325</u>
Total U. S. Equal Employment Opportunity Commission				<u>-</u>	<u>274,325</u>
U. S. General Services Administration					
Direct Award					
<i>Not Clustered</i>					
HAVA Title I	39.011			-	272,264
Total Not Clustered				<u>-</u>	<u>272,264</u>
Non-Monetary Award					
<i>Not Clustered</i>					
Donation of Federal Surplus Personal Property	39.003			1,375,117	1,565,860
Total Not Clustered				<u>1,375,117</u>	<u>1,565,860</u>
Total U. S. General Services Administration				<u>1,375,117</u>	<u>1,838,124</u>
National Aeronautics and Space Administration					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Exploration	43.003			-	196,989
Space Operations	43.007			26,873	79,623
Education	43.008			460,438	1,074,832
Total Research and Development Programs Cluster				<u>487,311</u>	<u>1,351,444</u>
<i>Not Clustered</i>					
Education	43.008			-	9,000
Total Not Clustered				<u>-</u>	<u>9,000</u>

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Optimization of Sans Electrical Connection (SansEC) Smart Skin Design	43.000	National Institute of Aerospace	T14-6500-WSU	-	73,506
Impact of Spaceflight on Primary and Secondary Antibody Responses	43.000	Loma Linda University	2120293-KSU	-	139,216
Constraining Dark Energy and Modified Gravity with Euclid	43.000	California Institute of Technology	RSA# 1563689	-	5,197
Constraining Dark Energy and Modified Gravity with Euclid	43.000	California Institute of Technology	RSA # 1543355	-	1,529
Cosmology with the WFIRST High Latitude Survey	43.000	California Institute of Technology	RSA #1553998	-	1,211
Numerical Simulation for 3-D Reinforced Jet Turbine Engine Vane Components	43.000	Materials Research and Design Inc	NN05-KSU-001	-	18,151
Science	43.001	California Institute of Technology	RSA #1563212	-	49,130
Aeronautics	43.002	Natl Institute of Aerospace	C15-2A38-WSU	-	42,301
Aeronautics	43.002	Natl Institute of Aerospace	C16-2A38-WSU	-	31,006
Education	43.008	University of Missouri	0050154-01	-	107,117
Total Research and Development Programs Cluster				-	468,364
Total National Aeronautics and Space Administration				487,311	1,828,808
Institute of Museum and Library Services					
Direct Award					
<i>Not Clustered</i>					
Museums for America	45.301			-	150,000
Grants to States	45.310			77,218	1,018,210
National Leadership Grants	45.312			-	1,470
Laura Bush 21st Century Librarian Program	45.313			-	263,331
Total Not Clustered				77,218	1,433,011
Total Institute of Museum and Library Services				77,218	1,433,011
National Endowment for the Arts					
Direct Award					
<i>Not Clustered</i>					
Promotion of the Arts - Grants to Organizations and Individuals	45.024			-	7,258
Promotion of the Arts-Partnership Agreements	45.025			114,466	149,082
Total Not Clustered				114,466	156,340
Total National Endowment for the Arts				114,466	156,340
National Endowment for the Humanities					
Direct Award					
<i>Not Clustered</i>					
Promotion of the Humanities-Challenge Grants	45.130			-	690,096
Total Not Clustered				-	690,096

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
NEH Faculty Enhancement Award in Military History	45.000	Kansas State University Foundation	AWARD	-	12,053
Promotion of the Humanities - Federal/State Partnership	45.129	Kansas Humanities Council	215034MJ	-	419
Total Research and Development Programs Cluster				-	12,472
<i>Not Clustered</i>					
Folger Community and Digital Outreach Through Undergraduate Service Learning	45.000	Folger Institute	MICRO-GRANT	-	5,941
Total Not Clustered				-	5,941
Total National Endowment for the Humanities				-	708,509
National Science Foundation					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
National Science Foundation-Intergovernmental Personnel Act	47.000			-	67,202
Engineering Grants	47.041			-	1,706,680
Mathematical and Physical Sciences	47.049			16,322	1,529,899
Geosciences	47.050			36,654	344,299
Computer & Information Science & Engineering	47.070			169,442	1,696,453
Biological Sciences	47.074			694,021	5,770,109
Social, Behavioral, and Economic Sciences	47.075			-	260,582
Education and Human Resources	47.076			190,897	1,758,907
Total Research and Development Programs Cluster				1,107,336	13,134,131
<i>Not Clustered</i>					
Engineering Grants	47.041			-	59,642
Geosciences	47.050			-	64,561
Computer & Information Science & Engineering	47.070			-	213,146
Biological Sciences	47.074			-	18,312
Education and Human Resources	47.076			-	240,476
Total Not Clustered				-	596,137
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Ecological Observation & Access Agreement for Aquatic Ecological Monitoring at the Konza Prairie Biological Station	47.000	National Ecological Observatory Network	AGREEMENT	-	1,804
NSF Includes: Mississippi Alliance for Women in Computing (Mawc) - Evaluation	47.000	Mississippi State University	AGREEMENT	-	10,200
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	State of Louisiana Board Of Regents	2014-17 - TRACK 2	-	24,788
Quarknet	47.000	Fermilab	AWARD	-	10,661
Neon Domain 6 - Prairie Peninsula, Core Tower Relocatable Tower & Core Aquatic Site	47.000	National Ecological Observatory Network	LAND USE AGREEMENT	-	24,228

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
RII Track-1: Louisiana Consortium for Innovation in Manufacturing and Materials-Evaluation	47.000	State of Louisiana Board Of Regents	NSF(2015-20) - TRACK 1	-	94,775
Track 3: STEM-Discovery - Evaluation	47.000	State of Louisiana Board Of Regents	32-4136-58531	-	16,238
Wireless Sensor Network Architecture for Monitoring and Control in Buildings	47.000	The University of North Carolina at Charlotte	002-01/01/2016	-	24,117
Engineering Grants	47.041	Arizona State University	16-902	-	5,033
Mathematical and Physical Sciences	47.049	Princeton University	SUB0000154	-	11,911
Mathematical and Physical Sciences	47.049	University of Kansas Center for Research, Inc.	FY2015-030	-	57,588
Geosciences	47.050	Marine Biological Laboratory	47769	-	44,970
Geosciences	47.050	Virginia Polytechnic Institute & State University	479371-19050	-	8,244
Geosciences	47.050	Virginia Polytechnic Institute & State University	AGS-1341918	-	5,977
Computer & Information Science & Engineering	47.070	University of North Dakota	UND10505	-	5,307
Computer & Information Science & Engineering	47.070	Purdue University	4101-72242	-	30,359
Biological Sciences	47.074	University of Kansas Center for Research, Inc.	FY2015-083	-	39,679
Biological Sciences	47.074	Michigan Technological University	1303031Z2/PO # P0093790	-	52,201
Biological Sciences	47.074	Northern Arizona University	1003017-03	-	1,500
Biological Sciences	47.074	University of Florida	00122556/UFDSP00 010653	-	8,924
Education and Human Resources	47.076	University Auxiliary and Research Services Corp, CA State Univ San Marcos	92240/85026-KSU	-	22,351
Office of International Science and Engineering	47.079	University of Kansas Center for Research Inc.	NSF73561	-	1,058,435
Office of International Science and Engineering	47.079	University of Kansas Center for Research Inc.	NSF0074801- SPEARS	-	4,171
Office of Experimental Program to Stimulate Competitive Research	47.081	Oklahoma EPSCoR	AGREEMENT	-	71,040
Office of Experimental Program to Stimulate Competitive Research	47.081	University of Kansas Center for Research Inc.	NSF0073560	-	9,899
Office of Experimental Program to Stimulate Competitive Research	47.081	University of Northern Iowa	S5857A	-	13,364
Office of Integrative Activities	47.083	University of Kansas Center for Research Inc.	NSF0075817-BOYLE	-	65,942
Office of Integrative Activities	47.083	University of Kansas Center for Research Inc.	NSF0075818	-	48,449
Office of Integrative Activities	47.083	University of Kansas Center for Research Inc.	NSF0075820	-	42,097
Office of Integrative Activities	47.083	University of Kansas Center for Research Inc.	NSF0075815- AMAMA	-	41,204
Office of Integrative Activities	47.083	University of Kansas Center for Research Inc.	NSF0075816- BINDRA	-	54,468
Total Research and Development Programs Cluster				-	1,909,924

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Not Clustered</i>					
Office of International Science and Engineering	47.079	University of Kansas Center for Research Inc.	NSF0074159	-	2,267
Total Not Clustered				-	2,267
Total National Science Foundation				1,107,336	15,642,459
U. S. Small Business Administration					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Federal & State Technology Partnership Program	59.058			-	53,134
Total Research and Development Programs Cluster				-	53,134
<i>Not Clustered</i>					
Small Business Development Centers	59.037			345,627	1,670,305
Federal & State Technology Partnership Program	59.058			-	77,539
State Trade Expansion	59.061			36,464	143,038
Total Not Clustered				382,091	1,890,882
Total U. S. Small Business Administration				382,091	1,944,016
U. S. Department of Veterans Affairs					
Direct Award					
<i>Not Clustered</i>					
Veterans State Domiciliary Care	64.014			-	1,320,078
Veterans State Nursing Home Care	64.015			-	7,830,720
State Cemetery Grants	64.203			-	184,691
Total Not Clustered				-	9,335,489
Total U. S. Department of Veterans Affairs				-	9,335,489
Environmental Protection Agency					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Environmental Finance Center Grants	66.203			-	115,042
Science To Achieve Results Research Program	66.509			94,613	217,511
P3 Award: National Student Design Competition for Sustainability	66.516			-	3,711
Brownfields Training, Research, & Technical Assistance Grants & Cooperative Agreements	66.814			-	653,166
Environmental Education Grants	66.951			9,050	46,368
Total Research and Development Programs Cluster				103,663	1,035,798
<i>Not Clustered</i>					
Air Pollution Control Program Support	66.001			470,041	1,218,471
State Indoor Radon Grants	66.032			-	210,111
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034			83,290	559,236
Congressionally Mandated Projects	66.202			-	84
Environmental Finance Center Grants	66.203			-	126,161
Multipurpose Grants to States and Tribes	66.204			1,558	20,899
Water Pollution Control State, Interstate, and Tribal Program Support	66.419			-	160,598
State Underground Water Source Protection	66.433			-	248,740

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436			-	6,019
Water Quality Management Planning	66.454			27,780	119,383
Nonpoint Source Implementation Grants	66.460			2,695,807	3,608,629
Regional Wetland Program Development Grants	66.461			-	449,090
Performance Partnership Grants	66.605			300,000	4,624,525
Environmental Information Exchange Network Grant Program and Related Assistance	66.608			-	117,364
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707			-	370,579
Pollution Prevention Grants Program	66.708			-	223,014
Hazardous Waste Management State Program Support	66.801			-	1,221,301
Superfund State, Political Subdivision, & Indian Tribe Site-Specific Cooperative Agreements	66.802			-	851,456
Underground Storage Tank Prevention, Detection and Compliance Program	66.804			-	353,227
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805			-	762,394
Solid Waste Management Assistance Grants	66.808			-	8,578
State and Tribal Response Program Grants	66.817			-	711,691
Brownfields Assessment and Cleanup Cooperative Agreements	66.818			-	57,023
Total Not Clustered				3,578,476	16,028,573
<i>Drinking Water State Revolving Fund Cluster</i>					
Capitalization Grants for Drinking Water State Revolving Funds	66.468			7,862,590	9,106,430
Total Drinking Water State Revolving Fund Cluster				7,862,590	9,106,430
<i>Clean Water State Revolving Fund Cluster</i>					
Capitalization Grants for Clean Water State Revolving Funds	66.458			12,321,875	12,687,205
Total Clean Water State Revolving Fund Cluster				12,321,875	12,687,205
Indirect Award					
<i>Not Clustered</i>					
Training for the Nebraska State Radon Program 2017	66.000	Nebraska Department of Health & Human Services	75723-04	-	4,691
Community Action for a Renewed Environment (CARE) Program	66.035	City of Salina Kansas	AGREEMENT	-	759
Environmental Finance Center Grants	66.203	University of North Carolina	5106881	-	16,825
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424	University of North Carolina	5106038	-	40,049
Surveys, Studies, Investigations, Demonstrations, and Training Grants - Section 1442 of the Safe Drinking Water Act	66.424	New Mexico Institute of Mining and Technology	5102463	-	105,795

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**STATE OF KANSAS
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YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Regional Wetland Program Development Grants	66.461	University of Kansas Center for Research Inc.	FY2016-118	-	24,851
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	Water Environment & Reuse Foundation (WE&RF)	LCASW4SG16	-	49,815
Total Not Clustered				-	242,785
Total Environmental Protection Agency				23,866,604	39,100,791
U. S. Nuclear Regulatory Commission					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
U.S. Nuclear Regulatory Commission Scholarship & Fellowship Program	77.008			-	207,822
U.S. Nuclear Regulatory Commission - Office of Research Financial Assistance Program	77.009			-	80,995
Total Research and Development Programs Cluster				-	288,817
<i>Not Clustered</i>					
U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006			-	26,758
Total Not Clustered				-	26,758
Total U. S. Nuclear Regulatory Commission				-	315,575
U. S. Department of Energy					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
Fuel Cladding Analysis Tool Based on Coupled Neutronics and Thermal-Hydraulics	81.000			-	590
Micro-Pocket Fission Detector Development for Treat Experiments	81.000			-	4,150
Technical Assistance on High Temperature MPFD Development	81.000			-	430,076
Office of Science Financial Assistance Program	81.049			-	3,641,700
Stewardship Science Grant Program	81.112			-	113,162
Nuclear Energy Research, Development & Demonstration	81.121			89,237	424,805
Total Research and Development Programs Cluster				89,237	4,614,483
<i>Not Clustered</i>					
State Energy Program	81.041			614,573	804,415
Weatherization Assistance for Low-Income Persons	81.042			2,065,653	2,367,973
Nuclear Energy Research, Development & Demonstration	81.121			-	7,500
Total Not Clustered				2,680,226	3,179,888
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Thermal Battery Model Interface Development	81.000	National Technology and Engineering Solutions of Sandia LLC (NTESS)	1626744	-	69,119
Deep Underground Neutrino Experiment (DUNE)	81.000	Brookhaven National Laboratory DOE	SUBCONTRACT #315224	-	12,292
MU2E - Cosmic Ray Veto (CRV) Components	81.000	Fermilab	AWARD	-	81,885

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STATE OF KANSAS
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YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Develop an Active Sensor Array Prototype for Knolls Atomic Power Laboratory	81.000	Bechtel Marine Propulsion Corporation (BMPC)	7017364	-	355,140
Fellowship	81.000	Fermilab	PO #614745 MOD#2	-	9,206
Capability Inference Based on Dynamic Topic Modeling and Text Information Extraction	81.000	University of California	B617770	-	117,905
LHC CMS Detector Upgrade FPIX Subsystem for 2014	81.000	Fermilab	PO #618289	-	52,854
Real-Time Navigation System Simulation Advancement	81.000	National Technology and Engineering Solutions of Sandia LLC (NTESS)	1684192	-	71,688
Fellowship for 2017 LPC Distinguished Researcher Program	81.000	Fermilab	631213	-	25,078
HEMS Code to Support Smart Homes Hardware- In-The-Loop Experiments	81.000	National Renewable Energy Laboratory	AHQ-7-70050-01	-	10,432
Kansas State University Wind Turbine Design Team 2016	81.000	National Renewable Energy Laboratory	AFC-5-52004-08 MOD #3	-	4,605
Wind for Schools (WFS) Wind Application Center (WAC) Operation Plan	81.000	National Renewable Energy Laboratory	AEV-6-62009-01	-	19,980
RF Design/Layout of High-Frequency Electronics in Advanced PC Board Technologies	81.000	Honeywell FM&T LLC	N000183941	-	174,005
LHC CMS Detector Upgrade FPIX Subsystem	81.000	Fermilab	PO #627260	-	3,750
Fellowship for 2016 Senior EMS LPC Distinguished Researcher	81.000	Fermilab	PO #625660	-	24,339
LHC CMS Detector Upgrade HCAL Subsystem	81.000	Fermilab	PO #622469	-	62,150
Optimal Design of Planar Multi-Stage Thermoelectric Micro-Cooler	81.000	Sandia National Laboratories Radiation Detection Technologies, Inc.	PO 1651965 REV1	-	30,000
Office of Science Financial Assistance Program	81.049	Colorado State University	MOA	-	56,495
Office of Science Financial Assistance Program	81.049	Texas A&M University	G-00027-1	-	124,219
Office of Science Financial Assistance Program	81.049	North Carolina State University	02-S160249	-	49,986
Defense Nuclear Nonproliferation Research	81.113	University	2014-0501-04	-	354,925
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	Oklahoma State University	1-566637-01	-	13,028
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	Oklahoma State University	AA-5-41102-02-08- 09-10-11	-	63,108
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	University of Missouri	C00055151-1	-	8,386
Nuclear Energy Research, Development & Demonstration	81.121	University of Wisconsin- Madison	572K375	-	347,123
Nuclear Energy Research, Development & Demonstration	81.121	City University of New York Donald Danforth Plant	47846-A	-	49,418
Advanced Research Projects Agency-Energy	81.135	Science Center	22815-K	-	357,661
Advanced Research Projects Agency-Energy	81.135	University of Delaware	44980	-	17,994
Total Research and Development Programs Cluster				-	2,566,771
Total U. S. Department of Energy				2,769,463	10,361,142

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Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
U. S. Department of Education					
Direct Award					
<i>TRIO Cluster:</i>					
TRIO - Student Support Services	84.042			-	1,510,621
TRIO - Talent Search	84.044			-	805,235
TRIO - Upward Bound	84.047			-	1,601,031
TRIO - Educational Opportunity Centers	84.066			-	205,271
TRIO - McNair Post-Baccalaureate Achievement	84.217			-	496,140
Total TRIO Cluster				-	4,618,298
<i>Student Financial Assistance</i>					
Federal Supplemental Educational Opportunity Grants	84.007			-	2,524,909
Federal Work-Study Program	84.033			-	4,021,413
Federal Perkins Loan Program - Federal Capital Contributions	84.038			-	58,628,182
Federal Pell Grant Program	84.063			-	80,748,201
Federal Direct Student Loans	84.268			-	478,535,876
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			-	841,240
Iraq and Afghanistan Service Grant Program	84.408			-	4,064
Postsecondary Education Scholarships for Veteran's Dependents	84.408			-	10,839
Total Student Financial Assistance				-	625,314,724
<i>Special Education Cluster (IDEA)</i>					
Special Education-Grants to States (IDEA, Part B)	84.027			99,054,782	108,449,102
Special Education-Preschool Grants (IDEA Preschool)	84.173			3,298,245	4,720,155
Total Special Education Cluster (IDEA)				102,353,027	113,169,257
<i>Research and Development Programs Cluster</i>					
Child Care Access Means Parents in School	84.335			-	95,043
Total Research and Development Programs Cluster				-	95,043
<i>Not Clustered</i>					
Adult Education - Basic Grants to States	84.002			3,310,257	3,813,640
Civil Rights Training and Advisory Services (also known as Equity Assistance Centers)	84.004			-	168,543
Title I Grants to Local Educational Agencies	84.010			106,839,844	108,094,243
Migrant Education - State Grant Program	84.011			9,907,136	10,213,747
Title I State Agency Program for Neglected and Delinquent Children	84.013			-	442,566
Career and Technical Education - Basic Grants to States	84.048			9,107,620	10,584,661
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126			1,630,648	18,352,374
Rehabilitation Long-Term Training	84.129			-	210,374
Migrant Education - High School Equivalency Program	84.141			37,867	63,699
Migrant Education - Coordination Program	84.144			-	68,902
Migrant Education - College Assistance Migrant Program	84.149			127,840	434,516

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Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Rehabilitation Services- Independent Living Services for Older Individuals Who are Blind	84.177			306,307	306,307
Special Education-Grants for Infants & Families	84.181			2,916,265	3,884,319
School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	84.184			-	2,627
Education for Homeless Children and Youth	84.196			427,491	499,228
Graduate Assistance in Areas of National Need	84.200			-	38,588
Twenty-First Century Community Learning Centers	84.287			8,409,687	8,925,634
Special Education-State Personnel Development	84.323			804,280	1,260,027
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326			-	138,392
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330			-	160,252
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334			-	3,704,857
Rural Education	84.358			757,078	796,903
English Language Acquisition State Grants	84.365			3,767,966	4,121,087
Mathematics and Science Partnerships	84.366			521,064	861,735
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367			16,777,541	17,745,591
Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)	84.368			-	1,375,920
Grants for State Assessments and Related Activities	84.369			-	5,722,083
Statewide Longitudinal Data Systems	84.372			-	79,839
School Improvement Grants	84.377			3,834,118	4,057,790
College Access Challenge Grant Program	84.378			7,593	129,292
Statewide Data Systems - ARRA	84.384			-	28,539
Education Technology State Grants - ARRA	84.386			-	9,559
National Assessment of Educational Progress	84.902			-	98,816
Total Not Clustered				169,490,602	206,394,650
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
RII Track 1: Center for Root & Rhizobiome Innovation (CRR1) - Evaluation	84.000	University of Nebraska at Lincoln	AGREEMENT	-	40,913
Project Prepare, Advocate, Collaborate, & Empower (PACE) - Evaluation	84.000	Butler University Queensborough Community	MOA	-	21,735
Minority Science and Engineering Improvement	84.120	College	46393-1	-	18,652
Total Research and Development Programs Cluster				-	81,300

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**STATE OF KANSAS
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YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Not Clustered</i>					
James Madison Legacy Project (JMLP) of the We The People Program (WTP)	84.000	Center for Civic Education	AGREEMENT	-	158,333
Transition to Teaching	84.350	Ohio State University	U350C110001	-	28,458
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	Center for Civic Education	Agreement Program Year 2016-20	-	41,744
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	National Writing Project	15-KS01-SEED2017	-	9,686
Total Not Clustered				-	238,221
Total U. S. Department of Education				271,843,629	949,911,493
Vietnam Education Foundation					
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
		Vietnam Education Foundation			
Fellowship Program	85.802		VEF FELLOWSHIP	-	1,350
Total Research and Development Programs Cluster				-	1,350
Total Vietnam Education Foundation				-	1,350
National Archives and Records Administration					
Direct Award					
<i>Not Clustered</i>					
National Historical Publications and Records Grants	89.003			-	38,678
Total Not Clustered				-	38,678
Indirect Award					
<i>Not Clustered</i>					
		Kansas State Historical Society Inc.			
National Historical Publications & Records Grants	89.003		NAR11-RC-10110-13	-	17,676
Total Not Clustered				-	17,676
Total National Archives and Records Administration				-	56,354
U.S. Election Assistance Commission					
Direct Award					
<i>Not Clustered</i>					
Help America Vote Act Requirements Payments	90.401			-	6,390
Total Not Clustered				-	6,390
Total U.S. Election Assistance Commission				-	6,390
U. S. Department of Health and Human Services					
Direct Award					
<i>TANF Cluster:</i>					
Temporary Assistance for Needy Families (TANF) State Programs	93.558			58,055,361	93,200,962
Total TANF Cluster				58,055,361	93,200,962
<i>Student Financial Assistance:</i>					
Nurse Faculty Loan Program (NFLP)	93.264			-	105,205
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342			-	4,891,529
Nursing Student Loans	93.364			-	439,839
Total Student Financial Assistance				-	5,436,573

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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Research and Development Programs Cluster:</i>					
Aircraft Cabin Microbial Research	93.000			-	33,756
CDC IPA	93.000			-	31,765
Induced Contaminant Transport from Aisle Movement in a Commercial Airliner	93.000			-	356,961
The Effect of Off-Design Flow Conditions in Aircraft Cabins	93.000			-	25,000
Sexual Risk Avoidance Education	93.060			-	240,456
Food and Drug Administration - Research	93.103			25,845	201,765
Research Related to Deafness & Communication Disorders	93.173			-	372,778
Mental Health Research Grants	93.242			-	234,206
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243			-	89,578
Drug Abuse & Addiction Research Programs	93.279			-	22,880
Research Infrastructure Programs	93.351			-	83,174
Cancer Treatment Research	93.395			34,620	49,986
Cancer Biology Research	93.396			-	168,765
Cardiovascular Diseases Research	93.837			-	136,155
Arthritis, Musculoskeletal and Skin Diseases Research	93.846			-	259,319
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			204,895	467,440
Allergy, Immunology & Transplantation Research	93.855			503,355	3,385,360
Biomedical Research and Research Training	93.859			24,948	1,954,518
Child Health & Human Development Extramural Research	93.865			-	281,645
Aging Research	93.866			-	113,084
Antimicrobial Resistance Surveillance in Retail Food Specimens	93.876			-	105,316
Total Research and Development Programs Cluster				793,663	8,613,907
<i>Not Clustered</i>					
Compilation of a Food Safety Preventive Controls Animal Food Training Curriculum	93.000			12,759	55,596
Special Programs for the Aging-Title VII, Chapter 2- Long Term Care Ombudsman Services for Older Individuals	93.042			-	122,890
Special Programs for the Aging-Title III, Part D- Disease Prevention and Health Promotion Services	93.043			161,521	161,521
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048			-	242,235
National Family Caregiver Support, Title III, Part E	93.052			1,372,326	1,372,326
Public Health Emergency Preparedness	93.069			3,303,497	6,333,496
Environmental Public Health and Emergency Response	93.070			-	633,704
Medicare Enrollment Assistance Program	93.071			128,000	930,765
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073			-	49,934

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074			264,300	470,510
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079			-	57,496
Affordable Care Act - Personal Responsibility Education Program	93.092			269,513	287,345
Affordable Care Act - Health Profession Opportunity Grants	93.093			2,376,371	2,555,197
Food and Drug Administration - Research	93.103			-	1,547,703
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104			631,460	983,601
Maternal & Child Health Federal Consolidated Programs	93.110			55,069	795,940
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116			69,746	348,448
Emergency Medical Services for Children	93.127			-	109,416
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130			-	236,504
Injury Prevention and Control Research and State and Community Based Programs	93.136			108,689	1,142,967
Projects for Assistance in Transition from Homelessness	93.150			405,017	405,207
Grants to States for Loan Repayment Program	93.165			203,856	203,856
Family Planning - Services	93.217			2,329,332	2,578,925
Affordable Care Act - Abstinence Education Program	93.235			231,835	514,107
State Rural Hospital Flexibility Program	93.241			-	191,867
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243			2,444,915	3,093,440
Universal Newborn Hearing Screening	93.251			64,417	276,250
Immunization Cooperative Agreements	93.268			39,988	1,750,774
Adult Viral Hepatitis Prevention and Control	93.270			-	37,863
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283			57,500	501,113
Small Rural Hospital Improvement Grant Program	93.301			-	816,147
National State Based Tobacco Control Programs	93.305			64,321	937,869
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			59,116	1,022,041
Behavioral Risk Factor Surveillance System	93.336			-	362,422
Advanced Education Nursing Traineeships	93.358			-	698,778
ACL Independent Living Grants	93.369			858,176	869,197
National Center for Research Resources	93.389			-	235
ACA Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers	93.506			-	61,907

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease and Emerging Infectious Program Cooperative Agreements	93.521			-	1,050,551
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539			645,238	1,993,831
Promoting Safe and Stable Families	93.556			1,612,319	2,067,478
Child Support Enforcement	93.563			-	25,409,075
Refugee and Entrant Assistance - State Administered Programs	93.566			499,606	822,401
Low-Income Home Energy Assistance	93.568			4,296,495	33,915,894
Community Services Block Grant	93.569			5,521,819	5,790,060
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584			64,634	64,634
State Court Improvement Program	93.586			-	379,056
Community-Based Child Abuse Prevention Grants	93.590			667,563	770,090
Grants to States for Access and Visitation Programs	93.597			93,744	98,037
Chafee Education and Training Vouchers Program (ETV)	93.599			-	608,585
Head Start	93.600			-	102,049
Developmental Disabilities Basic Support and Advocacy Grants	93.630			36,270	405,211
Children's Justice Grants to States	93.643			-	194,377
Child Welfare Services - State Grants	93.645			1,831,023	2,649,953
Foster Care-Title IV-E	93.658			19,484,336	23,208,196
Adoption Assistance	93.659			104,710	17,653,483
Social Services Block Grant	93.667			19,421,166	24,521,905
Child Abuse and Neglect State Grants	93.669			24,000	553,620
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671			1,109,021	1,161,362
Chafee Foster Care Independence Program	93.674			596,933	2,015,030
Mental and Behavioral Health Education & Training Grants	93.732			-	727,312
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)	93.733			-	869,780
State Public Health Approaches for Ensuring Quiltline Capacity - Funded in Part by Prevention and Public Health Funds	93.735			-	128,240
PPHF-Cooperative Agreements for Prescription Drug Monitoring Program Electronic Health Record (EHR) Integration and Interoperability Expansion	93.748			-	6,000

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations Financed in Part by Prevention and Public Health Funds	93.752			16,900	3,712,973
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 (PPHF)	93.757			2,775,125	3,849,659
Preventive Health and Human Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758			388,690	754,151
Children's Health Insurance Program	93.767			91,444	107,389,139
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations & Evaluations	93.779			213,964	505,215
Money Follows the Person Rebalancing Demonstration	93.791			25,427	6,561,334
State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796			-	3,651,068
Increasing the Implementation of Evidence-Based Cancer Survivorship Interventions to Increase Quality and Duration of Life Among Cancer Patients	93.808			-	172,950
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815			-	149,693
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817			122,890	158,157
National Bioterrorism Hospital Preparedness Program	93.889			442,439	825,223
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912			-	516,572
Grants to States for Operation of State Offices of Rural Health	93.913			1,000	152,800
HIV Care Formula Grants	93.917			7,587	8,950,311
Healthy Start Initiative	93.926			580,073	760,767
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938			-	17,695
HIV Prevention Activities - Health Department Based	93.940			326,142	636,799
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			-	236,069
Assistance Programs for Chronic Disease Prevention and Control	93.945			204,820	1,649,358

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946			-	168,863
Block Grants for Community Mental Health Services	93.958			2,807,274	3,446,100
Block Grants for Prevention and Treatment of Substance Abuse	93.959			9,671,161	12,445,423
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977			334,174	729,605
Preventive Health & Health Services Block Grant	93.991			369,433	701,892
Maternal & Child Health Services Block Grant to the States	93.994			2,459,884	4,730,160
Total Not Clustered				<u>92,359,028</u>	<u>342,797,778</u>
<i>Medicaid Cluster:</i>					
State Medicaid Fraud Control Units	93.775			-	1,093,583
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777			-	5,092,892
Medical Assistance Program	93.778			2,896,202	1,994,291,838
Total Medicaid Cluster				<u>2,896,202</u>	<u>2,000,478,313</u>
<i>Maternal, Infant, and Early Childhood Home Visiting Cluster</i>					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505			3,430,650	4,342,331
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870			297,627	347,880
Total Direct Maternal, Infant and Early Childhood Home Visiting Cluster				<u>3,728,277</u>	<u>4,690,211</u>
Indirect Award					
<i>Maternal, Infant, and Early Childhood Home Visiting</i>					
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	IA Department of Public Health	STE0076041	-	241,574
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	IA Department of Public Health	STE0077056	-	114,271
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	IA Department of Public Health	STE0076345	-	26,767
Total Maternal, Infant and Early Childhood Home Visiting Cluster				<u>-</u>	<u>5,072,823</u>
Direct Award					
<i>Health Center Program Cluster</i>					
Health Center Program (Community Health Centers, Migrant Health Centers Health Care for the Homeless & Public Housing Primary Care)	93.224			128,500	1,826,090
Total Health Center Program Cluster				<u>128,500</u>	<u>1,826,090</u>
<i>CCDF Cluster:</i>					
Child Care and Development Block Grant	93.575			5,758,104	26,663,873
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596			-	18,073,834
Total CCDF Cluster				<u>5,758,104</u>	<u>44,737,707</u>

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Aging Cluster:</i>					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044			3,218,597	3,309,986
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045			5,132,229	5,762,715
Nutrition Services Incentive Program	93.053			2,036,976	2,036,976
Total Aging Cluster				10,387,802	11,109,677
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Synthesis and Quantification of TP70 and CPS in Plasma and Tissues	93.000	AFASCI Research Laboratory	AWARD	-	8,856
Syndromic Surveillance of Swine Influenza Viruses in the United States	93.000	St. Jude Children's Research Hospital	AWARD	-	28,097
Protection of Pigs from Influenza Virus Challenge by Stalk-Reactive Antibodies: A Proof of Concept	93.000	St. Jude Children's Research Hospital	111983010-7622588	-	66,480
Syndromic Surveillance of Swine Influenza Viruses in the United States	93.000	St. Jude Children's Research Hospital	111978030-7698285	-	127,006
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Texas State University San Marcos	16007-82461-2	-	28,467
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Texas State University San Marcos	17013-82654-1	-	67,514
Enhance the Safety of Children Affected by Substance Abuse	93.087	IA Judicial Branch	STE0076974	-	33,306
Enhance the Safety of Children Affected by Substance Abuse	93.087	IA Judicial Branch	STE0075582	-	31,243
Trans-NIH Research Support	93.310	Xavier University	OSP-15-21173-01A / P0056324	-	88,050
Protecting and Improving Health Globally: Building and Strengthening Public Health Impact Systems, Capacity and Security	93.318	Washington State University	126493-G003500	70,051	92,051
Research Infrastructure Programs	93.351	Iowa State University of Science and Technology	430-40-11A	-	30,441
Cancer Biology Research	93.396	Cleveland Clinic Foundation	711-SUB	-	112,736
Cancer Biology Research	93.396	Cleveland Clinic Foundation	SUB #609-SUB	-	5,507
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	University of Illinois	2015-07697-01	-	4,248
Lung Diseases Research	93.838	University of Minnesota	D004708901	-	35,466
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	University of Missouri	0056347/00042975	-	36,469
Allergy Immunology & Transplantation Research	93.855	University of Alabama	000508848-002	-	63,984
Allergy Immunology & Transplantation Research	93.855	University of Kansas Center for Research, Inc.	FY2016-006	-	130,742
Allergy Immunology & Transplantation Research	93.855	University of Alabama	000511529-001	-	98,518
Allergy Immunology & Transplantation Research	93.855	Emory University	T723181	-	10,904
Allergy Immunology & Transplantation Research	93.855	University of California	8677sc	-	103,824
Biomedical Research and Research Training	93.859	University of Kansas Medical Center	PO# 1000865746	-	110,069

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894198	-	9,232
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865738	-	30,973
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865743	-	105,462
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865748	-	33,000
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865749	-	78,766
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865750	-	15,000
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO #1000894203	-	8,939
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000849212	-	11,000
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000865747	-	21,000
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894197	-	11,839
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894199	-	3,881
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894205	-	13,777
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894209	-	1,623
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO#1000894210	-	13,297
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	QW864620	-	7,790
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865543	-	1,873

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**STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO# 1000865542	-	1,875
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865739	-	35,191
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO# 1000873396/1000866445	-	60,257
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	QW864610-20	-	134,444
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	ZAS00080	-	8,539
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO# 10000865741	-	18,750
Biomedical Research and Research Training	93.859	Natl Institutes of Health	FY2017-002	-	51,935
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	PO # 1000865745	-	221,241
Biomedical Research and Research Training	93.859	Cleveland Clinic Foundation	683-SUB	-	914
Biomedical Research and Research Training	93.859	University of Kansas Medical Center Research Institute, Inc.	1000894202	-	8,316
Biomedical Research and Research Training	93.859	Natl Institutes of Health	PO1000865703	-	51,867
Biomedical Research and Research Training	93.859	Natl Institutes of Health	PO1000865704	-	14,487
Biomedical Research and Research Training	93.859	Natl Institutes of Health	PO1000865705	-	17,760
Biomedical Research and Research Training	93.859	Natl Institutes of Health	PO1000894091	-	69,331
Biomedical Research and Research Training	93.859	Natl Institutes of Health	PO100894091	-	3,366
Biomedical Research and Research Training	93.859	North Carolina State University	2015-1269-01	-	248,588
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	5 P20 GM103418-16	-	113,841
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	AWARD	-	27,839
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2016-038	-	1,340
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2016-131	-	210,001
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-003	-	42,000
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-004	-	37,719
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-006	-	7,489
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-007	-	57,023

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STATE OF KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-008	-	122,990
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2016-036	-	15,069
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-009	-	15,966
Biomedical Research and Research Training	93.859	University of Kansas Center for Research	FY2017-067	-	43,187
Aging Research	93.866	AFASCI Research Laboratory	AGREEMENT	-	27,290
Aging Research	93.866	AFASCI Research Laboratory	SUBCONTRACT	-	14,292
Vision Research	93.867	Georgia Institute of Technology	#RG186-G1	-	91,715
Total Research and Development Programs Cluster				70,051	3,456,052
<i>Not Clustered</i>					
Food Fortification Initiative	93.000	McKing Consulting Corporation	KSU-PO01-4566	-	3,450
Kansas State University-Missouri Radon Training	93.000	Missouri Department of Health and Senior Services	DH170013001	-	7,404
Wichita Coalition for Child Abuse Prevention Facilitation	93.000	Kansas Children's Service League	WSU#11833	-	3,900
Food and Drug Administration - Research	93.103	Association of Food and Drug Officials (AFDO)	G-MP-1612-04545	-	19,671
Food and Drug Administration - Research	93.103	Iowa State University of Science and Technology	430-30-01A	-	8,000
Food and Drug Administration - Research	93.103	Association of Food and Drug Officials (AFDO)	G-T-1612-00281	-	11,971
Food and Drug Administration - Research	93.103	Association of Food and Drug Officials (AFDO)	G-T-1611-03938	-	1,062
Maternal and Child Health Federal Consolidated Programs	93.110	Association of Public Health Laboratories	563-600-160-16-10	-	32,659
Maternal and Child Health Federal Consolidated Programs	93.110	University of Colorado - Denver	UG8MC28554	-	11,332
Research Related to Deafness and Communication Disorders	93.173	Baylor College of Medicine	PO# 7000000087	-	18,571
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	IA Department of Human Services	STE0075167	-	10,972
Drug-Free Communities Support Program Grants	93.276	Central Kansas Foundation	5SP014785-10	-	707
Drug-Free Communities Support Program Grants	93.276	Central Kansas Foundation	120275	-	259
Public Health Training Centers Program	93.516	University of Iowa	W000864420	-	98,333
Promoting Safe and Stable Families	93.556	ME Dept. of Health and Human Services	STE0074859	-	1,373
Promoting Safe and Stable Families	93.556	M.E. Department of Health and Human Services	STE0076671	-	50,399
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth	93.557	Wichita Childrens Home	90Y02229-01	-	2,500
Family Support Payments to States - Assistance Payments	93.560	Catholic Charities	WSU#4875	-	2,865
Basic Center Grant	93.623	Wichita Childrens Home	90CY6734-01	-	2,500

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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Healthy Start Initiative	93.926	Health Resources & Services Admin	14-8130-0436-CA / 15-8130-0436CA	-	6,468
Healthy Start Initiative	93.926	Health Resources & Services Admin	H49MC11254/HRSA 14-020	-	1,344
Total Not Clustered				-	295,740
Non-Monetary Award					
<i>Not Clustered</i>					
Immunization Cooperative Agreements	93.268			-	27,222,764
Total Not Clustered				-	27,222,764
Total U. S. Department of Health and Human Services				174,176,988	2,544,248,386
Corporation for National and Community Service					
Direct Award					
<i>Not Clustered</i>					
State Commissions	94.003			11,250	262,571
AmeriCorps	94.006			745,209	1,228,040
Training and Technical Assistance	94.009			-	68,061
Volunteers in Service to America	94.013			-	34,763
Volunteer Generation Fund	94.021			89,177	123,168
Total Not Clustered				845,636	1,716,603
<i>Foster Grandparent/Senior Companion Cluster:</i>					
Foster Grandparent Program	94.011			-	477,527
Senior Companion Program	94.016			-	459,254
Total Foster Grandparent/Senior Companion Cluster				-	936,781
Total Corporation for National and Community Service				845,636	2,653,384
Executive Office of the President					
Direct Award					
<i>Not Clustered</i>					
High Intensity Drug Trafficking Areas Program	95.001			1,241,587	3,039,160
Total Not Clustered				1,241,587	3,039,160
Total Executive Office of the President				1,241,587	3,039,160
Social Security Administration					
Direct Award					
<i>Disability Insurance/SSI Cluster:</i>					
Social Security - Disability Insurance	96.001			-	12,238,812
Total Disability Insurance/SSI Cluster				-	12,238,812
Total Social Security Administration				-	12,238,812
U. S. Department of Homeland Security					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
DOI Transboundary Animal Disease Workforce Development: Fellowship Training Program	97.000			-	185,609
IPA to DHS Science and Technology Directorate Modeling Security/Safety Interactions in Buildings for Compositional Security/Safety Control	97.000			-	154,160
Development of a Novel Subunit Vaccine for Heartwater: A Proof-Of-Principle Study	97.000			220,210	267,682
Port Security Research & Development Grant	97.060			-	75,385
Centers for Homeland Security	97.061			-	799
Total Research and Development Programs Cluster				560,452	1,956,639
				780,662	2,640,274

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, 2017

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Not Clustered</i>					
Boating Safety Financial Assistance	97.012			-	952,520
Hazardous Materials Assistance Program	97.021			-	148,551
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			6,450,554	7,220,661
Hazard Mitigation Grant	97.039			1,403,953	1,526,919
National Dam Safety Program	97.041			-	523,070
Emergency Management Performance Grants	97.042			1,634,967	4,600,642
Cooperating Technical Partners	97.045			-	1,254,352
Fire Management Assistance Grant	97.046			805,957	1,773,508
Pre-Disaster Mitigation	97.047			98,271	98,271
Homeland Security Grant Program	97.067			2,200,311	2,798,991
State Homeland Security Program (SHSP)	97.073			-	393,889
Total Not Clustered				12,594,013	21,291,374
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
Evaluation of State Plans and The Livestock Emergency Response Plan (LERP)	97.000	Texas A&M Agrilife Research	SUBCONTRACT #06- S160629	4,000	34,054
Develop and Verify Performance of Novel Screening, Surveillance and Diagnostic Tools	97.000	MRI Global	680-110942-1	-	13,429
Evaluation of a Plant-Made CSFV Vaccine During a Challenge Study in Swine	97.000	iBio CMO LLC	IIAD_KSU-001	-	63,934
Assessing the Epidemiological and Economic Impacts of Countermeasures and Vaccination Strategies in Disease Outbreaks at the National Scale	97.000	Colorado State University	G-13003-1 1048-KSU-CLIN	-	183,578
Cyber Physical System Security (CPSSEC)	97.000	Adventium Enterprises LLC	0020	-	79,013
Cyber Physical System Security (CPSSEC)	97.000	Adventium Enterprises LLC	1048-KSU	-	103,904
Pen-Side Multiplex Detection of Foot-And-Mouth Disease Virus and Bovine Papular Stomatitis Virus by a Portable Microfluidics Pcr System for Rapid Clinical Disease Differentiation	97.000	Texas A&M Research Foundation	06-S160639	-	5,901
Centers for Homeland Security	97.061	Texas Agrilife Research	06-S140668	-	58,169
Scholars and Fellows & Educational Programs	97.062	Tuskegee University	30-22430-074-76190	-	29,119
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077	Texas Tech University	212052-01	-	13,577
Total Research and Development Programs Cluster				4,000	584,678
Total U. S. Department of Homeland Security				13,378,675	24,516,326
U. S. Agency for International Development					
Direct Award					
<i>Research and Development Programs Cluster:</i>					
USAID Foreign Assistance for Programs Overseas	98.001			574,902	1,231,120
Total Research and Development Programs Cluster				574,902	1,231,120

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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
<i>Not Clustered</i>					
Peace Corps Recruiter	98.000			-	20,404
USAID Foreign Assistance for Programs Overseas	98.001			6,985,054	10,170,078
Total Not Clustered				<u>6,985,054</u>	<u>10,190,482</u>
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
BHEARD Program: Bangladesh	98.000	Michigan State University	TASK ORDER RC 102095BHEARD- BANG	-	52,555
Strengthening the Capacity of the Department of Agribusiness and Natural Resource Economics (DANRE) in the College of Agricultural and Environmental Sciences (CAES), Makerere University	98.000	Michigan State University	TASK ORDER RC 102095BHEARD- DANR	-	107,698
BHEARD - Ghana Phd	98.000	Michigan State University	RC102095BHEARD- G3007	-	65,560
BHEARD Program: Bangladesh	98.000	Michigan State University	RC102095- B2003/RC102095	-	58,309
BHEARD Program: Uganda	98.000	Michigan State University	AWARD	-	37,088
Pulse Value Chain Initiative-Zambia (PCVI-Z)	98.000	Michigan State University	61-2953/RC100022	121,275	588,594
Targeted Engineering of Brassica Juncea Seed Biochemistry to Produce Reduced-Viscosity Plant Oils for Direct Use as Biofuel	98.000	National Academy of Sciences	PGA-2000003650	-	33,694
BHEARD Program: Ghana	98.000	Michigan State University	RC 102095-G2002 / R102542 / R10336	-	69,796
USAID Foreign Assistance for Programs Overseas	98.001	University of Florida	UFDSP00011423	-	73,546
USAID Foreign Assistance for Programs Overseas	98.001	Washington State University	119457-G003312	-	125,882
USAID Foreign Assistance for Programs Overseas	98.001	University of Florida	UFDSP00011416	-	52,349
USAID Foreign Assistance for Programs Overseas	98.001	University of California Davis	09-002945-204	-	87,297
USAID Foreign Assistance for Programs Overseas	98.001	North Carolina Agricultural & Technical State University	280782D	-	1,311
USAID Foreign Assistance for Programs Overseas	98.001	Michigan State University	RC102095BHEARD- LIBERIA	-	26,091
Total Research and Development Programs Cluster				<u>121,275</u>	<u>1,379,770</u>
<i>Not Clustered</i>					
USAID Foreign Assistance for Programs Overseas	98.001	University of Illinois	2015-06391-03	-	50,072
Total Not Clustered				<u>-</u>	<u>50,072</u>
Total U. S. Agency for International Development				<u>7,681,231</u>	<u>12,851,444</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, 2017**

Federal Grantor/Program	CFDA Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Funds Passed to Subrecipients	Expenditures
Other Federal Grants					
Direct Award					
<i>Not Clustered</i>					
Data Collection Grant Fees	99.006			-	142,946
Corporation for Public Broadcasting - Radio Community Service Grant	99.999			-	672,024
Total Not Clustered				-	814,970
Indirect Award					
<i>Research and Development Programs Cluster:</i>					
		Air Force Research Laboratory			
Modification of Fibers	99.999		140475	-	2,421
Total Research and Development Programs Cluster				-	2,421
<i>Not Clustered</i>					
		Universal Service Administrative Company			
USAC E-RATE program	99.014		226927	-	204,878
		KS Dept for Aging & Disability Services			
Kancare Ombudsman Volunteer Program	99.999		41427	-	34,392
		Corporation for Public Broadcasting			
Community Service Grant (CSG) FY 2016	99.999		168872 & 166356	-	160,347
		KS Dept for Aging & Disability Services			
Medicaid Agreement: HCBS Waiver Administrative Support	99.999		170068	-	281,992
		KS Dept for Aging & Disability Services			
HCBS Technical Assistance Training and Evaluation Services	99.999		41030	-	5,555
		KS Dept for Aging & Disability Services			
Behavioral Health	99.999		41137	-	183,038
Total Not Clustered				-	870,202
Total Other Federal Grants				-	1,687,593
Total Federal Award Expenditures				\$ 814,854,523	\$ 5,151,553,505

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, 2017

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, 2017. 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 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, 2017

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, 2017, the balance of loans outstanding was \$58,628,182.

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. Per the Uniform Guidance, loan proceeds that were received and expended in prior years are not considered federal awards expended (and thus not shown on the schedule of expenditures of federal awards) as those loans do not include continuing compliance requirements other than the repayment of the loans. The State is required to identify in the notes to the schedule of expenditures of federal awards the balances outstanding at the end of the audit period. The State had the following loan balances outstanding at June 30, 2017:

	<u>CFDA</u> <u>Number</u>	<u>Amounts</u> <u>Outstanding</u>
Water Pollution Control Revolving Fund	66.458	\$ 362,842,523
Public Water Supply Loan Fund	66.468	173,008,466

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. For the year ended June 30, 2017, federal and state UI funds in the amount of \$203,545,301 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, 2017**

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____	X	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
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**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

CFDA Number(s)	Identification of Major Programs Name of Federal Program or Cluster
93.268	Immunization Cooperative Agreements
84.010	Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)
10.558	Child and Adult Care Food Program (CACFP)
12.401	National Guard Military Operations and Maintenance (O&M) Projects
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
20.205, 20.219	Highway Planning and Construction Cluster
93.775, 93.777, 93.778	Medicaid Cluster
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
93.667	Social Services Block Grant
93.658	Foster Care Title IV-E
93.563	Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs: \$15,454,661

Auditee qualified as low-risk auditee? _____ Yes X No

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

II. Financial Statement Findings

2017 – 001 – Capital Lease and Capital Asset Monitoring

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

Condition: Capital lease agreements entered into by the State of Kansas are collected by the Department of Administration's Financial Integrity Team to determine what should be included and reported in the fiscal year Comprehensive Annual Financial Report (CAFR). The State records a long-term liability and capital assets when the State determines whether a capital lease should be included within the CAFR. During fiscal year 2017, the Department of Administration performed a review of capital lease agreements entered into during prior years. Through this review, it was determined the capital asset value related to multiple capital leases entered into by the State were not properly valued based on the present value at the beginning of the lease term of minimum lease payments during the lease term. This resulted in an understatement of the acquisition cost of capital assets and the related accumulated depreciation for assets recorded under capital leases.

Criteria or specific requirement: Under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, a lessee should record a capital lease as an asset and an obligation at an amount equal to the present value at the beginning of the lease term of the minimum lease payments during the lease term. GASB Statement No. 62 requires the transaction to be treated as if the government (the State) purchased the asset and is financing it over the term of lease. Leased assets (other than land or other non-depreciable assets) should be depreciated in a manner consistent with the lessee's normal depreciation policies.

Context: As of June 30, 2016, the State had recorded capital assets and accumulated depreciation in the amounts of \$37.9 million and \$4.2 million respectively, related to a specific capital lease. Through the Department of Administration's review of the capital lease, it was determined the present value at the beginning of the lease term of the minimum lease payments during the lease term was \$51.9 million. In addition, it was determined the accumulated depreciation as of June 30, 2016 was \$20.3 million. As a result, the acquisition cost and accumulated depreciation were understated by \$14 million and \$16.1 million, respectively.

As part of the Department of Administration's review over capital leases, it was also determined capital assets and accumulated depreciation were not recorded under a separate capital lease entered into by the State. The result was an understatement of capital assets and accumulated depreciation of \$10.9 million and \$4.8 million, respectively.

Effect: Capital assets and accumulated depreciation reported with Governmental Activities for the State of Kansas were understated.

Cause: In the first instance, the capital assets were inaccurately recorded and did not follow the methodology under GASB Statement No. 62 as the present value at the beginning of the lease term of the minimum lease payments did not agree to the capital assets recorded within the SMART system. In the second instance, the capital assets related to the capital lease agreement entered into were not recorded.

Recommendation: We recommend the State continue to review and improve the process and procedures used to account for capital leases entered into by the State. We also recommend when new capital leases are entered into, that the Department of Administration review the recording of the related capital asset to ensure the capital assets recorded equal the present value at the beginning of the lease term of minimum lease payments during the lease term.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: Capital assets: A form will be added to the policy manual for all State of Kansas agencies to complete regarding any capital asset activity (acquire, sell, or retire). This form will be added to agencies quarterly reporting process (to the Financial Integrity Team) currently in place for monies held outside of the state treasury. The first submission will include July 1, 2017 to December 31, 2017 capital asset activity, which is due in January 2018.

Capital leases: The Financial Integrity Team will begin receiving a copy of all leases and lease amendments when the lease is signed, rather than at year end, to ensure leases are properly recorded. A thorough review of assets entered into SMART (State of Kansas financial system) general ledger will be performed by the Financial Integrity Team to validate the capital asset activity recorded in regard to the lease agreement.

In addition to the above, a three prong approach will be used annually for capital leases and capital assets. This will entail reconciling assets recorded in SMART to assets recorded in the Asset Management Module to assets recorded in the CAFR.

2017 – 002 – Deposits and Investments Reconciliation and Review

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

Condition: The Department of Administration is responsible for the preparation and fair presentation of the State of Kansas' financial statements in accordance with accounting principles generally accepted in the United States of America: this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. During the deposits and investments reconciliation and review process, it was determined that the State overstated the cash and cash equivalent balance by \$37.8 million.

Criteria or specific requirement: Deposit and investment resources often represent significant assets of governmental, enterprise, and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. The cash and investment footnote disclosure is made available to inform financial statement users about deposits and investment risk that could affect a government's ability to provide services and meet its obligations as they become due.

Context: Cash balances of funds in the State Treasury are pooled and are held in a general checking account and other special purpose bank accounts. During preparation of the Comprehensive Annual Financial Report, the Department of Administration performs a reconciliation process and a means to accumulate all cash and investment balances for financial reporting. This reconciliation process includes cash and investments for governmental activities, business-type activities, fiduciary funds as well as all discretely presented component units. Through review of this reconciliation process, it was identified that \$37.8 million was inadvertently duplicated within the 2017 Comprehensive Annual Financial Report (CAFR) and notes to the financial statements.

Effect: Cash and cash equivalents reported within the fiduciary funds of the State of Kansas were overstated by \$37.8 million.

Cause: The overstatement of cash and cash equivalents was not detected through the CAFR preparation and review process.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Recommendation: We recommend the State implement a comprehensive review stage within the CAFR preparation process, specifically dedicated to the review of cash and investments reported within governmental activities, business-type activities, fiduciary funds and the notes to the financial statements.

Views of responsible officials and planned corrective actions:

Actions planned in response to finding: The Financial Integrity Team will prepare a formal schedule documenting cash and cash equivalents reconciling all recorded and reported component amounts with the working trial balance submitted to the auditors. This formal schedule will also provide the reconciliation to the cash and cash equivalents footnote in the State of Kansas CAFR. The Financial Integrity Team will also establish a separate process to ensure all entries made in SMART are properly recorded and reversed the following year (if appropriate).

III. Federal Award Findings and Questioned Costs

2017 – 003

Federal Agency: U.S. Department of Defense

State Department/Agency: Kansas Adjutant General

Federal Program: National Guard Military Operations and Maintenance (O&M) Projects

CFDA Number: 12.401

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Procurement, Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. All non-procurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR Section 180.215. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 180.995 and agency-adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transactions. When entering into a covered transaction, to determine if the entity or person is excluded or disqualified, this can be done by one of the following: (1) checking the Government wide System for Award Management Exclusions (SAM) to determine if an entity is debarred or suspended, (2) collecting a certification from that person, or (3) adding a clause or condition to the covered transaction.

Condition: During the testing of twenty-four procurement transactions, it was noted that no SAM.gov check was completed on six of those transactions. There was also no evidence that a certification or a clause was added to the contract to evidence compliance.

Questioned costs: None.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Context: The State did not have evidence of compliance for suspension and debarment for six selections.

Cause: A lack of tracking of suspension and debarment requirements for all entities could have contributed to this finding.

Effect: This finding indicates that there could be some process improvement in how compliance with suspension and debarment requirements are verified.

Repeat Finding: No.

Recommendation: We recommend the State develop a more robust internal control that monitors the tracking of all suspension and debarment verification to ensure compliance requirements are met.

Views of responsible officials: There is no disagreement with the audit finding.

2017 – 004

Federal Agency: U.S. Department of Defense

State Department/Agency: Kansas Adjutant General

Federal Program: National Guard Military Operations and Maintenance (O&M) Projects

CFDA Number: 12.401

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Period of Performance

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), if unliquidated claims and undisbursed obligations arising from the recipient's performance of the Cooperative Agreement (CA) will remain 90 days after the close of the Federal fiscal year, the recipient shall provide a detailed listing of uncleared obligations and a projected timetable for their liquidation and disbursement no later than 31 December. The United States Property and Fiscal Officer (USPFO) shall then set an appropriate new timetable for the recipient to submit its final accounting (NGR 5-1, Chapter 11).

Condition: Upon review of the general ledger for the program for State fiscal year 2017, it was noted that eighteen Cooperative Agreements from previous years still had expenditures incurred past the 90 day time period without approval by the USPFO.

Questioned costs: \$13,664 out of total program expenditures for fiscal year 2017 of \$23,968,766.

Context: Eighteen CAs from previous years had expenditures in State fiscal year 2017 past the 90 day requirement, out of a total of sixty-six CAs for fiscal year 2017.

Cause: A lack of tracking of CAs and related expenditures by year and period of performance requirements could have contributed to this finding.

Effect: Failure to perform the appropriate procedures related to closing and opening old CAs past the 90 days time requirement.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Repeat Finding: No

Recommendation: We recommend that the State review the process for opening and closing CAs so transactions are recorded in the proper fiscal year and reporting to the USPFO is done in compliance with the requirements.

Views of responsible officials: There is no disagreement with the audit finding.

2017 – 005

Federal Agency: U.S. Department of Housing and Urban Development

State Department/Agency: Kansas Department of Commerce (KDC)

Federal Program: Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii

CFDA Number: 14.228

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Reporting

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: 2 CFR part 200 section 200.303 requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: During testing of the annual Performance and Evaluation Report (PER) and the annual HUD 60002 report, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons*, it was noted that the reports did not have evidence of a review being conducted other than someone preparing the reports.

Questioned costs: None.

Context: Both reports selected for testing were not reviewed by someone separate from the preparer of the reports. It was noted that the reports were properly supported based on the testing.

Cause: Lack of segregation of duties over the preparation and review process could have contributed to this finding.

Effect: The potential for data entry error or incorrect information being submitted is more prevalent when segregation of duties is not in place.

Repeat Finding: No.

Recommendation: We recommend that KDC implement a review process of these reports by someone within the department that does not also prepare the reports in order to have a proper internal control in place over the reporting compliance requirement.

Views of responsible officials: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 006

Federal agency: U.S. Department of Health and Human Services and U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal program title: Social Services Block Grant; Foster Care – Title IV-E; Child Support Enforcement; Rehabilitation Services – Vocational Rehabilitation Grants to States

CFDA Number: 93.667; 93.658; 93.563; 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Allowable Costs / Cost Principles

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 45 Code of Federal Regulations (CFR) 95.509, *Cost allocation plan amendments and certifications*, the State shall promptly amend the cost allocation plan and submit the amendment plan to the Director of the Division of Cost Allocation (DCA) in the appropriate Health and Human Services (HHS) Regional Office if any of the following events occur: (1) The procedures shown in the existing cost allocation plan become outdated because of organizational changes, changes in Federal law or regulations, or significant changes in program levels, affecting the validity of the approved cost allocation procedures; (2) A material defect is discovered in the cost allocation plan by the Director, DCA or the State; (3) The State plan for public assistance programs is amended so as to affect the allocation of costs; (4) Other changes occur which make the allocation basis or procedures in the approval cost allocation plan invalid.

Condition: Upon review of the State's fiscal year 2017 cost allocation plan for KDCF, there was only one plan amendment submitted with an effective date of January 1, 2017 during the State's fiscal year 2017. Based on review of cost the allocation procedures for KDCF, allocations are updated, reviewed, and made by KDCF on a quarterly basis. Per discussion with KDCF personnel and review of the allocation process, there were significant changes to the allocations for each quarter; however, an amended cost allocation plan was not submitted for the other three quarters ending September 30, 2016, March 31, 2017, or June 30, 2017.

Questioned costs: None.

Context: Cost allocation plan amendments were not filed for three quarterly updates even though there were significant changes to the allocations.

Cause: Internal controls over the review of the quarterly allocation updates and ensuring proper reporting of amended cost allocation plans not being in place could have contributed to this finding.

Effect: Cost allocations being used were not properly approved and could lead to disputed or disallowed costs.

Repeat Finding: No.

Recommendation: We recommend that KDCF evaluate each quarterly cost allocation update and file a cost allocation plan amendment with the appropriate HHS Regional Office when there are significant changes to the cost allocation plan.

Views of responsible officials: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 007

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, 2016 through June 30, 2017

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: During testing for the year ended June 30, 2016, 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.

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.

During our follow up procedures to determine the status of prior year findings, this finding was not resolved for the year ended June 30, 2017.

Questioned costs: None.

Context: Prior year finding 2015-010 was not resolved for the year ended June 30, 2016. Prior year finding 2016-017 was still not resolved for the year ended June 30, 2017.

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 2016-017.

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: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 008

Federal agency: U.S. Department of Health and Human Services

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal program title: Child Support Enforcement

CFDA Number: 93.563

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Schedule of Expenditures of Federal Awards

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement: The State should ensure that federal expenditures reported on the SEFA are accurate and properly reported.

Condition: During review of the general ledger detail provided, it was noted that the total expenditures were \$593,564 less than the expenditures reported in the SEFA for the Child Support Enforcement program for fiscal year 2017. Upon review of KDCF's DA-89 report (the Kansas Department of Administration's reporting mechanism for gathering the Statewide SEFA information) that was submitted by KDCF, it was confirmed that the expenditures reported per the DA-89 report matched the general ledger detail. The additional \$593,564 was due to an error in reporting on the DA89 submitted by the Kansas Judicial Branch. Kansas Department of Administration included expenditures reported by the Kansas Judicial Branch, which were already being reported as part of the expenditures of the program. The relationship between KDCF and the Judicial Branch was contractual rather than subrecipient. This amount was corrected per the final SEFA reported for fiscal year 2017 after being discussed with the Kansas Department of Administration.

Questioned costs: None.

Context: The Statewide SEFA was overstated due to double reporting of the expenditures on separate DA-89 reports submitted by different State departments.

Cause: Improper expenditure amounts reported on certain agency DA-89 reports used for the SEFA preparation process at the Kansas Department of Administration contributed to this finding.

Effect: The major program determination could have been significantly impacted due to the data error impacting the Statewide SEFA.

Repeat Finding: No.

Recommendation: We recommend that the Kansas Department of Administration continue to work on enhancing the review controls surrounding the Statewide SEFA compilation process to verify that expenditures are being reported properly.

Views of responsible officials: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 009

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), The State Vocational Rehabilitation (VR) agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless: a. exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time; or b. the State VR agency is exploring an individual's abilities, capabilities, and capacity to perform in work situations through trial work experiences (29 USC 722(a)(6)).

Condition: Through testing of a sample of sixty cases, eligibility determinations were not made within the sixty day requirement or extension period for three of those cases, and there was no evidence that the State VR agency was exploring the individual's abilities, capabilities and capacity to perform work in lieu of determining eligibility.

Questioned costs: None.

Context: The State did not have evidence of compliance with the sixty-day requirement for three selections.

Cause: The likely cause of this finding is due to a lack of internal controls that monitor timeliness of processing applications or having an established and monitored workflow system.

Effect: This finding indicates that there could be some process improvement in how applications are reviewed.

Repeat Finding: No.

Recommendation: We recommend the State develop a more robust internal control that monitors the workflow of application processing to ensure compliance requirements are met.

Views of responsible officials: There is no disagreement with the audit finding as it pertains to the number of days to determine eligibility in the identified cases.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 010

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Procurement, Suspension and Debarment

Type of Finding: Material Weakness in Internal Control over Compliance, Other Matters

Criteria or specific requirement: Per 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), section 200.318 *General Procurement Standards*, the non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Per CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (the Uniform Guidance), Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. All non-procurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR Section 180.215. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 180.995 and agency-adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transactions. When entering into a covered transaction, to determine if the entity or person is excluded or disqualified, this can be done by one of the following: (1) checking the Government wide System for Award Management Exclusions (SAM) to determine if an entity is debarred or suspended, (2) collecting a certification from that person, or (3) adding a clause or condition to the covered transaction.

Condition: In eleven of sixty samples tested, documentation was not provided to support procurement compliance and control requirements and support was either not provided or procedures were not performed timely for suspension and debarment compliance and control requirements. In another six of the same sixty samples tested, documentation was not provided to support procurement, suspension and debarment compliance requirements; however, evidence of the control procedure was provided. In another five of the same sixty samples tested, procurement compliance and control requirements were met; however, suspension and debarment procedures were either not performed in a timely manner or suspension and debarment documentation was not provided.

Questioned costs: None.

Context: The State Agency did not provide support for evidence of compliance and control with procurement, suspension and debarment requirements, or support provided indicated non-compliance.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Cause: The likely cause of this finding is due to a lack of internal controls that monitor compliance with procurement, suspension and debarment requirements.

Effect: This finding indicates that there could be some process improvement in how contracts are reviewed, documented, and compliance requirements are evidenced.

Repeat Finding: No.

Recommendation: We recommend the State develop a more robust internal control that monitors the workflow of contract processing surrounding procurement, suspension and debarment to ensure compliance requirements are met.

Views of responsible officials: There is no disagreement with the audit finding.

2017 – 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, 2016 through June 30, 2017

Compliance Requirement: Eligibility for Individuals

Type of Finding: Significant Deficiency 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: During testing of a sample of sixty Foster Care cases, we noted that three selections had benefits paid that exceeded rates established for encounter data expenditures related to maintenance expenditure payment rates.

Questioned costs: \$39.

Context: Three selections had benefits paid that exceeded the rates established for encounter data expenditures. The total amount in excess of established rates was \$39, which is an error rate of 0.17%.

Cause: KDCF does not review payment rates established for encounter data expenditures for Foster Care maintenance and administrative payments.

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 2016-015.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

Recommendation: KDCF should create a plan to properly establish and review rates paid for encounters and to create a more robust internal review process to maintain compliance with the plan.

Views of responsible officials: Currently, KDCF does not set rates for services, which has been noted in another finding this current year. Consequently, we don't agree that we paid above established rates. We do acknowledge, however, and agree that rates need to be established and have been working to correct this since it was noted in prior audits.

2017 – 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, 2016 through June 30, 2017

Compliance Requirement: Eligibility for Individuals

Type of Finding: Significant Deficiency 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 verifying that benefits paid to or on behalf of individuals are calculated correctly and in compliance with the requirements of the program according to the State's Foster Care maintenance payment rates.

Condition: During testing of a sample of sixty Foster Care cases, we noted that two selections had benefits paid while the client did not meet eligibility for the State's fiscal year 2017.

Questioned costs: \$1,211.

Context: Two selections had benefits paid during a period that the client did not meet eligibility. Total sampled costs were \$22,830 and unsupported costs equaled \$1,211, an error rate of 5.3%. The eligibility was later changed in SCRIPTS and the expenditures were corrected; however, this was after the State's fiscal year 2017.

Cause: Eligibility was not updated in SCRIPTS in a timely basis before payments were paid for provider services.

Effect: When eligibility is not updated timely, benefits could be paid for services that the recipient is not eligible for.

Repeat Finding: No.

Recommendation: KDCF should emphasize timely entry of eligibility and implement review procedures to maintain compliance with the requirement.

Views of responsible officials: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 013

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, 2016 through June 30, 2017

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.

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.

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: Yes, prior year finding 2016-012.

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: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 014

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, 2016 through June 30, 2017

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 2017 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: From a sample of sixty individual Medicaid participants, applications or reviews of twelve participants were not processed within the timeliness standard.

Questioned costs: None.

Context: Twelve of the sixty sampled individual Medicaid recipients were not processed within the timeliness standard, which is an error rate of 20%.

Cause: For an extended period of time the State had a backlog of applications which had 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: Yes, prior year finding 2016-018.

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: There is no disagreement with the audit finding.

**STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

2017 – 015

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, 2016 through June 30, 2017

Compliance Requirement: Eligibility – Eligibility for Individuals

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 2017 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, the application and case record facts to support the agency's decision on the application of one participant was not supported in the individual's case file.

Questioned costs: None.

Context: One of the sixty sampled individual Medicaid recipients was missing an application and facts to support the agency's decision on applicant eligibility, which is an error rate of 1.6%.

Cause: The State has hired a vendor to convert its paper records to a scanned paperless document storage system. The full files of these individuals were unable to be requisitioned during the audit period.

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

Repeat Finding: Yes, prior year finding 2016-019.

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

Views of responsible officials: There is no disagreement with the audit finding.

STATE OF KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

2017 – 016

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

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: In one of five samples tested, we noted that KDCF did not document risk assessments relating to one subrecipient for the State's fiscal year 2017 subaward. 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 the subrecipient during the fiscal year but the initial risk assessment process to determine the extent of the monitoring needed was not documented.

Questioned costs: None.

Context: A formal risk assessment were not documented for this subrecipient relating to fiscal year 2017 to outline the risk 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. This subaward was entered into at a different point of the fiscal year as compared to other subawards so the difference in timing could have contributed to this 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.

Recommendation: We recommend KDCF document subrecipient monitoring procedures for all types of awards 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: There is no disagreement with the audit finding.

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
SARAH SHIPMAN, SECRETARY

FEBRUARY 26, 2018

STATE OF KANSAS SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2017

State of Kansas respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2017.

Audit period: Year ended June 30, 2017

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2016 – 001 – Net Pension Liability Material Prior Period Adjustment

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

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.

Status: Through work performed during fiscal year 2017, prior year material weakness appears to be mitigated.

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

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

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.

Status: Through work performed during fiscal year 2017, prior year material weakness appears to be mitigated.

2016 – 003 – Social Services Fund – Accounts Payable

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

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.

Status: Through work performed during fiscal year 2017, prior year material weakness appears to be mitigated.

2016 – 004 – State University System Financial Statement Preparation Process

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

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.

Status: Through work performed during fiscal year 2017, prior year material weakness appears to be mitigated.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

Condition: During our testing, we noted that KDCCF'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.

Status: See current year finding 2017-013.

Reason for finding's recurrence: 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.

Corrective Action: See above. Implementation estimated by July 1, 2018 for rate structure change; state plan changes by next report submission.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: Resolved, corrective action was taken.

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

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.

Status: See current year finding 2017-011.

Reason for finding's recurrence: KDCF is in the process of planning and conducting audits to calculate rates based on actual costs that will be used to claim services. Audits will be conducted annually to ensure providers and KDCF paid only the established rates for services and to set new rates for the next year. Once rates are established, programming will be added to the system which calculates our foster care claim, applying those rates to the claim calculation, thus eliminating over- or under-claiming of established rates.

Corrective Action: See above, implementation date of June 30, 2019 based on rate establishment.

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

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.

Status: Resolved, corrective action was taken.

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

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.

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.

Status: See current year finding 2017-007.

Reason for finding's recurrence: SFY17 Added Program Response: Phase III of the KEES system was rolled out in late August of 2017. A review of cases that have been processed with the new system should show improvement in the above highlighted areas due to the automation of the processes as mentioned above.

Corrective Action: 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.

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.

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

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 Medicaid 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.

Status: See current year finding 2017-014.

Reason for finding's recurrence: These are the efforts the State of Kansas is making to reduce the backlog for untimely processing applications and reviews without discontinuing the consumers.

The State of Kansas fell behind in processing applications and reviews timely due to the implementation of a new Medicaid system, Kansas Eligibility Enforcement System (KEES), and the Executive Reorganization Order 43 (ERO) transition. A backlog reduction plan was developed to resolve the issue of untimely processing applications and reviews. The plan included hiring additional staff members, streamlining training efforts and identifying policy simplifications in order to expedite application and review completions.

Subsequently, onboarding of non-medical programs into KEES (Phase 3) made KEES unavailable for processing eligibility for three weeks. Only high-priority cases such as Urgent Medical Needs and Accelerated cases were processed off-system over the data conversion period. All staff participated in interactive training to focus on policy and simplifications to reduce the backlog.

Following Phase 3, in September 2017, the backlog reduction plan was updated and expanded to meet an anticipated increase of workload due to open enrollment in the Federally Facilitated Marketplace (FFM) which occurs in November and December. Despite mediation efforts, the State of Kansas experienced a backlog in processing applications and reviews. Because of delays in processing, an executive decision was made to continue Medicaid coverage for members due for annual review regardless of whether they return their review form. The State of Kansas continues to assess for measures to decrease the backlog.

Corrective Action: See above, improvements are projected to be realized by fall 2018.

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

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.

Status: See current year finding 2017-015.

Reason for finding's recurrence: In 2015, the Kansas Eligibility Enforcement System (KEES) was implemented. At the time of implementation, the Kansas Department of Health and Environment (KDHE) was accountable for processing eligibility for family medical program applications, while the Kansas Department of Children and Families (KDCF) was accountable for processing eligibility for elderly and disabled program applications and non-medical program applications such as SNAP and TANF.

Executive Reorganization Order 43 (ERO) provided for KDHE to assume all Medicaid eligibility processing duties from KDCF. This created a need to image the existing case files into the imaging system utilized by KDHE. A vendor was contracted to gather 125,000 hard copy member case files from across the state, convert the case files to electronic format and upload them into the imaging system. The project began in October 2016 and was completed in January 24, 2018.

This audit finding is due to the absence of a case file. Both KDCF and the vendor were contacted to locate the missing file and were unsuccessful.

Corrective Action: See above, planned completion of corrective action of January 24, 2018.

* * * * *

If the U.S. Department of Health and Human Services has questions regarding this schedule, please contact John Yeary, Department of Administration, Chief Counsel at (785) 296-6003.

STATE OF KANSAS

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GOVERNOR JEFF COLYER, M.D.
SARAH SHIPMAN, SECRETARY

FEBRUARY 26, 2018

STATE OF KANSAS CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2017

In accordance with 2 CFR §200.511, Audit Findings Follow-up, the State of Kansas (the State) respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: Year ended June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2017 – 001 – Capital Lease and Capital Asset Monitoring

Recommendation: We recommend the State continue to review and improve the process and procedures used to account for capital leases entered into by the State. We also recommend when new capital leases are entered into, that the Department of Administration review the recording of the related capital asset to ensure the capital assets recorded equal the present value at the beginning of the lease term of minimum lease payments during the lease term.

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

Actions planned in response to finding: Capital assets: A form will be added to the policy manual for all State of Kansas agencies to complete regarding any capital asset activity (acquire, sell, or retire). This form will be added to agencies quarterly reporting process (to the Financial Integrity Team) currently in place for monies held outside of the state treasury. The first submission will include July 1, 2017 to December 31, 2017 capital asset activity, which is due in January 2018.

Capital leases: The Financial Integrity Team will begin receiving a copy of all leases and lease amendments when the lease is signed, rather than at year end, to ensure leases are properly recorded. A thorough review of assets entered into SMART (State of Kansas financial system) general ledger will be performed by the Financial Integrity Team to validate the capital asset activity recorded in regard to the lease agreement.

In addition to the above, a three prong approach will be used annually for capital leases and capital assets. This will entail reconciling assets recorded in SMART to assets recorded in the Asset Management Module to assets recorded in the CAFR.

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

Planned completion date for corrective action plan: Immediate; partially implemented

Plan to monitor completion of corrective action plan: Ongoing; permanent part of process

2017 – 002 – Deposits and Investments Reconciliation and Review

Recommendation: We recommend the State implement a comprehensive review stage within the CAFR preparation process, specifically dedicated to the review of cash and investments reported within governmental activities, business-type activities, fiduciary funds and the notes to the financial statements.

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

Actions planned in response to finding: The Financial Integrity Team will prepare a formal schedule documenting cash and cash equivalents reconciling all recorded and reported component amounts with the working trial balance submitted to the auditors. This formal schedule will also provide the reconciliation to the cash and cash equivalents footnote in the State of Kansas CAFR. The Financial Integrity Team will also establish a separate process to ensure all entries made in SMART are properly recorded and reversed the following year (if appropriate).

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

Planned completion date for corrective action plan: The CAFR tie out schedule has been completed for fiscal year 2017. The process to monitor the SMART entries will be developed and implemented as part of the fiscal year 2018 CAFR preparation.

Plan to monitor completion of corrective action plan: Ongoing; permanent part of process

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2017 – 003

Federal Agency: U.S. Department of Defense

State Department/Agency: Kansas Adjutant General

Federal Program: National Guard Military Operations and Maintenance (O&M) Projects

CFDA Number: 12.401

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Procurement, Suspension and Debarment

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend the State develop a more robust internal control that monitors the tracking of all suspension and debarment verification to ensure compliance requirements are met.

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

Action taken in response to finding: The Agency Procurement Officer has access to SAM.gov and will check it for each vender when there is purchase requisition with Federal Funds \$25,000 and over and the other criteria specified in 2 CFR Section 180.220. Copies of the certifications from Sam.gov will be printed and put with all corresponding documentation. Any suppliers that are suspended/debarred will not be considered for further purchases. An Excel spread sheet will be set up to keep track of all suppliers that are currently debarred/suspended. This listing will be reviewed and kept updated as required.

Name(s) of the contact person(s) responsible for corrective action: Kyle Green, Procurement Officer, or Cheri Froetschner, State Comptroller

Planned completion date for corrective action plan: January 15, 2018

2017 – 004

Federal Agency: U.S. Department of Defense

State Department/Agency: Kansas Adjutant General

Federal Program: National Guard Military Operations and Maintenance (O&M) Projects

CFDA Number: 12.401

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Period of Performance

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend that the State review the process for opening and closing CAs so transactions are recorded in the proper fiscal year and reporting to the USPFO is done in compliance with the requirements.

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

Action taken in response to finding: All identified transactions have been resolved through normal business practices. All the items identified were for CAs that had already been closed. We do not send reporting to the USPFO each time transactions appear for a closed CA, as many times they are internal fixes that we take care of through the normal business process. For example many of the transactions identified were credit card refunds and we returned the funds on the current year CA. Other items were either payroll or a purchase that has been coded wrong and just needed to be journaled to fix the error. If we do have a transaction that requires a CA to be reopened, then we would work with the Federal Grants Officer Representative to complete the requirements. We have not had to reopen a CA within at least the last five years, this process is rare.

Name(s) of the contact person(s) responsible for corrective action: Yolanda Rightmeier, Chief Accountant, and Cheri Froetschner, State Comptroller

Planned completion date for corrective action plan: Complete

2017 – 005

Federal Agency: U.S. Department of Housing and Urban Development

State Department/Agency: Kansas Department of Commerce (KDC)

Federal Program: Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii

CFDA Number: 14.228

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Reporting

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend that KDC implement a review process of these reports by someone within the department that does not also prepare the reports in order to have a proper internal control in place over the reporting compliance requirement.

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

Action taken in response to finding: The Kansas Department of Commerce will have a Fiscal team associate review reports in order to meet compliance requirements.

Name(s) of the contact person(s) responsible for corrective action: Nadira Hazim-Patrick, Finance Programs Administration Manager.

Planned completion date for corrective action plan: January 22, 2018

2017 – 006

Federal agency: U.S. Department of Health and Human Services and U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal program title: Social Services Block Grant; Foster Care – Title IV-E; Child Support Enforcement; Rehabilitation Services – Vocational Rehabilitation Grants to States

CFDA Number: 93.667; 93.658; 93.563; 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Allowable Costs / Cost Principles

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend that KDCF evaluate each quarterly cost allocation update and file a cost allocation plan amendment with the appropriate HHS Regional Office when there are significant changes to the cost allocation plan.

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

Action taken in response to finding: We are filing quarterly plan amendments.

Name(s) of the contact person(s) responsible for corrective action: Program: Fred Halvorsen, KDCF Federal Reporting Manager. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: Corrected July 1, 2017

2017 – 007

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, 2016 through June 30, 2017

Compliance Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

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.

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

Action taken 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 KAECSSES eligibility system. This too will be automated within KEES, and should not occur.

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.

SFY17 Added Program Response: Phase III of the KEES system was rolled out in late August of 2017. A review of cases that have been processed with the new system should show improvement in the above highlighted areas due to the automation of the processes as mentioned above.

Name(s) of the contact person(s) responsible for corrective action: Program: Sally Hargis, KDCF Child Care Subsidy Program Manager. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: By June 30, 2018

2017 – 008

Federal agency: U.S. Department of Health and Human Services

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal program title: Child Support Enforcement

CFDA Number: 93.563

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Schedule of Expenditures of Federal Awards

Type of Finding: Significant Deficiency in Internal Control over Compliance

Recommendation: We recommend that the Kansas Department of Administration continue to work on enhancing the review controls surrounding the Statewide SEFA compilation process to verify that expenditures are being reported properly.

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

Action taken in response to finding: Kansas Department of Administration has contacted both state agencies involved and covered the procedures to be followed in subsequent years to ensure this type of error does not occur again. In addition, DA89 training provided for all state agencies will re-emphasize the correct methodology of reporting sub-recipient and contracting relationships between state agencies. DA89 instructions concerning the topic will also be reinforced. The Department of Administration will also expand review procedures to look specifically for transfer codes to match the amount of monies being transferred between state agencies within the CFDA number. Department of Administration staff will be in contact with state agencies to achieve clarification of identified transactions as needed.

Name(s) of the contact person(s) responsible for corrective action: Roger Basinger, Federal Reporting Team Lead

Planned completion date for corrective action plan: March 31, 2018

2017 – 009

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Eligibility

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend the State develop a more robust internal control that monitors the workflow of application processing to ensure compliance requirements are met.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding as it pertains to the number of days to determine eligibility in the identified cases.

The dates of application for these three cases were as follows: 2-22-2010, 9-16-2014, 9-15-2016.

In SFY 2017 as part of the agency's continuous improvement planning, Rehabilitation Services implemented a weekly email reminder to counselors regarding pending deadlines for eligibility determination. The application dates listed above occurred prior to implementing this process. Staff also use a real-time on-line report of time remaining prior to eligibility timeframes, therefore this is another method/control already in use to monitor the workflow of application processing.

Action taken in response to finding: As described above, and as provided to the auditors following the on-site review, the agency has implemented a weekly email reminder system regarding pending deadlines for eligibility determination. Please see enclosed redacted example. Therefore, it is the agency's position that no additional action is necessary at this time to address eligibility timelines.

Name(s) of the contact person(s) responsible for corrective action: Program: Michael Donnelly, KDCF Kansas Rehabilitation Services Director. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: Not applicable as described above.

2017 – 010

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Procurement, Suspension and Debarment

Type of Finding: Material Weakness in Internal Control over Compliance, Other Matters

Recommendation: We recommend the State develop a more robust internal control that monitors the workflow of contract processing surrounding procurement, suspension and debarment to ensure compliance requirements are met.

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

Action taken in response to finding: In conversations with the auditors, we understand that there were only four instances when KDCF failed to provide any documentation in support of the transactions sampled. In the other instances noted, the auditors determined that documentation provided was not sufficient to meet the compliance requirements. We recognize the importance of maintaining documentation in support of transactions and will take steps to ensure this occurs going forward. KDCF will review all grants and contracts and procurement and debarment processes to assess compliance with internal policy and Department of Administration policies and procedures. Depending on the results, we will make internal changes and work with the Department of Administration to ensure that statewide changes in this area occur.

Name(s) of the contact person(s) responsible for corrective action: Program: Dan Klucas, KDCF Deputy Secretary of Operations. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: June 30, 2018

2017 – 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, 2016 through June 30, 2017

Compliance Requirement: Eligibility for Individuals

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: KDCF should create a plan to properly establish and review rates paid for encounters and to create a more robust internal review process to maintain compliance with the plan.

Explanation of disagreement with audit finding: Currently, KDCF does not set rates for services, which has been noted in another finding this current year. Consequently, we don't agree that we paid above established rates. We do acknowledge, however, and agree that rates need to be established and have been working to correct this since it was noted in prior audits.

Action taken in response to finding: KDCF is in the process of planning and conducting audits to calculate rates based on actual costs that will be used to claim services. Audits will be conducted annually to ensure providers and KDCF paid only the established rates for services and to set new rates for the next year. Once rates are established, programming will be added to the system which calculates our foster care claim, applying those rates to the claim calculation, thus eliminating over- or under-claiming of established rates.

Name(s) of the contact person(s) responsible for corrective action: Program: Fred Halvorsen, KDCF Federal Reporting Manager. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: June 30, 2019

2017 – 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, 2016 through June 30, 2017

Compliance Requirement: Eligibility for Individuals

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: KDCF should emphasize timely entry of eligibility and implement review procedures to maintain compliance with the requirement.

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

Action taken in response to finding: We have corrected the eligibility for these cases and will back-out the overclaimed amounts from the QE 12-31-2017 IV-E foster care claim. While DCF implemented a new automated eligibility system (KEES – Kansas Eligibility Enforcement System) in August 2017 that should improve the accuracy and timeliness of foster care eligibility determinations compared to the current manual system, eligibility will never be static. DCF will continue to update eligibility as changes are discovered through the quality assurance process, as new or corrected information is received, or because of audit findings. DCF has a procedure in place to correctly claim cases initially claimed incorrectly by recalculating each quarterly IV-E claim in its entirety using updated eligibility data as the quarter drops off the two-year timely filing window, as ACF allows.

Name(s) of the contact person(s) responsible for corrective action: Program: Tony Scott, KDCF Prevention and Protection Services Deputy Director, Performance Improvement. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

Planned completion date for corrective action plan: KDCF anticipates that the testing and implementation of the foster care eligibility piece of KEES will be completed by July 1, 2018.

2017 – 013

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, 2016 through June 30, 2017

Compliance Requirement: Special Tests and Provisions – Payment Rate Setting and Application

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

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.

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

Action taken 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.

Name(s) of the contact person(s) responsible for corrective action: Program: Patricia Long, KDCF Prevention and Protection Services Director. Implementation Oversight: Mary S. Hoover, KDCF Audit Director.

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

2017 – 014

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, 2016 through June 30, 2017

Compliance Requirement: Eligibility – Eligibility for Individuals

Type of Finding: Material Weakness in Internal Control over Compliance, Other Matters

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.

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

Action taken in response to finding: These are the efforts the State of Kansas is making to reduce the backlog for untimely processing applications and reviews without discontinuing the consumers.

The State of Kansas fell behind in processing applications and reviews timely due to the implementation of a new Medicaid system, Kansas Eligibility Enforcement System (KEES), and the Executive Reorganization Order 43 (ERO) transition. A backlog reduction plan was developed to resolve the issue of untimely processing applications and reviews. The plan included hiring additional staff members, streamlining training efforts and identifying policy simplifications in order to expedite application and review completions.

Subsequently, onboarding of non-medical programs into KEES (Phase 3) made KEES unavailable for processing eligibility for three weeks. Only high-priority cases such as Urgent Medical Needs and Accelerated cases were processed off-system over the data conversion period. All staff participated in interactive training to focus on policy and simplifications to reduce the backlog.

Following Phase 3, in September 2017, the backlog reduction plan was updated and expanded to meet an anticipated increase of workload due to open enrollment in the Federally Facilitated Marketplace (FFM) which occurs in November and December. Despite mediation efforts, the State of Kansas experienced a backlog in processing applications and reviews. Because of delays in processing, an executive decision was made to continue Medicaid coverage for members due for annual review regardless of whether they return their review form. The State of Kansas continues to assess for measures to decrease the backlog.

Name(s) of the contact person(s) responsible for corrective action: Jason Osterhaus, Program Integrity Manager.

Planned completion date for corrective action plan: The corrective action plan has been implemented. Improvements are projected to be realized by fall 2018.

2017 – 015

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, 2016 through June 30, 2017

Compliance Requirement: Eligibility – Eligibility for Individuals

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

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

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

Action taken in response to finding: In 2015, the Kansas Eligibility Enforcement System (KEES) was implemented. At the time of implementation, the Kansas Department of Health and Environment (KDHE) was accountable for processing eligibility for family medical program applications, while the Kansas Department of Children and Families (KDCF) was accountable for processing eligibility for elderly and disabled program applications and non-medical program applications such as SNAP and TANF.

Executive Reorganization Order 43 (ERO) provided for KDHE to assume all Medicaid eligibility processing duties from KDCF. This created a need to image the existing case files into the imaging system utilized by KDHE. A vendor was contracted to gather 125,000 hard copy member case files from across the state, convert the case files to electronic format and upload them into the imaging system. The project began in October 2016 and was completed in January 24, 2018.

This audit finding is due to the absence of a case file. Both KDCF and the vendor were contacted to locate the missing file and were unsuccessful.

Name(s) of the contact person(s) responsible for corrective action: Jason Osterhaus, Program Integrity Manager.

Planned completion date for corrective action plan: January 24, 2018

2017 – 016

Federal Agency: U.S. Department of Education

State Department/Agency: Kansas Department of Children and Families (KDCF)

Federal Program: Rehabilitation Services - Vocational Rehabilitation Grants to States

CFDA Number: 84.126

Award Period: July 1, 2016 through June 30, 2017

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

Recommendation: We recommend KDCF document subrecipient monitoring procedures for all types of awards to outline the result of the risk assessment process for each subrecipient so that proper monitoring steps are developed from this risk assessment process.

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

Action taken in response to finding: KDCF Audit services acknowledges that the risk assessment did not occur and is currently reassessing and revising its process to ensure that this does not occur again. The risk assessment form is being revised to correct any deficiency that led to this occurring.

Name(s) of the contact person(s) responsible for corrective action: Implementation: Mary S. Hoover, KDCF Audit Director

Planned completion date for corrective action plan: March 31, 2018