



FINANCIAL AND COMPLIANCE AUDIT REPORT

Statewide Single Audit, Fiscal Year 2009

**A Report to the Legislative Post Audit Committee
By the Joint Venture of Allen, Gibbs & Houlik and
Berberich Trahan & Co., Under Contract with the
Legislative Division of Post Audit State of Kansas**

April 2010

Legislative Post Audit Committee

Legislative Division of Post Audit

The Legislative Post Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$10 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of government agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U. S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. These audit standards have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

The Legislative Post Audit Committee is a bipartisan committee comprising five senators and five representatives. Of the Senate members, three are appointed by the President of the Senate and two are appointed by the Senate Minority Leader. Of the representatives, three are appointed by the Speaker of the House and two are appointed by the House Minority Leader.

As part of its audit responsibilities, the Division is charged with meeting the requirements of the Legislative Post Audit Act which address audits of financial matters. Those requirements call for two major types of audit work.

First, the Act requires an annual audit of the State's financial statements. Those statements, prepared by the Department of Administration's Division of Accounts and Reports, are audited by a certified public accounting firm under contract with the Legislative Division of Post Audit. The firm is selected by the Contract Audit Committee, which comprises three members of the Legislative Post Audit Committee

(including the Chairman and Vice-Chairman), the Secretary of Administration, and the Legislative Post Auditor. This audit work also meets the State's audit responsibilities under the federal Single Audit Act.

Second, the Act provides for a regular audit presence in every State agency by requiring that audit work be conducted at each agency at least once every three years. Audit work done in addition to the annual financial statement audit focuses on compliance with legal and procedural requirements and on the adequacy of the audited agency's internal control procedures. These compliance and control audits are conducted by the Division's staff under the direction of the Legislative Post Audit Committee.

LEGISLATIVE POST AUDIT COMMITTEE

Senator Terry Bruce, Chair
Senator Anthony Hensley
Senator Derek Schmidt
Senator Chris Steineger
Senator Dwayne Umbarger

Representative John Grange, Vice-Chair
Representative Tom Burroughs
Representative Ann Mah
Representative Peggy Mast
Representative Virgil Peck, Jr.

LEGISLATIVE DIVISION OF POST AUDIT

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Barbara J. Hinton, Legislative Post Auditor

DO YOU HAVE AN IDEA FOR IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?

The Legislative Post Audit Committee and the Legislative Division of Post Audit have launched an initiative to identify ways to help make State government more efficient. If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address above.

You won't receive an individual response, but all ideas will be reviewed, and Legislative Post Audit will pass along the best ones to the Legislative Post Audit Committee.

The Legislative Division of Post Audit supports full access to the services of State government for all citizens. Upon request, Legislative Post Audit can provide its audit reports in large print, audio, or other appropriate alternative format to accommodate persons with visual impairments. Persons with hearing or speech disabilities may reach us through the Kansas Relay Center at 1-800-766-3777. Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

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April 21, 2010

To: Members, Legislative Post Audit Committee

Senator Terry Brue, Chair
Senator Anthony Hensley
Senator Derek Schmidt
Senator Chris Steineger
Senator Dwayne Umbarger

Representative John Grange, Vice-Chair
Representative Tom Burroughs
Representative Ann Mah
Representative Peggy Mast
Representative Virgil Peck Jr.

This report contains the findings and conclusions of the Statewide Single Audit for fiscal year 2009. This audit was conducted by the joint venture of Berberich Trahan & Co., P.A. and Allen, Gibbs & Houlik, L.C., audit firms under contract with the Legislative Division of Post Audit.

We would be happy to discuss this report with any legislative committees, individual legislators, or other State officials.


Barbara J. Hinton
Legislative Post Auditor

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

STATE OF KANSAS

REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH
OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2009

STATE OF KANSAS

REPORT ON FEDERAL AWARDS IN ACCORDANCE
WITH OMB CIRCULAR A-133

Year Ended June 30, 2009

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**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

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, 2009, and, under separate cover, have issued our report thereon dated January 8, 2010. We did not audit the financial statements of the various component units of the six state universities which represent 47 percent and 36 percent, respectively, of the assets and revenues of the aggregate discretely presented component units, the Kansas Technology Enterprise Corporation (KTEC) which represents less than 1 percent of the assets and revenues of the aggregate discretely presented component units, and the College Savings Program (a State Fiduciary Fund) which represents 10 percent and 4 percent, respectively of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the six state universities and the KTEC in the aggregate discretely presented component units, and the College Savings Program in the aggregate remaining fund information, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audits of the various component units of the six state universities and the College Savings Program were not conducted in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency (Finding 2009-1) described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

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

The State's response to the finding identified in the audit is described in the accompanying schedule of findings and questioned costs. We did not audit the State's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Gibbs & Houlik, L.L.C.

Berberich Trahan & Co., P.A.

January 8, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Legislative Post Audit Committee
Kansas State Legislature

Compliance

We have audited the compliance of the State of Kansas (the State) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

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, 2009. Our audit, described below, did not include the operations of various component units of the State, including the component units of the six state universities because the university component units engaged other auditors to perform audits in accordance with OMB *Circular A-133*. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, both of which are component units of the State.

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

As described in Finding 2008-14 in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding reporting that are applicable to its Disaster Grants - Public Assistance program (CFDA No. 97.036). Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the State complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings Nos. 2009-2 through 2009-6, 2008-2, 2008-3, 2008-5, 2008-7 and 2008-9.

Internal Control Over Compliance

The management of the State is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the State's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and one that we consider to be a material weakness.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings Nos. 2009-2, 2009-3, 2009-5, 2009-6, 2008-5, 2008-10 through 2008-12 and 2008-14 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider Finding No. 2008-14 to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the basic 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 as of and for the year ended June 30, 2009, and, under separate cover, have issued our report thereon dated January 8, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. With the exceptions of Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, the federal awards of the State's component units are included in the single audits of those agencies and therefore the accompanying schedule of expenditures of federal awards does not include these federal awards. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, both of which are component units of the State.

The State's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the State's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the State of Kansas Legislative Post Audit Committee, management, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Allen, Gibbs & Houlik, L.C.

Berberich Trahan & Co., P.A.

March 26, 2010, except for the Schedule of Expenditures of Federal Awards as to which the date is January 8, 2010.

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Office of National Drug Control Policy			
Direct Award			
Not Clustered			
HIDTA	7.999	3,965,630	1,326,951
Total Not Clustered		\$3,965,630	\$1,326,951
Total Office of National Drug Control Policy		\$3,965,630	\$1,326,951
U. S. Department of Agriculture			
Direct Award			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - ARRA	10.561	50,251	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	21,321,446	20,811
Total SNAP Cluster		\$21,371,697	\$20,811
Research and Development Programs Cluster:			
Soil Survey Lab Analysis	10.000	12,316	
VHS	10.000	30,004	
Support Tools for Voluntary Greenhouse Gas Reporting	10.000	66,741	15,466
Pseudorabies Laboratory Testing	10.000	34,418	
NRCS Technical Service Provider	10.000	518	
NRCS Technical Service MOU 2008	10.000	10,660	
Memorandum of Agreement Between USDA, APHIS and KSU	10.000	1,426,157	
Kansas Agrability Project-National Training Workshop	10.000	4,500	
CSAS and Organic Farmers Markets: Strengthening Producer Capacity and Consumer Linkages Around Kansas City	10.000	10,777	5,719
Classical Swine Fever Surveillance	10.000	18,438	
Cimarron National Grassland Research Studies	10.000	2,047	
USDA/CSREES Strategic Planning	10.000	148	
Agricultural Research-Basic and Applied Research	10.001	1,675,043	3,875
Plant and Animal Disease, Pest Control, and Animal Care	10.025	949,360	96,777
Wildlife Services	10.028	56,329	10,967
Conservation Reserve Program	10.069	404	
Federal-State Marketing Improvement Program	10.156	43,638	
Grants for Agricultural Research, Special Research Grants	10.200	1,931,114	339,606
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	3,926,539	
Grants for Agricultural Research-Competitive Research Grants	10.206	3,830,820	564,262
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	153,358	
Higher Education Challenge Grants	10.217	124,564	19,490
Integrated Programs	10.303	1,400,583	260,778
Homeland Security-Agricultural	10.304	576,877	296,838
Organic Agriculture Research and Extension Initiative	10.307	168,252	
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10.312	84,024	
State Mediation Grants	10.435	405,606	
Rural Community Development Initiative	10.446	16,463	
Crop Insurance	10.450	11,166	
Community Outreach and Assistance Partnership Program	10.455	49,494	
Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers (Farmers)	10.456	125,960	
Commodity Partnerships for Risk Management Education	10.457	121,285	4,006
Commodity Partnerships for Small Agricultural Risk Management Education Sessions	10.459	2,686	
Cooperative Extension Service	10.500	15,665,731	4,661,294
Foreign Market Development Cooperator Program	10.600	67,706	
Cooperative Forestry Assistance	10.664	1,447,804	885
National Forest-Dependent Rural Communities	10.670	2,000	
Hazardous Fuels Reduction	10.672	3,594	
Forest Land Enhancement Program	10.677	39,646	

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Forest Stewardship Program	10.678	2,753	
Rural Business Opportunity Grants	10.773	28,017	
Resource Conservation and Development	10.901	90,417	24,000
Soil and Water Conservation	10.902	189,333	
Soil Survey	10.903	7,768	
Plant Materials for Conservation	10.905	28,580	18,557
Scientific Cooperation and Research	10.961	12,742	
Cochran Fellowship Program - International Training - Foreign Participant	10.962	61,946	
Total Research and Development Programs Cluster		\$34,918,326	\$6,322,520
Not Clustered			
Commodity Loans and Loan Deficiency Payments	10.051	44,498	
Market Protection and Promotion	10.163	68,638	
Agricultural Market and Economic Research	10.290	30,422	
Meat, Poultry, and Egg Products Inspection	10.477	1,695,474	
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	64,729,843	51,250,396
Child and Adult Care Food Program	10.558	33,102,540	32,723,187
State Administrative Expenses for Child Nutrition	10.560	1,647,937	
Commodity Supplemental Food Program	10.565	294,817	
Team Nutrition Grants	10.574	147,698	
Senior Farmers Market Nutrition Program	10.576	157,257	157,257
Fresh Fruit and Vegetable Program	10.582	170,530	170,530
Cooperative Forestry Assistance	10.664	22,975	
Distance Learning and Telemedicine Loans and Grants	10.855	83,117	83,117
Soil and Water Conservation	10.902	200,119	186,204
Environmental Quality Incentives Program	10.912	368,885	356,557
Agricultural Statistics Reports	10.950	21,357	
Total Not Clustered		\$102,786,107	\$84,927,248
Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	302,727	
Emergency Food Assistance Program (Administrative Costs) - ARRA	10.568	189,962	
Total Emergency Food Assistance Cluster		\$492,689	
Child Nutrition Cluster:			
School Breakfast Program	10.553	20,187,541	19,960,239
National School Lunch Program	10.555	89,529,582	88,986,445
Special Milk Program for Children	10.556	117,325	117,325
Summer Food Service Program for Children	10.559	2,088,283	1,980,736
Total Child Nutrition Cluster		\$111,922,731	\$111,044,745
Indirect Award			
Research and Development Programs Cluster:			
Nutrition Environments in Low Income Schools	10.000	14,611	
Open Source Information Collection and Analysis (OSICA) System	10.000	19	
Memorandum of Agreement	10.000	42,000	
Restructuring Cooperatives: Strategies to Improve Performance and Create Value and Liquidity for Member-Owner Equity Investment	10.000	31,994	344
Integrated Approaches to Improving Ethanol Production and Pearl Millet-A Crop for Marginal Land	10.000	118	
Scale-Up of a Nitrogen-Based Stored Product Pest Treatment System for Container Shipment of Specialty Grains and Their Products	10.000	923	
Building Capacity to Engage Latinos in Local Food Systems in the Heartland	10.000	16,778	11,064
Early Detection of Spoilage in Stored Grain	10.000	3,663	
Agricultural Marketing Resource Center Proposal	10.000	74,558	15,000
Ozonation of Corn, Wheat, Barley Stored in Commercial Grain Storage Structures for Management of Pest Insects and Mold Removal of off-odors	10.000	8,001	
Agricultural Research-Basic and Applied Research	10.001	64,562	
Grants for Agricultural Research, Special Research Grants	10.200	105,530	6,415
Grants for Agricultural Research-Competitive Research Grants	10.206	335,321	

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Small Business Innovation Research	10.212	23,059	
Sustainable Agriculture Research and Education	10.215	9,956	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	8,009	
1994 Institutions Research Program	10.227	18,849	
Agricultural and Rural Economic Research	10.250	21,793	
Integrated Programs	10.303	571,317	
Value-Added Producer Grants	10.352	180,343	
Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers (Farmers)	10.456	28,855	
Cooperative Extension Service	10.500	350,480	80,343
Environmental Quality Incentives Program	10.912	5,765	
Total Research and Development Programs Cluster		\$1,916,504	\$113,166
Child Nutrition Cluster:			
School Breakfast Program	10.553	1,633	
National School Lunch Program	10.555	72,700	
Total Child Nutrition Cluster		\$74,333	
Non-Monetary Award			
SNAP Cluster:			
Supplemental Nutrition Assistance Program	10.551	263,250,964	
Total SNAP Cluster		\$263,250,964	
Total U. S. Department of Agriculture		\$536,733,351	\$202,428,490
U. S. Department of Commerce			
Direct Award			
Research and Development Programs Cluster:			
Economic Development-Technical Assistance	11.303	166,017	
Total Research and Development Programs Cluster		\$166,017	
Not Clustered			
Public Telecommunications Facilities Planning and Construction	11.550	42,787	
Public Safety Interoperable Communications Grant Program	11.555	5,943,094	3,034,224
Manufacturing Extension Partnership	11.611	1,992,201	1,992,201
Total Not Clustered		\$7,978,082	\$5,026,425
Total U. S. Department of Commerce		\$8,144,099	\$5,026,425
U. S. Department of Defense			
Direct Award			
Research and Development Programs Cluster:			
Seat Belt Convincer Builder	12.000	15,000	
Relationship Stress and Chaplaincy Support Among Mid-Level Career US Army Officers	12.000	1,844	
Risk Assessment Tool-Phase III	12.000	94,349	17,043
Seat Belt Convincer	12.000	20,000	
Seat Belt Convincer Build S09-0026	12.000	16,500	
Strong Bonds-Single Soldier Longitudinal Effectiveness Study	12.000	52,567	
Support for Resiliency Project	12.000	49,714	
Thermal Properties of Military Textile Products	12.000	7,001	
Validating the Kinematic Wave Approach for Rapid Soil Erosion Assessment and Improved Bmp Site Selection to Enhance Training Land Sustainability	12.000	117,227	
Workshop/Summer School 2008 on Wide-Bandgap Semiconductor Physics and Devices	12.000	15,000	
Real-Time Monitoring of Soil Erosion at a Low-Water Armored-Vehicle Crossing Using an Optical Sediment Sensor	12.000	5,614	
Vapor Growth and Material Characterization of Meceric Iodine (Hg12)	12.000	119,869	
Continuous, Wireless Monitoring of Sediment Flux at Multiple Low-Water Stream Crossings on Tank Trails	12.000	366,021	31,476
Air Purification: Nanostructured Media for Individual Protection	12.000	119,660	
Biodegradable Lightweight Fiberboard for Packaging Applications	12.000	6,054	
BRI at KSU: Facilities, Methods & Technologies to Determine Real-Time Biohazards in Foods and to Validate Technology Readiness	12.000	642,892	

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Flow/Acoustic Characterization of Windscreens of Measurement Microphones in Realistic Atmospheric Conditions	12.000	28,881	
High Speed Penetration Failure Mechanisms of Textile Fabrics	12.000	21,689	
Infrastructure Support for the Biosecurity Research Institute Facility (AFMIC FY-2008-O&M)	12.000	1,229,539	558,437
Infrastructure Support for the KSU Biosecurity Research Institute Facility	12.000	1,086,725	283,830
Infrastructure Support for the KSU Biosecurity Research Institute Facility: FY 2007 AFMIC R&D Collaborative Projects With KSU	12.000	1,750,083	
Multimodal Information Extraction Research Activity	12.000	420,868	
BRI at KSU: Facilities, Methods & Technologies to Determine Realtime Biohazards in Foods and to Validate Technology Readiness	12.000	12,064	
Kansas National Guard-Afghan Agriculture Development Team Training Program	12.000	130,788	
Navigation Projects	12.107	120,707	
Basic and Applied Scientific Research	12.300	906,172	38,323
Basic Scientific Research	12.431	2,624,472	386,579
Basic, Applied, and Advanced Research in Science and Engineering	12.630	57,231	
Air Force Defense Research Sciences Program	12.800	668,038	1,034
Mathematical Sciences Grants Program	12.901	25,561	
Total Research and Development Programs Cluster		\$10,732,130	\$1,316,722
Not Clustered			
Part-Time M.S. Program in Industrial Engineering-Spring 2009	12.000	18,725	
Part-Time M.S. Program in Industrial Engineering-Summer 2007	12.000	151	
Part-Time M.S. Program in Industrial Engineering-Fall 2008	12.000	45,525	
Part-Time M.S. Program in Industrial Engineering Spring 2007	12.000	13,850	
Part-Time M.S. Program in Industrial Engineering-Summer 2008	12.000	41,652	
Pre Kansas State University Graduate Degree Program Development and Implementation for CGSC Leadership and Security Studies; Enhance Cooperative Degree Program in History	12.000	630,759	
Part-Time M.S. Program in Industrial Engineering-Spring 2008	12.000	15,320	
Flood Control Projects	12.106	274,972	274,972
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	187,483	
National Guard Military Operations and Maintenance (O&M) Projects	12.401	25,733,428	
National Guard Civilian Youth Opportunities	12.404	812,598	
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	12.607	161,736	161,736
Total Not Clustered		\$27,936,199	\$436,708
Indirect Award			
Research and Development Programs Cluster:			
Antilles Geographic Information Systems Project	12.000	4,243	
Multi-Disciplined Research in Nuclear Detection-Task Order No. 2	12.000	22,741	
2009 Workshop-United States Army Sustainable Range Program	12.000	130,651	
Airburst Non-Lethal Munitions Peshe	12.000	21,000	
Engineered Reactive Metal Oxyhydroxides for Detection and Decontamination of Toxic Reagents	12.000	30,000	
Environmental, Health and Safety Related Studies Nanomaterials	12.000	26,682	
Exploratory Luminescence Studies of the Silicon Nitride Materials Using Various Laser Excitation Sources	12.000	6,000	
Eye-Safe Optically-Pumped Gas-Filled Fiber Lasers	12.000	49,288	
Urban Operations Laboratory	12.000	2,104,978	214,601
RFIC Technology Development for Radiation-Hardened Interceptor Communications	12.000	7,168	
Perforated Neutron Detectors & New Materials Development & Shielding Structures	12.000	358,491	
New Generation Nanocrystalline Materials for CB Protection	12.000	7,364	
Multi-Disciplined Research in Nuclear Detection-Task Order No. 3	12.000	129,931	
Neutron Irradiation Testing of Solid State Neutron Detectors	12.000	2,212	
Family Resiliency Program	12.000	25,487	
Advanced Avionics Miniaturization Program	12.000	4,284	
Basic and Applied Scientific Research	12.300	42,091	

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Military Medical Research and Development	12.420	89,196	
Air Force Defense Research Sciences Program	12.800	4,600	
Total Research and Development Programs Cluster		\$3,066,407	\$214,601
Not Clustered			
Curation of Federal Collections	12.000	2,985	
Army Child Care in your Neighborhood Project	12.000	190,227	
Total Not Clustered		\$193,212	
Total U. S. Department of Defense		\$41,927,948	\$1,968,031
U. S. Department of Housing and Urban Development			
Direct Award			
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program-Special Allocations	14.195	45,237,127	
Total Section 8 Project-Based Cluster		\$45,237,127	
Not Clustered			
Emergency Shelter Grants Program	14.231	875,756	854,914
Supportive Housing Program	14.235	152,325	148,942
Home Investment Partnerships Program	14.239	10,247,514	9,594,123
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	1,190,053	
Total Not Clustered		\$12,465,648	\$10,597,979
CDBG - State-Administered Small Cities Program Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	16,793,819	16,164,944
Total CDBG - State-Administered Small Cities Program Cluster		\$16,793,819	\$16,164,944
Indirect Award			
CDBG - State-Administered Small Cities Program Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	125,434	
Total CDBG - State-Administered Small Cities Program Cluster		\$125,434	
Total U. S. Department of Housing and Urban Development		\$74,622,028	\$26,762,923
U. S. Department of the Interior			
Direct Award			
Research and Development Programs Cluster:			
National Register of Historic Places Evaluation of Selected Sites at Lovewell Reservoir Jewell Co. KS	15.000	5,522	
Coop Agreement Between the US Dept of Interior Ntl Park Svc & KSU	15.000	11,456	
Modeling & Experimentation to Determine Effects of Land Terracing & Non-Federal Reservoirs on Water Supplies in the Republican River Basin Above Hardy, NE	15.000	71,855	
Analysis of Sediment Samples From Marsh Deposits Fringing Great Salt Lake	15.000	4,994	
Survey of Potentially Toxic Metal Concentrations in Waterfowl, Water, and Soil in Tri-State Mining District (Kansas, Oklahoma, Missouri)	15.000	21,255	
Biogeography and Molecular Epidemiology of Prnp Gene in KS	15.000	33,147	
BO1 Avian	15.000	137,064	
Chronic Wasting Disease-Whitetail Deer-Kansas	15.000	8,169	2,372
Cooperative Inspection Agreements with States and Tribes	15.222	4,908	
Continued Archeological Investigations at Medicine Creek Reservoir, NE	15.503	15,925	
Fish and Wildlife Management Assistance	15.608	30,196	
Cooperative Endangered Species Conservation Fund	15.615	68,682	
Conservation Grants Private Stewardship for Imperiled Species	15.632	26,283	22,854
State Wildlife Grants	15.634	789,186	36,342
Neotropical Migratory Bird Conservation	15.635	328	
Assistance to State Water Resources Research Institutes	15.805	15,660	12,081
U.S. Geological Survey-Research and Data Collection	15.808	31,976	
Gap Analysis Program	15.811	14,515	7,275
Cooperative Research Units Program	15.812	414,692	7,912
Historic Preservation Fund Grants-In-Aid	15.904	33,553	

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Outdoor Recreation-Acquisition, Development and Planning	15.916	225,920	
Total Research and Development Programs Cluster		<u>\$1,965,286</u>	<u>\$88,836</u>
Not Clustered			
ADA	15.000	225,465	
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	86,297	
Abandoned Mine Land Reclamation (AMLR) Program	15.252	3,210,107	
Water 2025	15.507	52,657	
NRCS	15.608	51,376	
Cooperative Endangered Species Conservation Fund	15.615	44,565	
Landowner Incentive Program	15.633	91,969	
U.S. Geological Survey-Research and Data Collection	15.808	49,880	
Historic Preservation Fund Grants-In-Aid	15.904	749,712	153,996
Save America's Treasures	15.929	13,606	
Total Not Clustered		<u>\$4,575,634</u>	<u>\$153,996</u>
Fish and Wildlife Cluster:			
Sport Fish Restoration Program	15.605	4,110,105	
Wildlife Restoration	15.611	4,087,693	
Total Fish and Wildlife Cluster		<u>\$8,197,798</u>	
Indirect Award			
Research and Development Programs Cluster:			
Quantifying Basal Resource Productivity of Native and Non-Native Fishes in Gila River Basin Fish Assemblages	15.000	21,548	
Trophic Studies on Gila River	15.000	97,775	
Total Research and Development Programs Cluster		<u>\$119,323</u>	
Not Clustered			
Diplomacy Symposiums/Lewis & Clark National Historic Trail	15.000	31,192	
Historic Preservation Fund Grants-In-Aid	15.904	22,892	
Total Not Clustered		<u>\$54,084</u>	
Total U. S. Department of the Interior		<u>\$14,912,125</u>	<u>\$242,832</u>
U. S. Department of Justice			
Direct Award			
Research and Development Programs Cluster:			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	50,861	
State Justice Statistics Program for Statistical Analysis Centers	16.550	29,682	
Total Research and Development Programs Cluster		<u>\$80,543</u>	
Not Clustered			
Marijuana Eradication	16.000	36,553	
Prisoner Reentry Initiative Demonstration (Offender Reentry)	16.202	219,825	
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	16.203	46,267	
Juvenile Accountability Block Grants	16.523	178,643	26,969
Supervised Visitation, Safe Havens for Children	16.527	25,600	14,525
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540	416,682	293,957
Title V-Delinquency Prevention Program	16.548	231,953	-4,061
National Criminal History Improvement Program (NCHIP)	16.554	477,717	96,913
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	758,356	127,386
Crime Victim Assistance	16.575	3,242,145	3,052,855
Crime Victim Compensation	16.576	1,341,035	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	378,835	
Violence Against Women Formula Grants - ARRA	16.588	57	
Violence Against Women Formula Grants	16.588	1,182,177	949,335
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	194,628	152,772
Residential Substance Abuse Treatment for State Prisoners	16.593	58,068	
Corrections-Training and Staff Development	16.601	271	
Corrections-Research and Evaluation and Policy Formulation	16.602	43,917	43,917

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State Criminal Alien Assistance Program	16.606	449,475	
Bulletproof Vest Partnership Program	16.607	12,863	
Community Prosecution and Project Safe Neighborhoods	16.609	94,547	32,025
Public Safety Partnership and Community Policing Grants	16.710	413,353	
Juvenile Mentoring Program	16.726	130,000	
Enforcing Underage Drinking Laws Program	16.727	333,246	
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	144,960	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,780,645	1,131,330
Forensic DNA Capacity Enhancement Program	16.741	119,263	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	30,465	
Forensic Casework DNA Backlog Reduction Program	16.743	151,580	
Anti-Gang Initiative	16.744	268,906	209,830
Congressionally Recommended Awards	16.753	67,076	
Edward Byrne Memorial Justice Assistance Grant (JAG) Program-Grants to States and Territories - ARRA	16.803	74	
Total Not Clustered		\$12,829,182	\$6,127,753
Indirect Award			
Not Clustered			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Grant Program	16.589	49,847	
Total Not Clustered		\$49,847	
Total U. S. Department of Justice		\$12,959,572	\$6,127,753
U. S. Department of Labor			
Direct Award			
WIA Cluster:			
WIA Adult Program - ARRA	17.258	41,036	
WIA Adult Program	17.258	7,457,674	7,069,300
WIA Youth Activities	17.259	6,006,436	6,140,395
WIA Youth Activities - ARRA	17.259	853,087	
WIA Dislocated Workers	17.260	5,303,137	4,418,217
WIA Dislocated Workers - ARRA	17.260	157,321	
Total WIA Cluster		\$19,818,691	\$17,627,912
Research and Development Programs Cluster:			
Occupational Safety and Health-Susan Harwood Training Grants	17.502	90,624	23,859
Total Research and Development Programs Cluster		\$90,624	\$23,859
Not Clustered			
Labor Force Statistics	17.002	995,960	
Compensation and Working Conditions	17.005	75,512	
Unemployment Insurance	17.225	719,310,331	
Unemployment Insurance - ARRA	17.225	26,895,469	
Senior Community Service Employment Program	17.235	1,053,557	1,012,458
Trade Adjustment Assistance	17.245	1,044,800	21,498
WIA Pilots, Demonstrations, and Research Projects	17.261	832,381	
Work Incentive Grants	17.266	441,237	
H-1B Job Training Grants	17.268	1,687,527	98,373
Work Opportunity Tax Credit Program (WOTC)	17.271	131,128	
Temporary Labor Certification for Foreign Workers	17.273	85,396	
Consultation Agreements	17.504	541,044	
OSHA Data Initiative	17.505	87,006	
Transition Assistance Program	17.807	43,900	
Total Not Clustered		\$753,225,248	\$1,132,329
Employment Service Cluster:			
Employment Service/Wagner-Peyser Funded Activities	17.207	6,689,814	
Employment Service/Wagner-Peyser Funded Activities - ARRA	17.207	121,452	
Disabled Veterans' Outreach Program (DVOP)	17.801	887,264	
Local Veterans' Employment Representative Program	17.804	753,139	

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Total Employment Service Cluster		\$8,451,669	
Indirect Award			
WIA Cluster:			
WIA Youth Activities	17.259	80,981	
Total WIA Cluster		\$80,981	
Total U. S. Department of Labor		\$781,667,213	\$18,784,100
U. S. Department of State			
Indirect Award			
Research and Development Programs Cluster:			
Fellowship for PhD Program	19.000	3,569	
Total Research and Development Programs Cluster		\$3,569	
Total U. S. Department of State		\$3,569	
U. S. Department of Transportation			
Direct Award			
Transit Services Programs Cluster:			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	799,771	
Job Access-Reverse Commute	20.516	26,792	
New Freedom Program	20.521	231,409	
Total Transit Services Programs Cluster		\$1,057,972	
Research and Development Programs Cluster:			
Implementation of 2002 AASHTO Design Guide for Pavement Structures	20.000		94,117
University Transportation Center Tier II	20.000	265,580	
Traffic Assistance Services for Kansas (TASK)	20.000		28,615
Computational Investigation of Acoustic Characteristics Emanating from Contorted Wake Vortices and Associated Hazard Level	20.000	1,104	
Traffic Assistance Services for Kansas Program (FY 2009-2011)	20.000		1,243
Enhancement of Transportation Research at Kansas State University	20.000	135,938	
Aviation Research Grants	20.108	2,004,027	
Air Transportation Centers of Excellence	20.109	1,349,230	
Public Transportation Research	20.514	134,678	
Total Research and Development Programs Cluster		\$3,890,557	\$123,975
Not Clustered			
NHTSA FARS	20.000	713,696	
Airport Improvement Program	20.106	379,503	
National Motor Carrier Safety	20.218	3,530,598	
Performance and Registration Information Systems Management	20.231	242,970	
Safety Data Improvement Program	20.234	659,613	
Commercial Vehicle Information Systems and Networks	20.237	610,803	
Federal Transit-Metropolitan Planning Grants	20.505	1,916,042	
Formula Grants for Other Than Urbanized Areas	20.509	8,137,993	
Public Transportation Research	20.514	2,523	
State Planning and Research	20.515	26,426	
Pipeline Safety	20.700	533,401	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	333,410	272,768
Total Not Clustered		\$17,086,978	\$272,768
Highway Safety Cluster:			
State and Community Highway Safety	20.600	3,462,223	100,000
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	501,581	
State Traffic Safety Information System Improvement Grants	20.610	857,876	
Incentive Grant Program to Prohibit Racial Profiling	20.611	80,332	
Incentive Grant Program to Increase Motorcyclist Safety	20.612	74,341	
Child Safety and Child Booster Seats Incentive Grants	20.613	109,096	
Total Highway Safety Cluster		\$5,085,449	\$100,000
Highway Planning and Construction Cluster:			

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Highway Planning and Construction	20.205	428,466,139	
Highway Planning and Construction - ARRA	20.205	1,020,659	
Recreational Trails Program	20.219	1,385,308	
Total Highway Planning and Construction Cluster		<u>\$430,872,106</u>	
Federal Transit Cluster:			
Federal Transit-Capital Investment Grants	20.500	1,868,545	
Total Federal Transit Cluster		<u>\$1,868,545</u>	
Indirect Award			
Research and Development Programs Cluster:			
Identification of Work Zone Crash Characteristics	20.000	37,045	
Decontamination Project	20.000	16,550	
Air Transportation Centers of Excellence	20.109	196,624	
Biobased Transportation Research	20.761	272,326	
Research Grants	20.762	38,550	
Total Research and Development Programs Cluster		<u>\$561,095</u>	
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	112,066	
Total Highway Planning and Construction Cluster		<u>\$112,066</u>	
Total U. S. Department of Transportation		<u>\$460,534,768</u>	\$496,743
U. S. Department of the Treasury			
Direct Award			
Not Clustered			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21.009	22,924	
Total Not Clustered		<u>\$22,924</u>	
Total U. S. Department of the Treasury		<u>\$22,924</u>	
U. S. Equal Employment Opportunity Commission			
Direct Award			
Not Clustered			
Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	30.002	423,407	
Total Not Clustered		<u>\$423,407</u>	
Total U. S. Equal Employment Opportunity Commission		<u>\$423,407</u>	
U. S. General Services Administration			
Direct Award			
Not Clustered			
HAVA Title I - "early money"	39.011	125,078	
Total Not Clustered		<u>\$125,078</u>	
Non-Monetary Award			
Not Clustered			
Donation of Federal Surplus Personal Property	39.003	4,121,656	1,737,182
Total Not Clustered		<u>\$4,121,656</u>	<u>\$1,737,182</u>
Total U. S. General Services Administration		<u>\$4,246,734</u>	<u>\$1,737,182</u>
National Aeronautics and Space Administration			
Direct Award			
Research and Development Programs Cluster:			
Determination of Bone Marrow Macrophage Phenotype in Space	43.000	83,831	
Impact of Grav on Male Reprod	43.000	11,585	
NRA/Research Opportunities in Space and Earth Sciences-2006 Roses	43.000	56,838	
Aerospace Education Services Program	43.001	864,071	14,365
Total Research and Development Programs Cluster		<u>\$1,016,325</u>	<u>\$14,365</u>
Not Clustered			
Aerospace Education Services Program	43.001	333,892	128,215
Total Not Clustered		<u>\$333,892</u>	<u>\$128,215</u>
Indirect Award			

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Research and Development Programs Cluster:			
5-Axis Laser Assisted Machining of Silicon Carbide Ceramic Matrix Composites	43.000	363	
Project History Methods	43.000	5,826	
Wide-Band Integrated Si-Based Single Chip TR Module for UHF Radar	43.000	4,295	
Aerospace Education Services Program	43.001	10,000	
Technology Transfer	43.002	10,754	
Total Research and Development Programs Cluster		\$31,238	
Not Clustered			
Aerospace Education Services Program	43.001	11,500	
Total Not Clustered		\$11,500	
Total National Aeronautics and Space Administration		\$1,392,955	\$142,580
National Endowment for the Humanities			
Direct Award			
Not Clustered			
Promotion of the Arts-Grants to Organizations and Individuals	45.024	8,007	
Promotion of the Arts-Partnership Agreements	45.025	741,921	
Grants to States	45.310	1,714,845	
National Leadership Grants	45.312	39,274	
Laura Bush 21st Century Librarian Program	45.313	210,370	
Total Not Clustered		\$2,714,417	
Indirect Award			
Research and Development Programs Cluster:			
Walking With Pearl, Southern Diaries: Dance Residency at Kansas State University	45.000	14,485	
Total Research and Development Programs Cluster		\$14,485	
Not Clustered			
Promotion of the Arts-Partnership Agreements	45.025	5,290	
Promotion of the Humanities-We the People	45.168	201	
Museums for America	45.301	5,105	
Conservation Project Support	45.303	4,725	
Total Not Clustered		\$15,321	
Total National Endowment for the Humanities		\$2,744,223	
National Science Foundation			
Direct Award			
Research and Development Programs Cluster:			
Engineering Grants	47.041	1,135,121	20,937
Mathematical and Physical Sciences	47.049	1,823,070	182
Geosciences	47.050	2,429	
Computer and Information Science and Engineering	47.070	781,463	
Biological Sciences	47.074	2,844,829	138,504
Social, Behavioral, and Economic Sciences	47.075	637,368	
Education and Human Resources	47.076	1,273,308	13,700
Trans-NSF Research Support - ARRA	47.082	32,000	
Total Research and Development Programs Cluster		\$8,529,588	\$173,323
Not Clustered			
Education and Human Resources	47.076	19,233	
Total Not Clustered		\$19,233	
Indirect Award			
Research and Development Programs Cluster:			
Use of Dynamic Electric Field Gradients for the Crystallization of Proteins	47.000	12,960	
Molecular Evolutionary Ecology of Developmental Signaling Pathways	47.000	154,634	
Great Plains Environment for Network Innovation	47.000	11,946	
Evaluation of Epsilon Corps (Kean University's NSF STEP)	47.000	15,623	
Quarknet	47.000	4,378	
Oklahoma EPSCOR Evaluation	47.000	52,976	

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Processing Genetically Engineered Biomass to Obtain Optimal Enzymatic Digestion of Cell Wall Polysaccharides in Cellulosic Biofuel Production	47.000	54,933	
Whispering Gallery Microlasers Using Semiconductor Nanoparticles	47.000	1,364	
Engineering Grants	47.041	7,334	
Computer and Information Science and Engineering	47.070	45,688	
Biological Sciences	47.074	540,007	18,784
Education and Human Resources	47.076	924,028	43,626
International Science and Engineering (OISE)	47.079	95,284	
Office of Cyberinfrastructure	47.080	40,489	
Total Research and Development Programs Cluster		\$1,961,644	\$62,410
Not Clustered			
Geosciences	47.050	20,030	
Total Not Clustered		\$20,030	
Total National Science Foundation		\$10,530,495	\$235,733
U. S. Small Business Administration			
Direct Award			
Not Clustered			
Congressional Mandated Award	59.000	239,068	
Small Business Development Centers	59.037	1,069,544	
Total Not Clustered		\$1,308,612	
Total U. S. Small Business Administration		\$1,308,612	
U. S. Department of Veterans Affairs			
Direct Award			
Not Clustered			
Grants to States for Construction of State Home Facilities	64.005	500,552	
State Cemetery Grants	64.203	4,079,165	
Total Not Clustered		\$4,579,717	
Total U. S. Department of Veterans Affairs		\$4,579,717	
Environmental Protection Agency			
Direct Award			
Research and Development Programs Cluster:			
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	7,915	
Community Action for a Renewed Environment (CARE) Program	66.035	21,446	
Nonpoint Source Implementation Grants	66.460		53,691
Regional Wetland Program Development Grants	66.461	195,047	
Science To Achieve Results (STAR) Research Program	66.509	49,637	29,969
Office of Research and Development Consolidated Research/Training	66.511	5,187	
Operational Process for EPA Radiation and Indoor Environments Laboratory	66.607	47,199	
Environmental Professional Student Intern Program			
Source Reduction Assistance	66.717	53,083	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	267,703	4,976
Total Research and Development Programs Cluster		\$647,217	\$88,636
Not Clustered			
Air Pollution Control Program Support	66.001	1,114,387	
State Indoor Radon Grants	66.032	150,047	
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	266,485	
National Clean Diesel Funding Assistance Program	66.039	34	
State Clean Diesel Grant Program	66.040	13,186	
State Clean Diesel Grant Program - ARRA	66.040	2,936	
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	189,565	
State Underground Water Source Protection	66.433	349,175	
Targeted Watersheds Grants	66.439	200,562	187,046

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Water Quality Management Planning	66.454	105,002	
Capitalization Grants for Clean Water State Revolving Funds	66.458	2,185,621	
Nonpoint Source Implementation Grants	66.460	3,980,529	1,377,199
Regional Wetland Program Development Grants	66.461	78,051	58,519
Wastewater Operator Training Grant Program	66.467	26,013	
Capitalization Grants for Drinking Water State Revolving Funds	66.468	7,059,825	
Hardship Grant Program for Rural Communities	66.470	92,860	
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471	183,424	
Water Protection Grants to the States	66.474	22,505	
Greater Research Opportunities (GRO) Fellowships For Undergraduate/Graduate Environmental Study	66.513	2,535	
Performance Partnership Grants	66.605	4,334,363	
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	64,801	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707	348,843	
Pollution Prevention Grants Program	66.708	147,002	
Multi-Media Capacity Building Grants for States and Tribes	66.709	9	
Hazardous Waste Management State Program Support	66.801	1,088,562	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	798,759	
State and Tribal Underground Storage Tanks Program	66.804	333,432	
Leaking Underground Storage Tank Trust Fund Program	66.805	878,347	
State and Tribal Response Program Grants	66.817	854,562	
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	170,128	84,000
Total Not Clustered		\$25,041,550	\$1,706,764
Indirect Award			
Research and Development Programs Cluster:			
Developing Tools for Community Hazardous Waste Management	66.000	89,744	
Marais Des Cygnes Basin Wraps Implementation Riparian Forestry Part 4	66.000	361	
State Indoor Radon Grants	66.032	10,500	
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	39,887	
Science to Achieve Results (STAR) Research Program	66.509	3,747	
Total Research and Development Programs Cluster		\$144,239	
Total Environmental Protection Agency		\$25,833,006	\$1,795,400
U. S. Department of Energy			
Direct Award			
Research and Development Programs Cluster:			
Experimental Development and Demonstration of Ultrasonic Measurement Diagnostics for Sodium Fast Reactor Thermohydraulics	81.000	47,635	41,135
Advanced Materials and Processes for High-Energy-Resolution Room-Temperature-Operated Gamma Ray Spectrometers	81.000	391,135	
Office of Science Financial Assistance Program	81.049	3,689,995	58,731
Renewable Energy Research and Development	81.087	544,723	
Fossil Energy Research and Development	81.089	17,970	
Defense Nuclear Nonproliferation Research	81.113	79,293	
University Reactor Infrastructure and Education Support	81.114	169,152	
Total Research and Development Programs Cluster		\$4,939,903	\$99,866
Not Clustered			
State Energy Program	81.041	509,403	7,500
State Energy Program - ARRA	81.041	21,508	
Weatherization Assistance for Low-Income Persons - ARRA	81.042	783,600	783,600
Weatherization Assistance for Low-Income Persons	81.042	3,554,323	3,267,890
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	23,075	
Total Not Clustered		\$4,891,909	\$4,058,990

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Indirect Award			
Research and Development Programs Cluster:			
Integrated Firing-System/Initiation-Train Modeling Enhancement	81.000	78,291	
Research In Fractional-N Synthesizer Design and LTCC Inductor Performance, Phase II	81.000	67,282	
Wind for Schools Wind Application Center: Kansas	81.000	34,953	
US CMS Electromagnetic Calorimeter M&O System	81.000	2,308	
Turbo Solder Interconnect Predictor Tool	81.000	29,334	
RFIC Development In Peregrine SOS Phase I	81.000	102,156	
Communications and Controls Development	81.000	118,629	
Memorandum of Understanding: Temporary Support for the Purpose of Developing and Refining Silicon Detector	81.000	13,904	
Research in Fractional-N Synthesizer Design and LTCC Inductor Performance	81.000	39,235	
Afghanistan and Iraqi Engagement (PR1005844)	81.000	159,678	
Bipolar Electrodialysis for Enzymatic Carbon Dioxide Removal From Flue Gas	81.000	44,024	
Collaboration on Simulations for SID Preparation and Detector Concepts	81.000	17,652	
Coordination of the US CMS Research Effort At the LHC Physics Center in the Area of Dileptons	81.000	5,000	
Design & Implementation of Remediation Technologies	81.000	8,672	
Fireset Optimization	81.000	12,041	
Novel Platform for Enhanced Membrane Reactors for Homogeneous Catalysis	81.000	48,889	
Quality Dependent Traffic	81.000	4,984	
Pixels M&O Sudsystem	81.000	12,833	
Frisch Collar Cdntze Detectors for a Collimated Array	81.000	59,198	
National Carbon Sequestration Database & Geographic Information System	81.000	33,221	
Lanthanide Halide Alloys	81.000	39,910	
Hole-Burned Spectra	81.000	5,027	
Office of Science Financial Assistance Program	81.049	133,675	
Regional Biomass Energy Programs	81.079	59,581	
Conservation Research and Development	81.086	4,999	
Renewable Energy Research and Development	81.087	24,556	
University Reactor Infrastructure and Education Support	81.114	21,004	
Total Research and Development Programs Cluster		\$1,181,036	
Total U. S. Department of Energy		\$11,012,848	\$4,158,856
U. S. Department of Education			
Direct Award			
Vocational Rehabilitation Cluster:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	25,807,240	
Total Vocational Rehabilitation Cluster		\$25,807,240	
TRIO Cluster:			
TRIO-Student Support Services	84.042	1,333,810	
TRIO-Talent Search	84.044	728,631	
TRIO-Upward Bound	84.047	2,836,660	
TRIO-Educational Opportunity Centers	84.066	184,945	
TRIO-McNair Post-Baccalaureate Achievement	84.217	473,936	
Total TRIO Cluster		\$5,557,982	
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	93,009,194	91,816,757
Title I Grants to Local Educational Agencies - ARRA	84.389	614,182	614,182
Total Title I, Part A Cluster		\$93,623,376	\$92,430,939
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	2,638,709	
Federal Family Education Loans	84.032	130,292,142	
Federal Work-Study Program	84.033	3,665,611	
Federal Perkins Loan Program-Federal Capital Contributions	84.038	2,606,981	
Federal Pell Grant Program	84.063	48,347,376	

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Federal Direct Student Loans	84.268	215,393,217	
Academic Competitiveness Grants	84.375	1,249,191	
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	1,042,255	
Total Student Financial Aid Cluster		\$405,235,482	
Special Education Cluster (IDEA):			
Special Education-Grants to States	84.027	97,377,046	93,933,262
Special Education-Preschool Grants	84.173	4,191,641	4,071,159
Total Special Education Cluster (IDEA)		\$101,568,687	\$98,004,421
Research and Development Programs Cluster:			
Civil Rights Training and Advisory Services	84.004	728,562	
Fund for the Improvement of Postsecondary Education	84.116	503,701	19,248
Early Reading First	84.359	27,099	
Total Research and Development Programs Cluster		\$1,259,362	\$19,248
Not Clustered			
Adult Education - Basic Grants to States	84.002	4,008,647	3,606,529
Migrant Education-State Grant Program	84.011	11,204,507	10,175,315
Title I Program for Neglected and Delinquent Children	84.013	547,931	42,400
Undergraduate International Studies and Foreign Language Programs	84.016	30,909	
Greater Research Opportunities (GRO) Fellowships For Undergraduate/Graduate Environmental Study	84.031	149,916	
Career and Technical Education - Basic Grants to States	84.048	10,731,857	9,658,879
Leveraging Educational Assistance Partnership	84.069	351,188	
Fund for the Improvement of Postsecondary Education	84.116	164,268	
Migrant Education-High School Equivalency Program	84.141	496,257	291,865
Migrant Education-Coordination Program	84.144	79,634	46,000
Business and International Education Projects	84.153	1,540	
Independent Living-State Grants	84.169	190,417	158,707
Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	84.177	120,798	
Safe and Drug-Free Schools and Communities-National Programs	84.184	118,082	
Byrd Honors Scholarships	84.185	358,835	358,835
Safe and Drug-Free Schools and Communities-State Grants	84.186	2,487,552	2,337,066
Supported Employment Services for Individuals with Significant Disabilities	84.187	300,000	
Adult Education-National Leadership Activities	84.191	192,611	187,288
Project Merit	84.195	279,066	107,121
Project CARE	84.195	179,482	2,184
Project Teach	84.195	264,852	239
Project Peer	84.195	225,980	
Project Pulse	84.195	255,921	
English Language Acquisition: National Professional Development Program	84.195	416,210	
Project Soar	84.195	243,167	
Project Advocate	84.195	268,522	
Education for Homeless Children and Youth	84.196	444,534	382,085
Graduate Assistance in Areas of National Need	84.200	85,740	
Even Start-State Educational Agencies	84.213	775	
Fund for the Improvement of Education	84.215	518,871	100,000
Rehabilitation Services Demonstration and Training Programs	84.235	236,727	
Tech-Prep Education	84.243	1,518,832	1,417,547
Literacy Programs for Prisoners	84.255	33,039	
Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	84.265	33,924	
Title II-A Teacher Quality	84.281	8,269	8,269
Charter Schools	84.282	3,289,846	3,225,154
Twenty-First Century Community Learning Centers	84.287	3,361,326	3,119,245
Innovative Education-Title V	84.298	123,719	18,314
Education Technology State Grants	84.318	1,632,257	1,537,268
Special Education - State Personnel Development	84.323	642,083	357,700

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	369,198	
Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	37,492	
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330	367,920	144,905
Grants to States for Incarcerated Youth Offenders	84.331	291,426	
Comprehensive School Reform Demonstration	84.332	1,955	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	586,610	
Child Care Access Means Parents in School	84.335	128,353	
Teacher Quality Enhancement Grants	84.336	1,689,940	724,314
Transition to Teaching	84.350	526,108	207,180
Reading First State Grants	84.357	7,445,868	5,543,816
Rural Education	84.358	190,618	183,146
English Language Acquisition Grants	84.365	3,514,013	3,291,426
Mathematics and Science Partnerships	84.366	1,011,553	686,957
Improving Teacher Quality State Grants	84.367	23,159,573	22,189,000
Grants for State Assessments and Related Activities	84.369	4,613,138	
Statewide Data Systems	84.372	673,388	
School Improvement Grants	84.377	3,003,723	2,959,779
College Access Challenge Grant Program	84.378	346,129	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	312,233	
National Assessment of Educational Programs	84.902	76,037	
Total Not Clustered		\$93,943,366	\$73,068,533
Early Intervention Services (IDEA) Cluster:			
Special Education-Grants for Infants and Families	84.181	3,769,613	2,523,671
Special Education - Grants for Infants and Families - ARRA	84.393	68,868	68,868
Total Early Intervention Services (IDEA) Cluster		\$3,838,481	\$2,592,539
Indirect Award			
Special Education Cluster (IDEA):			
Special Education-Grants to States	84.027	118,768	
Special Education-Preschool Grants	84.173	67	
Total Special Education Cluster (IDEA)		\$118,835	
Research and Development Programs Cluster:			
Kansas State University Kazakhstan Civic Education Partnership/Exchange	84.000	68,945	43,800
Kansas We The People Institute	84.000	5,220	
Kansas-We The People: The Citizen and Constitution	84.000	3,779	
We The People: Kansas	84.000	427,995	
Evaluation of LISTO	84.000	21,999	
Fund for the Improvement of Postsecondary Education	84.116	3,661	
Fund for the Improvement of Education	84.215	15	
Education Research, Development and Dissemination	84.305	12,175	
Total Research and Development Programs Cluster		\$543,789	\$43,800
Not Clustered			
Family and Parent Involvement - Curriculum Enhancement Initiative	84.000	2,948	
Civic Education - Cooperative Education Exchange Program	84.304	13,500	
Parental Information and Resource Centers	84.310	6,077	
Transition to Teaching	84.350	78,230	5,000
Improving Teacher Quality State Grants	84.367	923	
South Central Kansas Writing Project	84.928	31,852	
Flint Hills Writing Project	84.928	45,068	
Total Not Clustered		\$178,598	\$5,000
Total U. S. Department of Education		\$731,675,198	\$266,164,480
National Archives and Records Administration			
Indirect Award			

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Not Clustered			
National Historical Publications and Records Grants	89.003	115,902	
Total Not Clustered		<u>\$115,902</u>	
Total National Archives and Records Administration		<u>\$115,902</u>	
U.S. Election Assistance Commission			
Direct Award			
Not Clustered			
Help America Vote Act Requirements Payments	90.401	581,364	
Total Not Clustered		<u>\$581,364</u>	
Total U.S. Election Assistance Commission		<u>\$581,364</u>	
U. S. Department of Health and Human Services			
Direct Award			
TANF Cluster:			
Temporary Assistance for Needy Families	93.558	64,807,666	1,921,653
Total TANF Cluster		<u>\$64,807,666</u>	<u>\$1,921,653</u>
Student Financial Aid Cluster:			
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	364,614	
Nursing Student Loans	93.364	196,303	
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	32,667	
Total Student Financial Aid Cluster		<u>\$593,584</u>	
Research and Development Programs Cluster:			
Protein Purification	93.000	3,673	
IPA	93.000	62,839	
Di-Indolylmethane,WS#45	93.000	235,486	
Research Related to Deafness and Communication Disorders	93.173	439,156	
Mental Health Research Grants	93.242	3,202	
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243	66,317	
Alcohol Research Programs	93.273	160,713	
Drug Abuse and Addiction Research Programs	93.279	172,895	31,165
Short-Term Training in Health Professional Schools	93.306	12,391	
National Center for Research Resources	93.389	3,046,211	
Cancer Treatment Research	93.395	110,600	
Cancer Control	93.399	2,211	
Trans-NIH Research Support - ARRA	93.701	17,955	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	858,676	234,071
Heart and Vascular Diseases Research	93.837	127,343	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	38,440	
Allergy, Immunology and Transplantation Research	93.855	1,632,769	10,172
Biomedical Research and Research Training	93.859	1,150,673	70,032
Na,K-ATPase alpha4 isoform	93.864	21,902	
Neuroendocrine-Modulated Epithelial CHO3-Transport	93.864	176,711	
Child Health and Human Development Extramural Research	93.865	277,179	
Aging Research	93.866	355,267	122,302
Vision Research	93.867	568,073	
Health Care and Other Facilities	93.887	370,393	
Total Research and Development Programs Cluster		<u>\$9,911,075</u>	<u>\$467,742</u>
Not Clustered			
Title XIX Fund-Oral Health	93.000		6,500
Adult Lead Surveillance Data	93.000	9,361	
Clinical Lab Improvement	93.000	1,636,847	
Title XIX-Teenage Pregnancy Prevention	93.000		139,532
Public Health and Social Services Emergency Fund	93.003	100,000	

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<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Compassion Capital Fund	93.009	664,505	324,902
Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	20,241	20,241
Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042	145,234	
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043	184,415	184,415
Special Programs for the Aging-Title IV-and Title II-Discretionary Projects	93.048	115,634	
National Family Caregiver Support, Title III, Part E	93.052	1,489,146	1,430,564
Public Health Emergency Preparedness	93.069	8,932,983	495,766
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087	458,800	
Maternal and Child Health Federal Consolidated Programs	93.110	422,331	133,500
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	373,352	
Emergency Medical Services for Children	93.127	139,659	5,000
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	112,850	
Injury Prevention and Control Research and State and Community Based Programs	93.136	578,828	8,905
Projects for Assistance in Transition from Homelessness (PATH)	93.150	273,202	273,202
Disabilities Prevention	93.184	464,115	
Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	310,865	
Family Planning-Services	93.217	2,798,601	390,113
Traumatic Brain Injury State Demonstration Grant Program	93.234	73,666	
Abstinence Education Program	93.235	287,765	103,331
Grants for Dental Public Health Residency Training	93.236	103,375	
State Rural Hospital Flexibility Program	93.241	599,707	
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243	1,684,410	1,231,820
Universal Newborn Hearing Screening	93.251	156,576	25,070
Nurse Faculty Loan Program (NFLP)	93.264	56,361	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	7,073,937	186,442
Small Rural Hospital Improvement Grant Program	93.301	828,758	708,790
Advanced Education Nursing Traineeships	93.358	103,513	
Cancer Treatment Research	93.395	21,260	
Food Safety and Security Monitoring Project	93.448	27,073	
Ruminant Feed Ban Support Project	93.449	210,238	
Promoting Safe and Stable Families	93.556	1,811,156	
Child Support Enforcement - ARRA	93.563	8,656,774	
Child Support Enforcement	93.563	35,245,036	
Refugee and Entrant Assistance-State Administered Programs	93.566	742,288	249,281
Low-Income Home Energy Assistance	93.568	43,194,298	4,358,119
Community Services Block Grant-Discretionary Awards	93.570	6,109	
Refugee and Entrant Assistance-Discretionary Grants	93.576	60,847	
State Court Improvement Program	93.586	416,966	
Community-Based Child Abuse Prevention Grants	93.590	617,501	471,834
Grants to States for Access and Visitation Programs	93.597	101,469	101,370
Chafee Education and Training Vouchers Program (ETV)	93.599	369,028	
Adoption Incentive Payments	93.603	217,221	11,900
Improving Child Welfare Outcomes Through Systems of Care	93.607	-12	
Voting Access for Individuals with Disabilities-Grants to States	93.617	2,381	
Developmental Disabilities Basic Support and Advocacy Grants	93.630	554,135	159,871
Children's Justice Grants to States	93.643	243,611	105,568
Child Welfare Services-State Grants	93.645	2,683,419	
Foster Care-Title IV-E	93.658	25,662,762	
Foster Care-Title IV-E - ARRA	93.658	993,448	
Adoption Assistance	93.659	13,848,284	

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Adoption Assistance - ARRA	93.659	962,741	
Social Services Block Grant	93.667	26,784,471	
Child Abuse and Neglect State Grants	93.669	189,459	84,668
Child Abuse and Neglect Discretionary Activities	93.670	82,067	76
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	93.671	1,061,157	1,017,202
Chafee Foster Care Independence Program	93.674	1,613,721	312,214
State Children's Insurance Program	93.767	51,081,934	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	407,029	
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789	878,110	42
Money Follows the Person Rebalancing Demonstration	93.791	3,236,057	136,137
Medicaid Transformation Grants	93.793	366,566	
Grants for Training in Primary Care Medicine and Dentistry	93.884	177,789	45,928
National Bioterrorism Hospital Preparedness Program	93.889	5,476,455	167,800
Grants to States for Operation of Offices of Rural Health	93.913	157,019	
HIV Care Formula Grants	93.917	3,964,472	417,345
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	296,781	38,572
HIV Prevention Activities-Health Department Based	93.940	1,643,077	542,162
HIV Demonstration, Research, Public and Professional Education Projects	93.941	220,408	
Assistance Programs for Chronic Disease Prevention and Control	93.945	524,600	105,000
Block Grants for Community Mental Health Services	93.958	3,112,988	2,987,814
Block Grants for Prevention and Treatment of Substance Abuse	93.959	12,274,770	11,045,575
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	864,649	
Mental Health Disaster Assistance and Emergency Mental Health	93.982	734,910	
Preventive Health and Health Services Block Grant	93.991	977,410	275,679
Maternal and Child Health Services Block Grant to the States	93.994	4,406,670	111,607
Total Not Clustered		\$287,379,639	\$28,413,857
Medicaid Cluster:			
State Medicaid Fraud Control Units	93.775	730,436	
State Survey and Certification of Health Care Providers and Suppliers	93.777	6,716,955	
Medical Assistance Program	93.778	1,612,214,781	
Medical Assistance Program - ARRA	93.778	123,301,539	
Total Medicaid Cluster		\$1,742,963,711	
Immunization Cluster:			
Immunization Grants	93.268	3,335,786	19,977
Total Immunization Cluster		\$3,335,786	\$19,977
Health Centers Cluster:			
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	681,846	
Health Center Integrated Services Development Initiative[g1] - ARRA	93.703	25,123	11,000
Total Health Centers Cluster		\$706,969	\$11,000
Head Start Cluster:			
Head Start	93.600	177,989	25,850
Total Head Start Cluster		\$177,989	\$25,850
CSBG Cluster:			
Community Services Block Grant	93.569	5,424,309	5,157,477
Community Services Block Grant - ARRA	93.710	952,270	952,270
Total CSBG Cluster		\$6,376,579	\$6,109,747
CCDF Cluster:			
Child Care and Development Block Grant	93.575	39,063,625	7,628,431
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	27,032,901	
Total CCDF Cluster		\$66,096,526	\$7,628,431
Aging Cluster:			

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Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	3,390,270	3,238,883
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	6,347,806	5,813,445
Nutrition Services Incentive Program	93.053	1,873,678	1,873,678
Total Aging Cluster		\$11,611,754	\$10,926,006
Indirect Award			
Research and Development Programs Cluster:			
NIAID Centers of Excellence for Influenza Research and Surveillance	93.000	361,527	
Growth and Purification of Cryptosporidium Developmental Stages	93.000	31,369	
Novel Proapoptotic BH3	93.000	10,827	
Identification of In Vivo Pak 1 Protein Kinase Inhibitors	93.000	115,126	
Functionalized Bimagnetic Core/Shell Fe/Fe3O4 Stealth Nanoparticles for Diagnosis and Treatment of Cancer	93.000	28,835	
Identification of In Vivo Pak 1 Protein Kinase Inhibitors (Mentor)	93.000	14,924	
KINBRE Faculty Scholar Award	93.000	12,647	
Molecular Co-Crystals: New Solid forms for Anti-Cancer Drugs	93.000	56,774	
Functionalized Bimagnetic Core/Shell Fe/Fe3O4 Stealth Nanoparticles for Diagnosis and Treatment of Cancer	93.000	49,500	
High Throughput Measurement of Cellular Signaling	93.000	37,760	
Oral Diseases and Disorders Research	93.121	6,151	
Research Related to Deafness and Communication Disorders	93.173	33,234	
National Center for Research Resources	93.389	1,426,633	
Cancer Centers Support Grants	93.397	2,558	
Individual and Environmental Mechanisms of Pa Change	93.848	30,991	
Allergy, Immunology and Transplantation Research	93.855	189,568	
Microbiology and Infectious Diseases Research	93.856	-32,386	
Child Health and Human Development Extramural Research	93.865	3,520	
International Research and Research Training	93.989	54,471	
Total Research and Development Programs Cluster		\$2,434,029	
Not Clustered			
Maternal and Child Health Federal Consolidated Programs	93.110	13,500	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	13,500	
Total Not Clustered		\$27,000	
Head Start Cluster:			
Head Start	93.600	350	
Total Head Start Cluster		\$350	
Total U. S. Department of Health and Human Services		\$2,196,422,657	\$55,524,263
Corporation for National and Community Service			
Direct Award			
Not Clustered			
State Commissions	94.003	77,128	
Learn and Serve America-School and Community Based Programs	94.004	126,065	101,893
AmeriCorps	94.006	1,232,063	703,858
Planning and Program Development Grants	94.007	41,640	41,640
Training and Technical Assistance	94.009	56,442	
Volunteers in Service to America	94.013	34,013	
Total Not Clustered		\$1,567,351	\$847,391
Foster Grandparent/Senior Companion Cluster:			
Foster Grandparent Program	94.011	583,220	
Senior Companion Program	94.016	428,695	
Total Foster Grandparent/Senior Companion Cluster		\$1,011,915	
Indirect Award			
Research and Development Programs Cluster:			
Learn and Serve America-School and Community Based Programs	94.004	57,087	
Total Research and Development Programs Cluster		\$57,087	

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
Total Corporation for National and Community Service		\$2,636,353	\$847,391
Social Security Administration			
Direct Award			
Not Clustered			
Census of Traumatic Occup Fatal-Federal	96.000	223,078	
SSA Electronic Death Registry Contract	96.000	111,016	
Total Not Clustered		\$334,094	
Disability Insurance/SSI Cluster:			
Social Security-Disability Insurance	96.001	14,850,894	
Total Disability Insurance/SSI Cluster		\$14,850,894	
Total Social Security Administration		\$15,184,988	
U. S. Department of Homeland Security			
Direct Award			
Research and Development Programs Cluster:			
Pilot Demonstration or Earmarked Projects	97.001	887,100	548,684
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077	104,860	
Total Research and Development Programs Cluster		\$991,960	\$548,684
Not Clustered			
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	121,301	
Crisis Counseling	97.032	281,320	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	167,647,891	162,069,179
Hazard Mitigation Grant	97.039	4,491,881	4,434,811
National Dam Safety Program	97.041	184,105	
Emergency Management Performance Grants	97.042	5,461,161	3,921,286
Cooperating Technical Partners	97.045	1,191,425	
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	80,023	
Map Modernization Management Support	97.070	146,999	
Real ID Program	97.089	118,132	
Total Not Clustered		\$179,724,238	\$170,425,276
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	21,781	
Homeland Security Grant Program	97.067	8,497,802	7,042,563
Total Homeland Security Cluster		\$8,519,583	\$7,042,563
Indirect Award			
Research and Development Programs Cluster:			
Centers for Homeland Security	97.061	165,577	
Homeland Security-Related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104	68,823	
Total Research and Development Programs Cluster		\$234,400	
Total U. S. Department of Homeland Security		\$189,470,181	\$178,016,523
U. S. Agency for International Development			
Indirect Award			
Research and Development Programs Cluster:			
Pakistan FATA Youth Training	98.000	51,374	
Ecologically-Based Participatory IPM for Southeast Asia	98.000	6,851	
Drivers of Varietalchange Assessing Impact of Late Blight Resistant Cultivars	98.000	13,250	
Advancing Economic Development in Nigeria Through Strengthening Business Management Education and Technology Competence	98.000	151,822	
USAID Foreign Assistance for Programs Overseas	98.001	246,306	
Total Research and Development Programs Cluster		\$469,603	
Total U. S. Agency for International Development		\$469,603	
Other Federal Grants			
Direct Award			

*State of Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009*

<i>Federal Grantor/Program</i>	<i>CFDA Number</i>	<i>Expenditures</i>	<i>Funds passed to Subrecipient</i>
<i>Research and Development Programs Cluster:</i>			
Northern Playa Lakes Snowy Plover Survey	99.999	549,918	
<i>Total Research and Development Programs Cluster</i>		<u>\$549,918</u>	
<i>Not Clustered</i>			
Peace Corp Recruitment	99.000	3,764	
Peace Corps - 2008	99.000	1,557	
MQSA Contract	99.990	226,078	
Vital Statistics Cooperative Program	99.990	241,153	
Title IV-B	99.999		68,623
Public Radio Station	99.999	162,717	
Memorandum of Understanding w/Immigration & Customs	99.999	22,588	
Job Corps WRIS - USDOL	99.999	89,028	
Reimbursement from Federal Bureau of Prisons for Housing of Federal Female Inmates	99.999	441,100	
<i>Total Not Clustered</i>		<u>\$1,187,985</u>	<u>\$68,623</u>
<i>Indirect Award</i>			
<i>Not Clustered</i>			
Substance Abuse Performance Outcome Grant	99.999	36,450	
E-rate	99.999	15,753	
KCSDV Just Ask	99.999	54,525	
Lead Based Paint Hazard Grant Program	99.999	31,995	
MH Client Level Reporting	99.999	876	
Olmstead Financial Support	99.999	20,000	
Prevention Fellowship Program	99.999	37,500	
<i>Total Not Clustered</i>		<u>\$197,099</u>	
<i>Total Other Federal Grants</i>		<u>\$1,935,002</u>	<u>\$68,623</u>
<i>Total Federal Award Expenditures</i>		<u>\$5,136,056,472</u>	<u>\$771,855,279</u>

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

**Expenditures for CFDA No 17.225 include State Unemployment Insurance Benefits in the amount of \$563,951,174.*

STATE OF KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

1 - General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the State of Kansas (the State). The State's financial reporting entity is described in Note 1 of the State's basic financial statements. With the exception described below, the schedule of expenditures of federal awards does not include the federal awards of the component units, including the various component units of the six state universities because the university component units engaged other auditors to perform audits in accordance with OMB *Circular A-133*. The schedule of expenditures of federal awards does include the federal awards received by Kansas Housing Resources Corporation and Kansas Technology Enterprise Corporation, both of which are component units of the State. Federal awards received directly from federal agencies, as well as passed through other third-party entities, are included in the schedule. Federal awards passed through other third-party entities are shown as indirect awards in the schedule.

2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards presents total federal awards expended for each individual federal award program in accordance with Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. 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 the applicable Federal agency has been identified are reported with the related Federal agency prefix number followed by (.000). Federal award titles not presented in the Catalog and the applicable Federal agencies have not been identified are reported as 99.000, 99.990 or 99.999.

3 - Basis of Accounting

Except for certain noncash federal award programs described below and revolving loan funds (see Note 5), the accompanying schedule is presented on a cash basis of accounting. Commodity food distribution is presented at the value assigned to the commodities by the federal granting agency. Food stamps are presented on the basis of the redeemable value of the food stamps distributed to recipients. Higher Education Act insured loans are presented on the basis of the amount of new loans provided from these programs during the current year.

STATE OF KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

4 - Student Financial Assistance Programs

Federally funded student financial assistance programs are administered for the State of Kansas by the various Board of Regents institutions. The programs at each institution are administered separately from those of any other institution. Federal Family Education Loans, Federal Direct Student Loans and Health Professions Student Loans are made by financial institutions rather than by the educational institution.

5 - Revolving Loan Fund

The Community Development Block Grant (administered by the Kansas Department of Commerce), 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. The State had the following loan balances outstanding at June 30, 2009:

	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant Loans	14.228	\$ 8,908,316
Water Pollution Control Revolving Fund	66.458	531,815,039
Public Water Supply Loan Fund	66.468	275,915,456

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

STATE OF KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	Finding 2009-1
Noncompliance material to financial statements noted:	None

Federal Awards

Type of auditors' report issued on compliance for major programs:	Qualified – Reporting Noncompliance: Disaster Grants - Public Assistance Unqualified: All Other Major Programs
Internal control over major programs:	
Material weaknesses identified	Finding 2008-14
Significant deficiencies identified that are not considered to be material weaknesses	Findings 2009-2, 2009-3, 2009-5, 2009-6, 2008-5, 2008-10 through 2008-12
Audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	Yes

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section I - Summary of Auditor's Results (Continued)

Identification of the State's major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Section 8 Project-Based Cluster	14.195
CDBG – State Administered Small Cities Program Cluster	14.228
Unemployment Insurance, including ARRA	17.225
Improving Teacher Quality State Grants	84.367
Title 1, Part A Cluster, including ARRA	84.010/84.389
Temporary Assistance for Needy Families (TANF) Cluster	93.558
Child Support Enforcement, including ARRA	93.563
Low-Income Home Energy Assistance	93.568
State Children’s Insurance Program	93.767
Medicaid Cluster, including ARRA	93.775/93.777/93.778
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
Research and Development Programs Cluster, including ARRA	Various CFDA numbers
 <u>Additional Program Selected</u>	
Disability Insurance/SSI Cluster	96.001
 Dollar threshold used to distinguish between Type A and Type B programs	 \$ 15,408,169
 Auditee qualified as a low risk auditee:	 No

Section II – Financial Statement Findings

Finding 2009-1: The State does not have an adequate system over the recording and reporting of specific balance sheet accounts. (Significant Deficiency)

Criteria or Specific Requirement: The process used in the preparation of the audited financial statements should include internal controls over the summarization of financial data that would detect material misstatements in the financial statements.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings (Continued)

Finding 2009-1: The State does not have an adequate system over the recording and reporting of specific balance sheet accounts. (Significant Deficiency) (Continued)

Condition: The current accounting system utilized by the State was designed to provide information primarily related to budget compliance. Consequently, the system is designed to record cash transactions and un-liquidated encumbrances and generally omits noncash assets and liabilities. As a result, the noncash assets and liabilities are accounted for separately with the use of various shadow systems.

Cause: The current centralized accounting system was not designed to account for all assets and liabilities necessary for financial statements prepared in conformity with generally accepted accounting principles.

Effect: The State is not able to report all transactions of the entity without the use of surveys and shadow systems. Transactions could occur and not be reported timely.

Recommendation: The current SMART project to design and implement a new financial management system should be analyzed to make certain the system will include data for all assets, liabilities and operating accounts necessary for the preparation of financial statements in accordance with generally accepted accounting principles.

Management Response (unaudited):

The State of Kansas is currently implementing an integrated financial management system, with go-live scheduled for July 1, 2010. This system, which will be known as the Statewide Management, Accounting and Reporting Tool (SMART), will allow the State to decommission the current Statewide Accounting and Reporting System (STARS) and over sixty agency administrative systems that were developed because the limited functionality of STARS couldn't meet the business requirements of agencies.

The software product being implemented is PeopleSoft Financials (version 9.0). The modules included in the project scope are General Ledger, Purchasing, Accounts Payable, Accounts Receivable/Billing, Projects and Grants, Asset Management and Time & Labor. All state agencies will use SMART to process transactions either by direct entry or interface.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Section II – Financial Statement Findings (Continued)

Finding 2009-1: The State does not have an adequate system over the recording and reporting of specific balance sheet accounts. (Significant Deficiency) (Continued)

The State of Kansas does not currently have a centralized asset management repository, so agencies have developed and maintained different solutions for managing assets (properties, land, equipment, machinery, etc.). To obtain asset information for comprehensive annual financial reporting and other purposes, the Department of Administration requires that state agencies certify asset information annually.

As a task required for go-live, each state agency will be required to convert its asset information into the SMART Asset Management module. This module will integrate with other SMART modules including Purchasing, Accounts Payable, Project Costing, Accounts Receivable/Billing and General Ledger. Additionally, the SMART system will provide for location management, reporting and query capabilities and consistent asset data structures for creating parent/child relationships and property association.

Because the STARS system does not provide Accounts Receivable functionality, state agencies with Accounts Receivable must report information to the Department of Administration annually. This information is then used to prepare the Comprehensive Annual Financial Report. Over forty agencies have indicated an interest in using the SMART Accounts Receivable module to manage either some or all of their receivables. Because there are many different types of receivables and because many receivables are managed in agency programmatic systems (as may be required by federal granting agencies), some agencies are expected to continue using these specialized systems as the primary application for recording and reporting receivables. The State does expect the use of the module to increase as agencies learn how to apply the functionality to their business requirements and practices.

Because the STARS system also does not provide a centralized Accounts Payable solution, agencies have needed to develop their own programmatic systems and/or manual processes. Since SMART will have an Accounts Payable module, agencies will be able to record liabilities, as appropriate, to known vendors. Additionally, agencies will also be able to process General Ledger transactions to record other types of obligations. As is the case with Accounts Receivable, there are many different types of payables that may be primarily managed in specialized agency programmatic systems. As applicable, federal grant requirements may require that these specialized systems be the systems of source for recording and reporting liabilities. The State does expect the use of the module to increase as agencies learn how to apply the functionality to its business requirements and practices.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III -Findings and Questioned Costs for Federal Awards

Finding No. 2009-2 CDBG – State Administered Small Cities Program Cluster – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (Significant Deficiency)

Federal Award – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (CFDA No. 14.228), U.S. Department of Housing and Urban Development, Kansas Department of Commerce, Grant Award Nos. B-08-DC-20-0001, B-07-EC-20-0001

Compliance Requirement – Procurement, Suspension and Debarment

Condition – For all 23 files tested, the State did not check the “Excluded Parties List System” (EPLS) to ensure that subrecipients were not suspended or debarred prior to making the subawards.

Criteria – In accordance with OMB Circular A-102, the State is required to ensure that subrecipients are not suspended or debarred. The State can perform this process by checking the EPLS prior to making a subaward.

Cause – The State was not aware of this requirement for their subrecipients. The State monitors their subrecipients’ contractors to ensure compliance with suspension and debarment but was not addressing this requirement with their subrecipients.

Effect – The State could enter into a contract or vendor relationship with a suspended or debarred party which could result in questioned costs.

Questioned Costs – Unknown.

Recommendation – The State should implement controls that would include checking the EPLS for all subrecipients and contractors prior to entering into a subaward or contract.

Auditee Contact – Carole Jordan, Director, Rural Development Division

Management’s Response/Corrective Action Plan (Unaudited) – All new CDBG grantees will be checked to ensure they are not on the debarred list per the Excluded Parties List System. This question is now checked before a contract is issued. An additional question was included on the Contract Checklist for this requirement.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2009-3 CDBG – State Administered Small Cities Program Cluster – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (Significant Deficiency)

Federal Award – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (CDBG) (CFDA No. 14.228), U.S. Department of Housing and Urban Development, Kansas Department of Commerce, Grant Award Nos. B-08-DC-20-0001, B-07-EC-20-0001

Compliance Requirement – Performance Reporting

Condition – In our reporting testwork, we noted that the State had not submitted any performance reports, Form HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons* (Form HUD 60002) for those grants for which this report is applicable.

Criteria – Reporting requirements stipulate that “for each grant over \$200,000 that involves housing rehabilitation, housing construction, or other public construction, the prime recipient must submit Form HUD 60002.” Specifically, per 24 CFR 135.90: "Where the program providing the Section 3 covered assistance requires submission of an annual performance report, the Section 3 report will be submitted with that annual performance report. If the program providing the Section 3 covered assistance does not require an annual performance report, the Section 3 report is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier."

Cause – The State was not aware of this performance reporting requirement as the grantor had not communicated this requirement to the State of Kansas.

Effect – The State was in noncompliance with performance reporting requirements.

Questioned Costs – Unknown

Recommendation – We recommend that the State begin submitting Form HUD 60002 for the applicable grants and develop appropriate internal control procedures over this reporting process. We understand that, since the issue has been brought to their attention, the State has begun submitting Form HUD 60002 to the federal grantor.

Auditee Contact – Carole Jordan, Director, Rural Development Division

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2009-3 CDBG – State Administered Small Cities Program Cluster – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (Significant Deficiency) (Continued)

Management’s Response/Corrective Action Plan (Unaudited) – The State CDBG division was unaware of the required 60002 report, as were many grantees throughout the country. The CDBG division has now assigned a staff member to track and submit the required information for this report. This report will be submitted timely in the future. The 2009 report was submitted timely for all CDBG programs.

Finding No. 2009-4 CDBG – State Administered Small Cities Program Cluster – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program)

Federal Award – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (CDBG) (CFDA No. 14.228), U.S. Department of Housing and Urban Development, Kansas Department of Commerce, Grant Award Nos. B-08-DC-20-0001, B-07-EC-20-0001

Compliance Requirement – Activities Allowed or Unallowed

Condition – For one of the twenty-three expenditures tested, the State incorrectly charged the CDBG program for one employee’s cell phone cost. This employee was not involved with the CDBG program. The State’s internal controls identified the unallowed cost but had not corrected the error until the matter was brought to the State’s attention during the audit.

Criteria – Only allowable activities and the activities’ related costs, as outlined in 42 USC 5305, can be charged as expenditures to the CDBG program.

Cause – Although the State’s internal controls initially identified the unallowed activity, the State did not follow through and correct the miscoding of expenditure.

Effect – Unallowed activities and the related costs associated with these activities were funded with CDBG monies.

Questioned Costs – Known federal questioned costs for administrative activities of \$45 compared to the total administrative costs of \$1,357 included in the sample population.

Recommendation – We understand that the State has corrected the miscoding of expenditures however the State should implement controls that would include follow-up on known errors in order to ensure that errors are corrected in a timely fashion.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2009-4 CDBG – State Administered Small Cities Program Cluster – Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program) (Continued)

Auditee Contact – Carole Jordan, Director, Rural Development Division

Management’s Response/Corrective Action Plan (Unaudited) – The unallowable cost in question was a one month cell phone charge that was miscoded in the fiscal services division. This unallowable cost was brought to their attention by CDBG staff and was subsequently corrected. In the future, administrative expenditures will be continued to be monitored. In addition, the State will be switching to a new financial accounting system that will track expenditures more accurately.

Finding 2009-5 Title 1, Part A Cluster (Significant Deficiency)

Federal Program – Title 1, Part A Cluster: Title 1 Grants to Local Educational Agencies (CFDA No. 84.010) and Title 1 Grants to Local Educational Agencies, Recovery Act (ARRA) (CFDA No. 84.389), U.S. Department of Education, Kansas Department of Education, Grant Award S010A080016A

Compliance Requirement – Subrecipient Monitoring

Condition – Related to the ARRA portion of this cluster, the State did not determine whether their first-tier subrecipients had current Central Contractor Registration (CCR) registration prior to making subawards to these subrecipients.

Criteria – According to Section 1512(h), ARRA, and 2 CFR 176.50(c), prime recipients are responsible for “identifying to first-tier subrecipients the requirement to register in the Central Contractor Registration, including obtaining a Dun and Bradstreet Data Universal Numbering System (DUNS) number, and maintain the currency of that information”. Once the subrecipient is registered, the prime recipient is also required to perform periodic checks to ensure that subrecipients’ information is appropriately updated as necessary.

Cause – The State received conflicting guidance from the U.S. Department of Education prior to the end of the fiscal year. After June 30, 2009, the State received definitive guidance that the CCR registration was required for subrecipients and that the State was required to monitor such registration.

Effect – The State could not ensure that all their subrecipients were registered with the CCR prior to receiving federal awards through this program.

Questioned Costs – Unknown

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2009-5 Title 1, Part A Cluster (Significant Deficiency) (Continued)

Recommendation – We recommend that the State implement a process to monitor whether their subrecipients have registered with the CCR and whether the subrecipients are updating their CCR information as necessary.

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – Once the U.S. Department of Education provided clear guidance on first-tier subrecipients being required to register with CCR, the department notified Local Educational Agencies (LEAs) about registering. A memorandum was sent to all LEAs in Kansas notifying them that they must register with the CCR. KSDE also began compiling a notebook which contains all the CCR registration information for each LEA. This notebook is located in the School Finance office. In addition, KSDE auditors monitor every Unified School District in Kansas and have a list of questions they ask, which includes a question on CCR registration. We will continue to ask LEAs whether they are keeping the registration up to date through our monitoring process and by electronic or written communication.

Finding 2009-6 Title 1, Part A Cluster (Significant Deficiency)

Federal Program – Title 1 Cluster: Title 1 Grants to Local Educational Agencies (CFDA No. 84.010) and Title 1 Grants to Local Educational Agencies, Recovery Act (ARRA) (CFDA No. 84.389), U.S. Department of Education, Kansas Department of Education, Grant Award S010A080016A

Compliance Requirement – Special Tests and Provisions

Condition – Related to ARRA portion of this cluster, the State did not inform the subrecipients at the time of award of the Federal Award number, the State did not inform the subrecipients at the time of disbursement of the Federal Award number or of the CFDA number, and it did not inform the subrecipients of their requirement to properly include separate identification of ARRA award information in their Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (SF-SAC) reports.

Criteria – According to 2 CFR section 176.210, each prime recipient must “separately identify to each subrecipient, and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds” and “..... provide identification of ARRA awards in their Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (SF-SAC) and require their subrecipients to provide similar identification in their SEFA and SF-SAC.”

Cause – The State was not aware of these requirements prior to the end of the fiscal year.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding 2009-6 Title 1, Part A Cluster (Significant Deficiency) (Continued)

Effect – The State was not communicating the required information, including additional compliance requirements, to their subrecipients related to the ARRA funding. As a result, subrecipients may not have properly identified ARRA funding on their individual SEFA report and SF-SAC form.

Questioned Costs – Unknown

Recommendation – We recommend that the State implement a process that would consistently and timely inform their subrecipients of the required information.

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – The Kansas State Department of Education provided LEAs with information concerning accounting procedures on the ARRA homepage of the department's website. Information was sent to LEAs that the website was available and the separate accounting of funds was an important part of the ARRA requirements.

In addition, all LEAs receiving ARRA funds signed an assurance covering the accounting procedures concerning the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133.

As a result of this finding in the fall of 2009, we immediately advised all department program managers overseeing the administration of ARRA funds of these notification requirements. We instructed them to send amended award letters notifying LEAs of this information as well as to include this information in all future award letters.

The department also modified the Form 240 request form for federal aid to include the CFDA number and award number. A copy of this form including the payment amount is remitted to any LEA requesting ARRA funds along with its payment advice.

Finding No. 2008-2 Child and Adult Care Food Program (CACFP) and the Child Nutrition Cluster (CNC) (Repeated from Prior Year)

Federal Program – Child and Adult Care Food Program (CACFP) (CFDA No. 10.558), and Child Nutrition Cluster (CNC) (CFDA Nos. 10.553/10.555/10.556/10.559), U.S. Department of Agriculture, Kansas Department of Education, All Open Grant Awards

Compliance Requirement – Special Reporting

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-2 Child and Adult Care Food Program (CACFP) and the Child Nutrition Cluster (CNC) (Repeated from Prior Year) (Continued)

Condition – In the 2008 audit, testwork revealed that one month of three months tested for CACFP and one of two months tested for CNC contained changes to the data that caused the State agency's level of funding to change by more than .5 percent and there was no evidence that the State submitted a revised FNS 44 – *Report of the Child and Adult Care Food Program* for CACFP or a revised FNS 418 – *Report of the Summer Food Service Program for Children* for those months. As of June 30, 2009, a process had not been implemented to ensure revised reports are submitted when necessary.

Criteria – FNS 44 and FNS 418 special reporting requirements state that "..... the State agency must immediately submit an amended report if, at any time following the submission of the 90 day report, identified changes to the data cause the State agency's level of funding to change by more than (plus or minus) 0.5 percent."

Cause – Initially the State was not aware of this requirement. However, the state has not completed the corrective action plan.

Effect – The State was in noncompliance with special reporting requirements.

Questioned Costs – Unknown

Recommendation – The State should become knowledgeable of and implement controls to address this reporting requirement. We understand that the State has plans to implement such controls for fiscal year ended June 30, 2010.

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – Kansas State Department of Education staff from Child Nutrition & Wellness, School Finance, and Information Technology have collaborated on the design, development, testing and implementation of a new report, "Months with ½-Percent or More Meal Count Variance on 90-Day Reports". Development and testing of this report was recently completed. We are now able to generate the report for any fiscal year for the FNS-10 (School Nutrition Programs), FNS-44 (Child and Adult Care Food Program), and FNS-418 (Summer Food Service Program).

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-2 Child and Adult Care Food Program (CACFP) and the Child Nutrition Cluster (CNC) (Repeated from Prior Year) (Continued)

Management's Response/Corrective Action Plan (Unaudited) (Continued) – For each month in the selected fiscal year, the report compares the data on the most recent version of the 90-day report (i.e., FNS-10, FNS-44 or FNS-418) with the current claim data. If there is a change of ½ percent or more in the current number of meals claimed and the most recent 90-day FNS report, the “½-Percent Variance” report will display the fields that changed indicating that a revised 90-day report for the month must be submitted to FNS. We plan to run this report routinely at the beginning of each month and have since filed two revised FNS reports with the U.S. Department of Agriculture.

Finding No. 2008-3 Child and Adult Care Food Program (CACFP) and the Child Nutrition Cluster (CNC) (Repeated from Prior Year)

Federal Program – Child and Adult Care Food Program (CACFP) (CFDA No. 10.558) and Child Nutrition Cluster (CFDA Nos. 10.553/10.555/10.556/10.559), U.S. Department of Agriculture, Kansas Department of Education, All Open Grant Awards

Compliance Requirement – Special Reporting

Condition – In the 2008 audit, it was noted that the State did not maintain the original supporting documentation used to prepare the two FNS 10 - *Report of School Program Operations* special reports tested and the two FNS 418 - *Report of the Summer Food Service Program for Children* special reports tested for the Child Nutrition Cluster and the three FNS 44 - *Report of the Child and Adult Care Food Program* special reports tested for CACFP. The State was able to query numbers during the audit fieldwork from the same system that prepared the underlying data for the report numbers and the query resulted in immaterial variances to the reported numbers, however the original underlying data was not maintained in accordance with reporting compliance requirements. As of June 30, 2009, a process to maintain these items had not been implemented.

Criteria – The State should maintain records that accumulate and/or summarize the information reported to provide support for key line items.

Cause – When the reports were originally prepared, the query output was not printed or kept in electronic format as support for the data reported.

Effect – Key line items could have been reported incorrectly without the ability to be reviewed for correction.

Questioned Costs – Unknown

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-3 Child and Adult Care Food Program (CACFP) and the Child Nutrition Cluster (CNC) (Repeated from Prior Year) (Continued)

Recommendation – We recommend that the State maintain original supporting documentation for the information reported in the FNS reports. We understand that the State has plans to implement a process that would allow for such supporting documentation to be retained for fiscal year ended June 30, 2010.

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – Originally the FNS-10 and FNS-418 reports were designed to provide a summary snapshot of the underlying data at the moment in time when the reports are generated. When the reports are re-run, they provide an accurate snapshot of the current data on file. The data changes continually because of claim submissions and revisions due to reviews, audits and local corrections.

Initially, we thought we would work with the software vendor of KN-CLAIM to develop a new version of the FNS-10 and FNS-418 to save a snapshot version of the data from the final submission of the 90-day submissions. It was ultimately decided that Kansas State Department of Education (KSDE) staff could make the necessary changes in KN-CLAIM. Child Nutrition & Wellness, School Finance and Information Technology staff collaborated on the design, development, testing and implementation of a process that saves the detail records from a submission of the 90-day FNS-10, FNS-44 and FNS-418 reports and produces a report listing those detail records. This process has been completed.

Finding No. 2008-5 TANF Cluster: Temporary Assistance for Needy Families (TANF) (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Temporary Assistance for Needy Families (TANF) (CFDA No. 93.558), U.S. Department of Health and Human Services (HHS), Kansas Department of Social and Rehabilitation Services, All Open Grant Awards

Compliance Requirement – Allowable Costs

Condition – In January 2007, the HHS Kansas City Office of the Administration for Children and Families was made aware of allegations that Region VII of the State of Kansas Department of Social and Rehabilitation Services had been misusing monies earmarked and allocated for TANF purposes. The allegations state that the Region may have diverted TANF monies to purchase contracted services to primarily assist certain applicants and recipients in achieving their quest for Social Security eligibility.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-5 TANF Cluster: Temporary Assistance for Needy Families (TANF) (Significant Deficiency) (Repeated from Prior Year) (Continued)

Condition (Continued) – In fiscal year 2009, SRS performed procedures to investigate the allegations noted above. SRS had not completed their procedures and communications with HHS as of June 30, 2009. However, subsequent to year-end, SRS reported the results of their procedures to HHS, which included questioned costs of \$173,461 relating to services provided to non-TANF clients. See the *Management's Response/Corrective Action Plan (Unaudited)* section below for more details regarding the questioned costs and the status of the issue with HHS.

Cause – The cause has yet to be determined.

Effect – The State of Kansas risks reduced funding and could be required to refund amounts to HHS.

Questioned Costs – \$173,461

Recommendation – We understand that the State's internal audit procedures were completed and communicated to HHS after year-end. As such, the State should continue to work with HHS to resolve this issue, including implementing an appropriate corrective action plan.

Auditee Contact – Mary S. Hoover, CPA, CITP, CIA, CGFM, Chief Audit Executive/Director, Department of Social and Rehabilitation Services, Office of Audit and Consulting Services

Management's Response/Corrective Action Plan (Unaudited) – After the finding was repeated in the FY 2007 single audit, SRS contacted the State of Kansas Legislative Division of Post Audit and the Department of Health and Human Services Office Administration for Children and Families (ACF) to determine an acceptable solution to the finding. ACF program and fiscal staff agreed to SRS conducting an audit of the issues noted in the finding. That audit was completed in SFY 2009 and ACF staff in the Kansas City offices were contacted and supplied copies of the final audit report in July 2009.

The SRS audit found no evidence of intentional misuse of program funds. The audit noted that during the period July 2005 to April 2008 three SRS Regional Offices established contracts to assist clients in obtaining federal disability benefits. Although the contracts were funded by the TANF Block Grant, requiring the services to be limited to TANF clients, non-TANF clients were served when the contractor was not busy with TANF clients. A total of \$173,461 in TANF funds was improperly spent on non-TANF clients during the entire period noted, which was, in fact, a small percentage of total TANF Block Grant dollars. SRS has implemented a number of corrective actions to ensure this doesn't occur again and these are being monitored by regional staff, central office program staff and audit staff.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-5 TANF Cluster: Temporary Assistance for Needy Families (TANF) (Significant Deficiency) (Repeated from Prior Year) (Continued)

Management's Response/Corrective Action Plan (Unaudited) (Continued) – On December 23, 2009, SRS received a letter from ACF notifying SRS that it was subject to a penalty of \$173,461. SRS was given a number of options related to responding to the penalty letter and it chose entering into a corrective compliance plan to correct or discontinue the violation and demonstrate how Kansas planned to achieve compliance with Federal rules and regulations as it pertained to this finding. That corrective action plan details those activities that were implemented in response to the 2006 and 2007 audit findings and indicates that, as a result of these actions, no non-TANF customers have been served with TANF funds since January 17, 2007.

Finding 2008-7 Foster Care – Title IV-E, Including ARRA (Partial Repeat from Prior Year)

Federal Program – Foster Care – Title IV-E, Including ARRA (CFDA No. 93.658), U.S. Department of Health and Human Services, Kansas Department of Social and Rehabilitation Services, Grant Award Nos. 0801KS1401 and 0901KS1401

Compliance Requirement – Eligibility (provider)

Condition – We noted 1 out of 11 individuals selected for eligibility testwork was placed with ineligible providers at some point throughout the year. Both providers for this individual held temporary licenses.

Criteria – According to 42 USC 672(c), "the term "foster family home" means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing; and the term "child-care institution" means a private child-care institution, or a public child-care institution which accommodates no more than twenty-five children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent." Eligible individuals must be placed with eligible providers.

Cause – Internal eligibility procedures were not followed by State employees who determine eligibility.

Effect – Federal funds were paid to ineligible providers.

Questioned Costs – Total questioned costs are \$ 366,231 . This total includes known federal questioned costs of \$ 2,452. The likely federal questioned costs are \$ 363,779.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

**Finding 2008-7 Foster Care – Title IV-E, Including ARRA (Partial Repeat from Prior Year)
(Continued)**

Recommendation – We recommend the State refine their procedures related to coding eligibility for foster care providers to prevent future instances of ineligible providers being paid federal funds, including providing additional training to those individuals making eligibility coding decisions.

Auditee Contact – Mary S. Hoover, CPA, CITP, CIA, CGFM, Chief Audit Executive/Director, Department of Social and Rehabilitation Services, Office of Audit and Consulting Services

Management's Response/Corrective Action Plan (Unaudited) – We agree an error was made on this case and \$2,451.91 of federal IV-E foster care funds were claimed in error for three months. This includes \$1,144.91 of IV-E Maintenance and \$1,307.00 of IV-E Administration. Total computable with state match was \$4,540.48.

IV-E eligibility was appropriate for this case for the remainder of the period under review. Three months of maintenance and administration was claimed when the placement location was changed from a full license to a temporary license. The worker should have entered the appropriate eligibility segment into FACTS to indicate the change in licensing status. As of March 8, 2010, coding has been corrected in the case file and the Agency's information system. The federal funds claimed in error will be paid back to ACF by making a prior period adjustment on the Federal IV-E-1 claim.

At the April 2010 Eligibility and Payment Workgroup meeting, this issue will be discussed with representatives from all SRS regions. Policy and Procedures will be reviewed for possible policy revisions to clarify practice and procedures. All regions will be expected to assure all eligibility staff are appropriately trained. In addition, eligibility of placements will be monitored through the Agency's quality assurance case read process to assure eligibility is being claimed correctly.

Finding No. 2008-9 State Children's Insurance Program (SCHIP) (Repeated from Prior Year)

Federal Program – State Children's Insurance Program (SCHIP) (CFDA No. 93.767), U.S. Department of Health and Human Services, Kansas Health Policy Authority (KHPA), Federal Appropriation No. 7580515 and 7590515

Compliance Requirement – Eligibility

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

**Finding No. 2008-9 State Children's Insurance Program (SCHIP) (Repeated from Prior Year)
(Continued)**

Condition – In the 2006 audit, we noted that the State of Kansas utilizes a contractor, Maximus, to process eligibility determinations for the SCHIP program. Historically, the State of Kansas has relied upon the controls of Maximus in the processing of these eligibility determinations. A complete review of the controls related to the eligibility determination process had not been performed by a third party and a SAS 70 report had not been received. The SAS 70 review and related report was not completed during the fiscal year 2007, 2008 or 2009. As such, this finding is repeated in the current year.

Criteria – A SAS 70 Type II Service Auditors' Report is required by the State of Kansas for any contractor that is providing processing services, in this case processing eligibility determinations, for the State of Kansas' SCHIP program. The SAS 70 Type II Service Auditors' Report provides the auditors' opinion on the internal controls placed in operation by the contractor. The report also states whether the auditors believe that the controls are designed and operated with sufficient effectiveness to provide reasonable assurance that control objectives would be achieved.

Effect – Eligibility determinations for the SCHIP program are processed by Maximus. If the proper controls are not in place and are not being adequately monitored, eligibility determinations may be incorrectly processed.

Questioned Costs – Unknown

Recommendation – The State of Kansas should require that Maximus or future eligibility-determination providers provide a SAS 70 Type II Service Auditors' Report on the internal control over its eligibility determination processing for the SCHIP program. Any other areas of processing which are significant to the SCHIP program should also be covered by the report. Additionally, as future contracts are negotiated for service organizations to process eligibility determinations, the requirement for an annual SAS 70 report should be included as a contract provision.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – KHPA is in the process of amending the contract with Policy Studies, Inc. (PSI) to explicitly include a SAS 70 Type II audit. PSI is aware of the requirement and is committed to doing the audit report. This will be in place for review during the 2010 Statewide Single Audit.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-10 Medicaid Cluster, Including ARRA (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Medicaid Cluster, Including ARRA (CFDA No. 93.775, 93.777, 93.778), U.S. Department of Health and Human Services, Kansas Health Policy Authority (KHPA), Federal Fiscal Year 2008 and 2009 Award

Compliance Requirement – Allowable Costs

Condition – During our claims testwork during the fiscal year 2004 audit, we noted that the Medicaid Management Information System (MMIS) system contained no controls to limit the number of surface repairs paid per tooth to dentists. No similar issues were noted during current year claims testwork, however, as of June 30, 2009, no controls had been implemented to address this finding.

Criteria – The MMIS system should include edits and controls that identify unusual items, including safeguarding unnecessary utilization of care or fraudulent claims, for follow up. The State utilizes the MMIS system to ensure proper payment of submitted claims.

Cause – There are insufficient edits and controls in the MMIS system to address this specific issue.

Effect – A dentist may file an illegitimate claim for more surface repairs on a tooth than the number of surfaces that are actually on a tooth.

Questioned Costs – Unknown

Recommendation – In 2004, 2005, 2006, 2007 and 2008, we recommended that the State implement controls in the MMIS system that limit the number of surface repairs a dentist can claim on a specific tooth letter or number. We continue to make this recommendation in 2009.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – The tooth surface limitations and bundling described in the prior audits includes four Medicaid Management Information System (MMIS) policies: E2006-38, E2006-39, E2006-40, and E2006-41. The policies began implementation in August 2008 and affected claims with dates of service after September 11, 2008. KHPA will implement the final phase in March 2010. The final implementation phase of these policies includes the tooth surface limitation on fillings and unbundling the number of surfaces that can be billed together on the same tooth or within one office visit. Unbundling tooth surfaces on fillings will limit the amount of reimbursement for multiple tooth surfaces on the same tooth, on the same date of service by the same provider. KHPA believes this finding will be closed during the 2010 review.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-11 Medicaid Cluster, Including ARRA and State Children's Insurance Program (Significant Deficiency) (Repeated from Prior Year for Medicaid Cluster)

Federal Program – Medicaid Cluster, Including ARRA (CFDA No. 93.775, 93.777, 93.778) and State Children's Insurance Program (SCHIP) (CFDA No. 93.767), U.S. Department of Health and Human Services (HHS), Kansas Health Policy Authority (KHPA), Federal Fiscal Year 2008 and 2009 Award

Compliance Requirement – Financial Reporting

Condition – The State's "CMS-64, *Quarterly Statement of Expenditures for the Medical Assistance Program*" financial report (CMS-64) and the State's "CMS-21, *Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI*" financial report (CMS-21) are prepared using expenditures generated from fiscal agent's, EDS, payment system. Our audit procedures performed on the CMS-64 report for the quarter ended June 30, 2007, 2008 and 2009 and on the CMS-21 report for the fiscal year ended June 30, 2009 revealed that there is no reconciliation between the CMS-64 and CMS-21 expenditures generated from EDS' payment system and the expenditures generated from the State's accounting system, STARS.

Criteria – Financial reports should be supported by accounting records that support the audited financial statements and the schedule of expenditures of Federal awards; or if they are supported by alternative records, these records should agree or be reconciled with the accounting records.

Cause – The State has not implemented procedures that would include reconciling the CMS 64 and CMS-21 to STARS due to the significant amount of time that this procedure would require.

Effect – The expenditures reported on the CMS 64 and CMS-21 are different from those expenditures reported on the State's accounting system, STARS, and a reconciliation between the two sets of records is not performed.

Questioned Costs – Unknown

Recommendation – The State should implement procedures that include periodically reconciling the CMS 64 and CMS-21 reports to STARS. We understand that KHPA has contracted with a third-party to complete the reconciliation process however this process was not completed in 2008 or 2009. We encourage KHPA to continue working with the third-party to complete the first reconciliation process which will allow for KHPA to continue this process in future years.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-11 Medicaid Cluster, Including ARRA and State Children's Insurance Program (Significant Deficiency) (Repeated from Prior Year for Medicaid Cluster) (Continued)

Management's Response/Corrective Action Plan (Unaudited) – KHPA will continue to work toward a regular reconciliation between the CMS 64, the CMS 21, and the state accounting system. KHPA is working with the contractor assisting with reconciliation reporting and the fiscal agent to validate the source data and production reports used to create the CMS 64 and the CMS 21 and identify the reconciliation differences. The State of Kansas is implementing a new state accounting system that is expected to provide additional detail in the payment information to help with this reconciliation.

Finding No. 2008-12 Medicaid Cluster, Including ARRA and State Children's Insurance Program (Significant Deficiency) (Repeated from Prior Year for Medicaid Cluster)

Federal Program – Medicaid Cluster, Including ARRA (CFDA No. 93.775, 93.777, 93.778) and State Children's Insurance Program (SCHIP) (CFDA No. 93.767), U.S. Department of Health and Human Services (HHS), Kansas Health Policy Authority (KHPA), Federal Fiscal Year 2008 and 2009 Award

Compliance Requirement – Cash Management

Condition – During the 2008 and 2009 audits, we noted that KHPA does not consistently request adequate supporting documentation from other State agencies prior to KHPA drawing down Medicaid monies on the other State agencies' behalf. In addition, there is not a consistent level of review over the drawdown process at KHPA. In addition, we noted a lack of consistent review of the SCHIP drawdown process during our State fiscal year 2009 audit.

Criteria – Drawdowns of federal funds by nonfederal entities must be supported by underlying data of the nonfederal entity. The internal control process over drawdowns from the federal government should include a level of review by someone other than the person performing the drawdown. Both of these controls would enable the State of Kansas to detect potential errors or omissions in drawdowns.

Cause – The State has not implemented procedures that would include consistently requiring adequate supporting documentation from other State agencies prior to completing Medicaid drawdowns as well as requiring a level of review over Medicaid and SCHIP drawdowns.

Effect – Errors or omissions could occur in drawdowns and be undetected by the State.

Questioned Costs – Unknown

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-12 Medicaid Cluster, Including ARRA and State Children's Insurance Program (Significant Deficiency) (Repeated from Prior Year for Medicaid Cluster) (Continued)

Recommendation – In 2008, we recommended KHPA consistently require adequate supporting documentation from other State agencies prior to KHPA completing drawdowns on the other agencies' behalf and implement a level of review over the Medicaid drawdown process. We understand KHPA implemented policies to address our recommendation in June 2009. Since the policies did not cover the entire year under audit, our 2009 testwork found the same deficiencies for Medicaid and the lack of review for the SCHIP drawdown process; therefore, we continue to make these recommendations in 2009 for both programs.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – KHPA has implemented new processes to require additional internal oversight of the federal draw process based on the finding in the 2008 Single State Audit. This includes approval by the Senior Manager for Finance and Budget or the Chief Financial Officer before federal funds are drawn into state accounts. The review policies currently in place for Medicaid will be expanded to include the SCHIP program. This includes comparing projected expenditures for administration and assistance with actual requests for federal funds by each Medicaid funded agency. This review process will be fully implemented and in place for examination during the 2010 Statewide Single Audit.

Finding No. 2008-14 Disaster Grants - Public Assistance (Material Weakness) (Repeated from Prior Year)

Federal Program – Disaster Grants - Public Assistance (CFDA No. 97.036), U.S. Department of Homeland Security, Adjutant General's Department, State of Kansas, which includes the Kansas Department of Emergency Management (KDEM), Federal Fiscal Year 2008 and 2009 Awards

Compliance Requirement – Financial Reporting

Condition – The reporting testwork for the FEMA 20-10, *Financial Status Report* (FEMA 20-10) for all quarterly reports prepared during the year ended June 30, 2009 revealed several expenditure amounts were incorrectly calculated and reported. The same incorrect expenditure amounts were also reported on the "SF-272, *Federal Cash Transactions Report*" (272 Report) for all quarterly reports submitted during the year ended June 30, 2009. In addition, the "Total Receipts" amounts provided by the Division of Payment Management (DPM) were not reconciled to KDEM's financial records when the 272 Reports were prepared. A cash reconciliation is prepared; however, the cash receipt information listed does not come from KDEM's financial records. Instead, the amounts come from the 272-E, *Major Program Statement*, which is prepared by DPM.

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

Finding No. 2008-14 Disaster Grants - Public Assistance (Material Weakness) (Repeated from Prior Year) (Continued)

Criteria – Information included in financial reports submitted to the federal grantor should be derived from the accounting records and should be accurately reported for the given time period.

Cause – In the prior year, these reporting errors were a result of turn-over in key staff areas, a lack of properly documented procedures for accurate report preparation, and a lack of review of the reports and the supporting documentation by a knowledgeable staff member. As the current year progressed, staff have been able to prepare the reports more accurately due to better documentation procedures; however, the reports and supporting documentation are still not reviewed by a separate knowledgeable member of staff. The inaccuracies appear to also be a result of a lack of communication between program and accounting staff as to important matching and earmarking criteria affecting the reported amounts and a lack of a sufficient database system to maintain the appropriate information. Project and expenditure information is currently stored in multiple databases and much of the information is entered into each database through manual input, increasing the possibility for errors.

Effect – The federal grantor agency did not receive accurate financial information because appropriate financial records were not used to prepare the reports.

Questioned Costs – The following questioned costs were identified:

- Reports filed for the quarter ended September 30, 2008 –
 - FEMA 20-10
 - Net Outlays: understated by \$ 7,688,583
 - Recipient Share of Outlays: understated by \$ 8,226,112
 - Federal Share of Outlays: overstated by \$ 537,528
 - Total Unliquidated Obligations: understated by \$ 32,824,035
 - Recipient Share of Unliquidated Obligations: understated by \$ 10,386,381
 - Federal Share of Unliquidated Obligations: understated by \$ 22,437,657
 - 272 Report
 - Net Disbursements: overstated by \$ 537,528

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-14 Disaster Grants - Public Assistance (Material Weakness) (Repeated from Prior Year) (Continued)

Questioned Costs – (Continued)

- Reports filed for the quarter ended December 31, 2008 –
 - FEMA 20-10
 - Net Outlays: overstated by \$ 1,550,750
 - Recipient Share of Outlays: overstated by \$ 1,205,916
 - Federal Share of Outlays: overstated by \$ 344,834
 - Total Unliquidated Obligations: understated by \$ 5,607,233
 - Recipient Share of Unliquidated Obligations: understated by \$ 5,262,398
 - Federal Share of Unliquidated Obligations: understated by \$ 344,834
 - 272 Report
 - Net Disbursements: overstated by \$ 344,834
- Reports filed for the quarter ended March 31, 2009 –
 - FEMA 20-10
 - Net Outlays: overstated by \$ 635,436
 - Recipient Share of Outlays: overstated by \$ 697,071
 - Federal Share of Outlays: understated by \$ 61,635
 - Total Unliquidated Obligations: overstated by \$ 78,644
 - Recipient Share of Unliquidated Obligations: overstated by \$ 17,008
 - Federal Share of Unliquidated Obligations: overstated by \$ 61,635
 - 272 Report
 - Net Disbursements: understated by \$ 61,635
- Reports filed for the quarter ended June 30, 2009 –
 - FEMA 20-10
 - Net Outlays: overstated by \$ 255,467
 - Recipient Share of Outlays: overstated by \$ 303,606
 - Federal Share of Outlays: understated by \$ 48,138
 - Total Unliquidated Obligations: overstated by \$ 61,180
 - Recipient Share of Unliquidated Obligations: overstated by \$ 13,042
 - Federal Share of Unliquidated Obligations: overstated by \$ 48,138
 - 272 Report
 - Net Disbursements: understated by \$ 48,138

STATE OF KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2008-14 Disaster Grants - Public Assistance (Material Weakness) (Repeated from Prior Year) (Continued)

Recommendation – In the prior year, we recommended KDEM formally document and maintain procedures for accurate report preparation and implement a review process for the FEMA 20-10 *Financial Status Report* and *SF-272 Federal Cash Transaction Report*. Written documentation should be prepared and maintained covering the various steps involved in preparing the reports. Communication between program and accounting staff should be initiated to gather appropriate matching and earmarking criteria and should be included in the written report process documentation. This will help prevent knowledge from being lost in the event of key staff turnover and will support consistent report preparation. Also, it is critical that the review process be performed by a staff member knowledgeable of the detailed disaster criteria. Finally, it is important to use a database that can maintain financial reporting data in such a way that enables the State to prepare financial reports with minimal manual calculations. We understand that a new accounting system will be implemented in State fiscal year 2011 and will maintain the necessary data.

Auditee Contact – Janice Harper, Comptroller, Adjutant General's Department, State of Kansas

Management's Response/Corrective Action Plan (Unaudited) – We have provided a working copy of our grant policy and procedure manual. This is not a complete and final copy as we are moving to a new accounting system as of July 1, 2010 and we anticipate that many of our processes for gathering information and creating reports will change. The new accounting system will allow us to separate each disaster in which each disaster will have its own grant with projects and activities defined within the grant. Each disaster will have its own projects. All payments and receipts will be tied to the specific project number within each disaster. Additionally, all of this information will be in the same system which will allow the Adjutant General's Department easy access to generate reports and run appropriate queries to pull any information pertaining to each specific disaster.

Management's Response/Corrective Action Plan (Unaudited) (Continued) – Communication between the accounting staff and the program staff has improved. We have begun to have meetings to discuss grant related issues on an as needed basis. Additionally, we have requested copies of all of the FEMA/State Management agreements covering the disasters that are currently open.

The preparation of reports is completed by the KDEM Fiscal Officer. Each of these quarterly reports is currently reviewed by the KDEM Deputy Director which is the most knowledgeable staff member regarding the detailed disaster criteria. If the KDEM Deputy Director agrees with the quarterly reports she/he signs the reports and the reports are then sent to FEMA. However, once the past issues have been resolved, the KDEM Fiscal Officer will train other staff to create the quarterly reports and the KDEM Fiscal Officer will then review the reports. However until this occurs, the Comptroller will review the quarterly reports and backup to ensure that KDEM is submitting the most accurate reports possible.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended June 30, 2009

Finding No. 2008-1

Federal Program – Child and Adult Care Food Program (CACFP) (CFDA No. 10.558), U.S. Department of Agriculture, Kansas Department of Education, All Open Grant Awards

Condition – One of the twenty-three centers tested for eligibility did not have the appropriate backup documentation for their claims. The claims did not contain the required Medicaid information which documents the percentage of Title XIX participants served in a for-profit facility. While the center was eligible for funding, the claim information maintained by the State was incomplete.

Criteria – According to 7 CFR section 226.2, a for-profit adult day care center may be eligible for CACFP if at least 25 percent of their participants receive benefits under Title XIX or Title XX of the Social Security Act. The information maintained by the State should include support to verify that this requirement was met.

Cause – The State was not consistently maintaining the Medicaid documentation for monthly claims.

Effect – Without appropriate documentation to support eligibility determinations, the State could pay benefits to an ineligible entity.

Questioned Costs – Unknown

Recommendation – The State of Kansas should implement controls that would verify that the appropriate documentation is maintained for claims as support for the State’s eligibility determinations.

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management’s Response/Corrective Action Plan (Unaudited) – Federal regulations (7 CFR, Ch. 11, 226.10 (c)) state that “Independent for-profit adult day care centers shall submit the percentages of enrolled adult participants receiving title XIX or title XX benefits for the month claimed for months in which not less than 25 percent of enrolled adult participants were title XIX or title XX beneficiaries.”

KSDE requires adult for-profit centers to submit a monthly list of title XIX (i.e. Medicaid) beneficiaries’ names. To ensure accurate calculation of the percentage of Medicaid beneficiaries, KSDE uses these lists to compute the percent. KSDE also requires the adult for-profit centers to submit monthly documentation of Medicaid payments received; however, this is a State policy, not a Federal requirement.

STATE OF KANSAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-1 (Continued)

Beginning in March 2009, KSDE will streamline its for-profit adult day care center claiming processes through implementation of a new web-based computer system, KN-CLAIM. This system will allow for-profit centers to electronically upload a list of participants, including Medicaid beneficiaries, and to submit a reimbursement claim via the Internet. The system will require approval from a School Finance staff member to ensure that the list contains adequate information to qualify the center for CACFP participation. Maintaining this information electronically will ensure its availability for audit purposes in the future. Documentation of Medicaid payments will no longer be submitted to KSDE, but will instead be maintained at the center for review or audit.

Follow-up – Audit testing in 2009 revealed that appropriate backup documentation for claims was present at the State. As such, this finding is considered resolved.

Finding No. 2008-2

Federal Program – Child and Adult Care Food Program (CACFP) (CFDA No. 10.558), and Child Nutrition Cluster (CNC) (CFDA Nos. 10.553/10.555/10.556/10.559), U.S. Department of Agriculture, Kansas Department of Education, All Open Grant Awards

Condition – One month of three months tested for CACFP and one of two months tested for CNC contained changes to the data that caused the State agency's level of funding to change by more than .5 percent and there was no evidence that the State submitted a revised FNS 44 - *Report of the Child and Adult Care Food Program* for CACFP or a revised FNS 418 – *Report of the Summer Food Service Program for Children* for those months.

Criteria – FNS 44 and FNS 418 special reporting requirements state that "..... the State agency must immediately submit an amended report if, at any time following the submission of the 90 day report, identified changes to the data cause the State agency's level of funding to change by more than (plus or minus) 0.5 percent."

Cause – The State was not aware of this requirement.

Effect – The State was in noncompliance with special reporting requirements.

Questioned Costs – Unknown

Recommendation – The State should become knowledgeable of and implement controls to address this reporting requirement.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-2 (Continued)

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – We were unaware of this requirement, but will adhere to it in the future.

Follow-up – The State is designing a process that will identify when a revised FNS 44 needs to be submitted due to a change greater than .5 percent in the State agency's level of funding. However, this process was not completed as of June 30, 2009 and no revised FNS 44 reports were identified as of June 30, 2009. This finding will be repeated for the year ended June 30, 2009.

Finding No. 2008-3

Federal Program – Child and Adult Care Food Program (CACFP) (CFDA No. 10.558) and Child Nutrition Cluster (CFDA Nos. 10.553/10.555/10.556/10.559), U.S. Department of Agriculture, Kansas Department of Education, All Open Grant Awards

Condition – The State did not maintain the original supporting documentation used to prepare the two FNS 10 - *Report of School Program Operations* special reports tested and the two FNS 418 - *Report of the Summer Food Service Program for Children* special reports tested for the Child Nutrition Cluster and the three FNS 44 - *Report of the Child and Adult Care Food Program* special reports tested for CACFP. The State was able to query numbers during the audit fieldwork from the same system that prepared the underlying data for the report numbers and the query resulted in immaterial variances to the reported numbers, however the original underlying data was not maintained in accordance with reporting compliance requirements.

Criteria – The State should maintain records that accumulate and/or summarize the information reported to provide support for key line items.

Cause – When the reports were originally prepared, the query output was not printed or kept in electronic format as support for the data reported.

Effect – Key line items could have been reported incorrectly without the ability to be reviewed for correction.

Questioned Costs – Unknown

Recommendation – We recommend that the State maintain original supporting documentation for the information reported in the FNS reports.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-3 (Continued)

Auditee Contact – Ron Nitcher, Director of Fiscal Services and Operations

Management's Response/Corrective Action Plan (Unaudited) – Every single piece of “original supporting documentation used to prepare the FNS 10 and the FNS 418” is maintained within the KN-CLAIM computer system’s database for at least five years from its creation date.

The FNS 10 and FNS 418 reports are currently designed to provide a summary snapshot of the underlying data at the moment in time when the reports are generated. When the reports are re-run, they provide an accurate snapshot of the current data on file. The data changes continually because of claim submissions and revisions due to reviews, audits and local corrections.

We will work with the software vendor of KN – CLAIM to develop a new version of the FNS 10 and FNS 418 which saves a snapshot version of the data from the final submission of the 30-day and 90-day submissions. This will require programming changes to allow for trial and final submissions of each report. Although the completion of this work will be dependent on the vendor’s availability, we hope to have the programming changes completed and implemented within six months.

Follow-up – The State is designing a process that will save the detail records from the final submission of the 30-day and 90-day FNS 10 and FNS 418 reports. However, this process was not completed as of June 30, 2009 and as such no detail records were available as of June 30, 2009. This finding will be repeated for the year ended June 30, 2009.

Finding No. 2008-4

Federal Program – Special Education Cluster (CFDA No. 84.027/84.073), U.S. Department of Education, Kansas Department of Education, Grant Awards Nos. HO27A07003IA and H173A070034

Condition – The State did not maintain the original supporting documentation for enrollment figures from the School Finance website used to prepare the Special Education allocations for the State fiscal year 2008. The State was able to query numbers during the audit fieldwork from the same system that prepared the underlying data for the allocations and the query resulted in immaterial variances to the numbers used to calculate the allocations, however the original underlying data was not maintained in accordance with reporting compliance requirements.

Criteria – The State should maintain the original records used to document and support the allocations made by the State.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-4 (Continued)

Cause – When the allocations were calculated, the query output was not printed or kept in electronic format as support for the allocations.

Effect – Allocations made by the State could have been calculated incorrectly without the ability to be reviewed for correction by comparing to the original query data.

Questioned Costs – Unknown

Recommendation – We recommend that the State maintain original supporting documentation for the allocations calculated by the State.

Management's Response/Corrective Action Plan (Unaudited) – Beginning with FY 2009, the Special Education Services team developed and implemented an Access database to store and maintain all supporting data as well as compute the yearly allocations for distribution to LEAs. This should eliminate the current problem of utilizing real-time school finance website files that may be updated periodically as a result of audits or other corrections.

Follow-up – Audit procedures in 2009 found that appropriate supporting documentation had been retained and that the supporting documentation matched enrollment figures for the school districts selected for testwork. As such, this finding is considered resolved.

Finding No. 2008-5 (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Temporary Assistance for Needy Families Block Grant (TANF) (CFDA No. 93.558), U.S. Department of Health and Human Services (HHS), Kansas Department of Social and Rehabilitation Services, All Open Grant Awards

Condition – In January 2007, the HHS Kansas City Office of the Administration for Children and Families was made aware of allegations that Region VII of the State of Kansas Department of Social and Rehabilitation Services had been misusing monies earmarked and allocated for TANF purposes. The allegations state that the Region may have diverted TANF monies to purchase contracted services to primarily assist certain applicants and recipients in achieving their quest for Social Security eligibility. Final information is not yet available regarding amounts and dates of the alleged misuse.

Cause – The cause has yet to be determined.

Effect – The State of Kansas risks reduced funding and could be required to refund amounts to HHS.

Questioned Costs – Unknown

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-5 (Significant Deficiency) (Repeated from Prior Year) (Continued)

Recommendation – As in prior years, we recommend that the State of Kansas work with HHS to verify the misuse and take the appropriate actions as directed by HHS “to determine the total amount of misused TANF funds in any Region within the State of Kansas”.

Auditee Contact – Mary S. Hoover, CPA, CITP, CIA, CGFM, Chief Audit Executive/Director, Department of Social and Rehabilitation Services, Office of Audit and Consulting Services

Management’s Response/Corrective Action Plan (Unaudited) – SRS continues to work with HHS ACF on this issue. Efforts are currently underway to resolve the issue.

Follow-up – In fiscal year 2009, SRS performed procedures to investigate the allegations noted above. SRS had not resolved this issue with HHS as of June 30, 2009. As such, this finding will be repeated for the year ended June 30, 2009.

Finding No. 2008-6 (Repeated from Prior Year)

Federal Program – Low Income Housing Energy Assistance Program (LIHEAP) (CFDA No. 93.568), U.S. Department of Health and Human Services, Kansas Department of Social and Rehabilitation Services (SRS), Federal Fiscal Year 2005, 2006, 2007 and 2008 Grant Awards

Condition – During the 2006 audit, we noted that the State of Kansas failed to meet the grant award requirement of including the required wording on documents containing information on the program. The State has yet to implement its correction action plan from the 2006 audit and as a result, this finding is repeated in the current year.

Criteria – The grant terms and conditions state that statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money shall clearly state the percentage of the total costs of the program or project which will be financed with Federal dollars, the dollar amount of Federal funds for the project or program, and the percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

Cause – Specific grant conditions listed in the grant award package were not provided to the grant’s Program Manager. Accordingly, the Program Manager was not aware of the wording requirements.

Effect –By not following the terms and conditions outlined by the grant award, the State of Kansas may jeopardize potential future funding from HHS.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-6 (Repeated from Prior Year) (Continued)

Questioned Costs – Unknown.

Recommendation – As in prior years, we recommend that the State of Kansas perform a review of all documentation being released to the public to ensure that it contains the required wording. The State of Kansas should also ensure that all parties working with the program are aware of the additional terms and conditions listed on the grant award or in the compliance supplement.

Auditee Contact – Mary S. Hoover, CPA, CITP, CIA, CGFM, Chief Audit Executive/Director, Department of Social and Rehabilitation Services, Office of Audit and Consulting Services

Management's Response/Corrective Action Plan (Unaudited) – In the 2009 fiscal year, SRS plans on implementing new procedures and controls that will prevent this from happening in the future.

Follow-up – SRS did include the appropriate wording for the press releases for the State's fiscal year 2009. As such, this finding is considered resolved.

Finding No. 2008-7 (Partial Repeat from Prior Year)

Federal Program – Foster Care (CFDA No. 93.658), U.S. Department of Health and Human Services, Kansas Department of Social and Rehabilitation Services, Grant Award Nos. 0701KS1401 and 0801KS1401

Condition – We noted 1 out of 23 individuals selected for eligibility testwork was ineligible due to the lack of a timely permanency hearing.

Criteria – According to 45 CFR 1356.21 (b)(2)(i) & (ii), “the State agency must obtain a judicial determination that it has made reasonable efforts to finalize the permanency plan that is in effect (whether the plan is reunification, adoption, legal guardianship, placement with a fit and willing relative, or placement in another planned permanent living arrangement) within twelve months of the date the child is considered to have entered foster care and at least once every twelve months thereafter while the child is in foster care. If such a judicial determination regarding reasonable efforts to finalize a permanency plan is not made in accordance with the schedule prescribed above, the child becomes ineligible under title IV-E at the end of the month in which the judicial determination was required to have been made, and remains ineligible until such a determination is made.”

Cause – Internal eligibility procedures were not followed by State employees who determine eligibility.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-7 (Partial Repeat from Prior Year) (Continued)

Effect – Federal funds for maintenance payments were paid to a provider for an ineligible participant.

Questioned Costs – Total questioned costs are \$ 429,499. This total includes known federal questioned costs of \$ 5,108. The likely federal questioned costs are \$ 424,391.

Recommendation – We recommend the State provide training to those individuals making eligibility coding decisions.

Auditee Contact – Mary S. Hoover, CPA, CITP, CIA, CGFM, Chief Audit Executive/Director, Department of Social and Rehabilitation Services, Office of Audit and Consulting Services

Management's Response/Corrective Action Plan (Unaudited) – We agree an error was made in the IV-E eligibility for this case and that federal funds were claimed in error. The initial eligibility segment was coded by the eligibility worker as not eligible for IV-E maintenance due to the permanency hearing not being held timely. The child then moved to an unlicensed relative home and the eligibility segment was changed to reflect the ineligible placement. When the child later moved to a licensed placement in November 2008, the eligibility worker coded the child as meeting all IV-E requirements for maintenance in error. The worker should have reviewed all eligibility factors before making the determination.

The coding will be corrected in the case file and in the Agency's information system. The federal funds that were claimed in error will be paid back to ACF. The adjustment will be included on the Federal IV-E-1 claim as a reducing prior period adjustment for each quarter affected by the error. As part of the ongoing internal quality assurance process, staff will be asked to review all other cases that are coded IV-E maintenance.

Follow-up – Audit procedures performed on case files in 2009 did not reveal any exceptions in the sample regarding individual eligibility. However, the audit procedures did reveal an exception for the eligibility of two providers paid on behalf of one participant. This finding will be repeated for provider eligibility for the year ended June 30, 2009.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-8

Federal Program – Adoption Assistance (CFDA No. 93.659), U.S. Department of Health and Human Services, Kansas Department of Social and Rehabilitation Services, Grant Award Nos. 0701KS1407 and 0801KS1407

Condition – We noted 2 out of 23 individuals selected for eligibility testwork were ineligible for assistance. One individual was ineligible because there had not been a Foster Care case file opened for which Federal assistance was granted nor was the individual receiving Social Security Income benefits before the adoption occurred. If a Foster Care case had been opened, the individual would not have received Federal assistance because there was no removal from the home. The second individual was ineligible because the child was not eligible for Federal assistance while in Foster Care nor was the individual receiving Social Security Income benefits before the adoption occurred.

Criteria – According to 42 USC 673(a)(2)(A), “the child is eligible, or would have been eligible, for the former Aid to Families with Dependent Children (AFDC) program (i.e., met the State-established standard of need as of July 16, 1996, prior to enactment of the Personal Responsibility and Work Opportunity Reconciliation Act) except for his/her removal from the home of a relative pursuant to either a voluntary placement agreement or as a result of a judicial determination to the effect that continuation in the home of removal would have been contrary to the welfare of the child; the child is eligible for Supplemental Security Income; or is a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to his/her minor parent.”

Cause – Internal eligibility procedures were not followed by State employees who determine eligibility.

Effect – Federal funds were paid to adoptive parents for an ineligible participant.

Questioned Costs – Known federal questioned costs for adoption subsidy payments of \$4,723 compared to the total federal adoption subsidy payments of \$37,098 included in the sample population.

Recommendation – We recommend the State provide training to those individuals making eligibility coding decisions.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-8 (Continued)

Management's Response/Corrective Action Plan (Unaudited) – We agree an error was made in the IV-E eligibility for these two cases and that federal funds were claimed in error. The first case involved a relinquishment of parental rights with the grandparents adopting the child. Worker error resulted in the adoption assistance being coded as IV-E eligible. The second case was determined non-eligible on the IV-E determination forms but was coded incorrectly as IV-E on the adoption assistance agreement and in the system. The child did not meet the IV-E eligibility requirements, including being eligible for SSI as mentioned in the finding, but was coded incorrectly in error.

The coding will be corrected in the case files and in the Agency's information system. The federal funds that were claimed in error will be paid back to ACF. The adjustments will be included on the Federal IV-E-1 claim as a reducing prior period adjustment for each quarter affected by the error. As part of the ongoing internal quality assurance process, staff will be asked to review all other cases that are coded IV-E maintenance eligible for similar errors. Any errors identified will be changed and the federal claim will be changed retroactively.

The Agency's internal auditors are currently reviewing the IV-E eligibility process. Based on the results from the FY 2008 Single Audit and the SRS internal audit, policies and procedures related to IV-E eligibility and claiming will be reviewed to determine what changes are needed to prevent future errors. Additional training will also be provided to staff responsible for the process.

Follow-up – Audit procedures performed on case files in 2009 did not reveal any exceptions in the sample regarding eligibility. As such, this finding is considered resolved.

Finding No. 2008-9 (Repeated from Prior Year)

Federal Program – State Children's Insurance Program (SCHIP) (CFDA No. 93.767), U.S. Department of Health and Human Services, Kansas Health Policy Authority (KHPA), Federal Appropriation No. 7570515

Condition – In the 2006 audit, we noted that the State of Kansas utilizes a contractor, Maximus, to process eligibility determinations for the SCHIP program. Historically, the State of Kansas has relied upon the controls of Maximus in the processing of these eligibility determinations. A complete review of the controls related to the eligibility determination process had not been performed by a third party and a SAS 70 report had not been received. The SAS 70 review and related report was not completed during the fiscal year 2007 or 2008. As such, this finding is repeated in the current year.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-9 (Repeated from Prior Year) (Continued)

Criteria – A SAS 70 Type II Service Auditors' Report is required by the State of Kansas for any contractor that is providing processing services, in this case processing eligibility determinations, for the State of Kansas' SCHIP program. The SAS 70 Type II Service Auditors' Report provides the auditors' opinion on the internal controls placed in operation by the contractor. The report also states whether the auditors believe that the controls are designed and operated with sufficient effectiveness to provide reasonable assurance that control objectives would be achieved.

Effect – Eligibility determinations for the SCHIP program are processed by Maximus. If the proper controls are not in place and are not being adequately monitored, eligibility determinations may be incorrectly processed.

Questioned Costs – Unknown

Recommendation – The State of Kansas should require that Maximus provide a SAS 70 Type II Service Auditors' Report on the internal control over its eligibility determination processing for the SCHIP program. Any other areas of processing which are significant to the SCHIP program should also be covered by the report. Additionally, as future contracts are negotiated for service organizations to process eligibility determinations, the requirement for an annual SAS 70 report should be included as a contract provision.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – The requirement for a SAS 70 Type II audit report is part of the procurement for a new eligibility determination contractor. It will be included in the new contract.

Follow-up – KHPA included the need for a SAS 70 Type II opinion for the processing of SCHIP eligibility determinations in the current Request for Proposal (RFP). Due to delay in funding, the State's new contract did not start until September 30, 2009. Since this issue has not been resolved as of June 30, 2009, this finding is repeated for the year ended June 30, 2009.

Finding No. 2008-10 (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Medicaid Cluster (CFDA No. 93.775, 93.777, 93.778), U.S. Department of Health and Human Services, Kansas Health Policy Authority (KHPA), State Fiscal Year 2008 Award

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-10 (Significant Deficiency) (Repeated from Prior Year) (Continued)

Condition – During our claims testwork during the fiscal year 2004 audit, we noted that the Medicaid Management Information System (MMIS) system contained no controls to limit the number of surface repairs paid per tooth to dentists. No similar issues were noted during current year claims testwork, however, as of June 30, 2008, no controls had been implemented to address this finding.

Criteria – The MMIS system should include edits and controls that identify unusual items, including safeguarding unnecessary utilization of care or fraudulent claims, for follow up. The State utilizes the MMIS system to ensure proper payment of submitted claims.

Cause – There are insufficient edits and controls in the MMIS system to address this specific issue.

Effect – A dentist may file an illegitimate claim for more surface repairs on a tooth than the number of surfaces that are actually on a tooth.

Questioned Costs – None.

Recommendation – In 2004, 2005, 2006, and 2007, we recommended that the State implement controls in the MMIS system that limit the number of surface repairs a dentist can claim on a specific tooth letter or number. We continue to make this recommendation in 2008.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – The tooth surface limitations described in the prior audits were included in four Medicaid Management Information System (MMIS) policies: E2006-38, E2006-39, E2006-40, and E2006-41. The policies were implemented in August 2008 and began affecting claims with dates of service after September 11, 2008. This was after the audit period for the 2008 Statewide Audit. KHPA believes this finding will be closed during the 2009 review.

Follow-up – The MMIS policies indicated above were not fully implemented before June 30, 2009. Since these implementations were not fully effective for fiscal year 2009, this finding is repeated for the year ended June 30, 2009.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-11 (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Medicaid Cluster (CFDA No. 93.775, 93.777, 93.778), U.S. Department of Health and Human Services (HHS), Kansas Health Policy Authority (KHPA), State Fiscal Year 2008 Award

Condition – The State’s “CMS-64, *Quarterly Statement of Expenditures for the Medical Assistance Program*” financial report (CMS64) is prepared using expenditures generated from fiscal agent’s, EDS, payment system. Our audit procedures performed on the CMS 64 report for the quarter ended June 30, 2007 revealed that there is no reconciliation between the CMS 64 expenditures generated from EDS’ payment system and the expenditures generated from the State’s accounting system, STARS.

Criteria – Financial reports should be supported by accounting records that support the audited financial statements and the schedule of expenditures of Federal awards; or if they are supported by alternative records, these records should agree or be reconciled with the accounting records.

Cause – The State has not implemented procedures that would include reconciling the CMS 64 to STARS due to the significant amount of time that this procedure would require.

Effect – The expenditures reported on the CMS 64 are materially different from those expenditures reported on the State’s accounting system, STARS, and a reconciliation between the two sets of records is not performed.

Questioned Costs – Unknown

Recommendation – The State should implement procedures that include periodically reconciling the CMS 64 report to STARS. We understand that KHPA has contracted with a third-party to complete the reconciliation process for the quarter ended June 30, 2008 however this process was not completed in 2008. We encourage KHPA to continue working with the third-party to complete the first reconciliation process which will allow for KHPA to continue this process in future years.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-11 (Significant Deficiency) (Repeated from Prior Year) (Continued)

Management's Response/Corrective Action Plan (Unaudited) – KHPA will continue to work toward a regular reconciliation between the CMS 64 report and the state accounting system (STARS). KHPA contracted with an audit firm to analyze what would be needed to create an ongoing reconciliation between the quarterly report and actual expenditures as reported in STARS. This effort identified several areas for further investigation within the reporting subsystem of the Medicaid Management Information System. KHPA and fiscal agent staff are working through the reports to identify potential reconciliation differences. By the end of federal fiscal year 2009, KHPA will have a consistent way of reviewing the monthly and quarterly expenditures to the federal reports. The State of Kansas also is developing a new state accounting system that should provide additional detail to help with these types of reconciliations.

Follow-up – As of June 30, 2009, the State had not implemented procedures that include periodically reconciling the CMS 64 report to STARS. We understand that the State has contracted with a third-party to complete the reconciliation process however this process was not completed in 2009.

Finding No. 2008-12 (Significant Deficiency)

Federal Program – Medicaid Cluster (CFDA No. 93.775, 93.777, 93.778), U.S. Department of Health and Human Services (HHS), Kansas Health Policy Authority (KHPA), State Fiscal Year 2008 Award

Condition – KHPA does not consistently request adequate supporting documentation from other State agencies prior to KHPA drawing down Medicaid monies on the other State agencies' behalf. In addition, there is not a consistent level of review over the drawdown process at KHPA.

Criteria – Drawdowns of federal funds by nonfederal entities must be supported by underlying data of the nonfederal entity. The internal control process over drawdowns from the federal government should include a level of review by someone other than the person performing the drawdown. Both of these controls would enable the State of Kansas to detect potential errors or omissions in drawdowns.

Cause – The State has not implemented procedures that would include consistently requiring adequate supporting documentation from other State agencies prior to completing Medicaid drawdowns as well as requiring a level of review over Medicaid drawdowns.

Effect – Errors or omissions could occur in drawdowns and be undetected by the State.

Questioned Costs – Unknown

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-12 (Significant Deficiency) (Continued)

Recommendation – KHPA should consistently require adequate supporting documentation from other State agencies prior to KHPA completing drawdowns on the other agencies' behalf. KHPA should also implement a level of review over the drawdown process.

Auditee Contact – Scott Bruner, Chief Financial Officer, Kansas Health Policy Authority

Management's Response/Corrective Action Plan (Unaudited) – KHPA has discussed this finding with the other Medicaid funded agencies for both assistance and administrative expenditures. The American Recovery and Reinvestment Act has additional requirements for reporting and tracking that require KHPA to provide substantiation of the use of Medicaid stimulus funds. KHPA is using the stimulus reporting to develop documentation requirements from the Medicaid agencies before initiating transfers of federal funds. We are soliciting input from the agencies about the format and content of the documentation to avoid duplication of agency effort. This will be in place for review during the 2009 Statewide Single Audit.

In response to the second part of this finding, KHPA is adding a review step in the federal draw down process. Currently, the person authorized to access the federal Medicaid account determines the amount necessary to draw based on each weeks Medicaid payment amounts and initiates the transfer. As an internal control, the Senior Manager for Budget and Finance within KHPA will begin reviewing that request each week and authorize the amounts that are drawn. If the Senior Manager is not available, the Chief Financial Officer will authorize the federal draw. KHPA is also working on modifying an existing report used to monitor available cash to validate that the draws were done correctly and balance to the amounts used to make Medicaid payments during the week.

Follow-up – We understand KHPA implemented policies to address our recommendation in June 2009. Since the policies did not cover the entire year under audit, our 2009 testwork found the same deficiencies for Medicaid; therefore, we will repeat this finding for Medicaid for the year ended June 30, 2009.

Finding No. 2008-13 (Significant Deficiency) (Repeated from Prior Year)

Federal Program – Public Assistance Grants (CFDA No. 97.036), U.S. Department of Homeland Security, Adjutant General's Department, State of Kansas, which includes the Kansas Department of Emergency Management (KDEM), State Fiscal Year 2008 Awards

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-13 (Significant Deficiency) (Repeated from Prior Year) (Continued)

Condition – In our subrecipient monitoring testwork, we noted that fifteen of twenty-three subrecipients, respectively, selected for testwork had not submitted an independent audit report or a letter stating they were not required to have an audit performed in accordance with OMB Circular A-133.

Criteria – According to 31 USC 7502(f)(2)(B) and KDEM’s internal subrecipient monitoring policy, the pass-through entity (the State) should receive audit reports from subrecipients required to have an audit in accordance with OMB Circular A-133, issue management decisions on findings related to the program, and require the subrecipients to take timely corrective action on any deficiencies identified.

Cause – After a finding was reported in the 2005 audit report regarding developing a subrecipient monitoring policy, the State began implementing a corrective action plan in 2006. However due to the number of disasters that have affected the State in the past few years and the lack of appropriate staff levels to deal with the increase in disasters, this corrective action plan has not been fully implemented as of June 30, 2008.

Effect – Subrecipients may not be in compliance with the requirements of OMB and not be detected by the pass-through entity.

Questioned Costs – Unknown

Recommendation – In 2005, we recommended that a formal monitoring process be implemented to track subrecipients who have received federal funding and determine whether or not they have provided the necessary audit documentation. This would allow the State to monitor their subrecipients more closely and detect subrecipient noncompliance. We continue to recommend such a process be fully implemented.

Auditee Contact – Janice Harper, Comptroller, Adjutant General’s Department, State of Kansas

Management’s Response/Corrective Action Plan (Unaudited) – State PAO will inform applicants of OMB Circular A-133 at applicant briefings. This will be in the form of a letter explaining what OMB Circular A-133 is as well as the applicant’s duty to fulfill the requirements of OMB Circular A-133. The State PAO will provide a copy of this letter to be signed by the applicant stating that the applicant agrees to comply with OMB Circular A-133 in a timely manner. A copy of the letter will be left with the applicant and the original will be kept and entered into a tracking spreadsheet.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-13 (Significant Deficiency) (Repeated from Prior Year) (Continued)

KDEM will identify a dedicated staff position to track and follow up on missing exemption letters and/or audits. Subrecipients that exceed a threshold amount of \$200,000 will be contacted in this regard. Subrecipients will be required to submit an audit within nine (9) months of the subrecipient's fiscal year end. If an audit has not been submitted to KDEM within the nine month deadline, this position will send out a follow-up letter requesting the audit be submitted immediately or an explanation as to why the audit has not been submitted. KDEM will require a written request for any extensions for delayed audits.

KDEM will send out a total of three letters requesting the required audit or exemption letter. The first letter will be a request that the audit be submitted immediately as discussed above. The second letter will again request the required audit but also state that in the event that the subrecipient does not comply KDEM will be forced to turn the file over to the Adjutant General's Legal Department. The third letter will be a notification letter that the file has been turned over to the Adjutant General's Legal Department for review and action. The letters will be sent out sixty (60) days apart. In the event there is noncompliance on the applicant's behalf, KDEM's Deputy Director will notify the Adjutant General's Legal Department for further administrative disposition.

Follow-up – Audit procedures in 2009 found that the State had fully implemented their formal monitoring process to track subrecipients who had received federal funding, including receiving audit reports from the subrecipients. All subrecipients tested in the 2009 audit were monitoring properly by the State. As such, this finding is considered resolved.

Finding No. 2008-14 (Material Weakness)

Federal Program – Public Assistance Grants (CFDA No. 97.036), U.S. Department of Homeland Security, Adjutant General's Department, State of Kansas, which includes the Kansas Department of Emergency Management (KDEM), State Fiscal Year 2008 Awards

Condition – The reporting testwork revealed that KDEM did not submit the FEMA 20-10, *Financial Status Report* for the quarter ended March 31, 2008. In addition, reporting testwork for the FEMA 20-10, *Financial Status Report* for the quarter ended June 30, 2008 found several expenditure amounts were incorrectly calculated. The same incorrect expenditure amounts were also reported on the SF-272 *Federal Cash Transactions Report* (272 Report) for the quarter ended June 30, 2008. In addition, the "Total Receipts" amount provided by the Division of Payment Management was not reconciled to KDEM's financial records when the 272 Report was prepared.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-14 (Material Weakness) (Continued)

Criteria – Federal grantors specify the frequency in which reports must be submitted. The FEMA 20-10 - *Financial Status Report* must be submitted on a quarterly basis. Furthermore, information included in financial reports submitted to the federal grantor should be derived from the accounting records and should be accurately reported for the given time period.

Cause – These reporting errors are a result of turn-over in key staff areas, a lack of properly documented procedures for accurate report preparation, and a lack of review of the reports and the supporting documentation by a knowledgeable staff member.

Effect – The federal grantor agency did not receive important financial information for an entire quarter. In addition, the information they were receiving was inaccurate because appropriate financial records were not used to prepare the reports.

Questioned Costs – On the FEMA 20-10, *Financial Status Report*, these line items were understated by the following amounts (approximately) for the three disasters selected for testwork: Net Outlays, \$ 12.5 million; Recipient share of outlays, \$ 13 million; Total unliquidated obligations, \$ 17.3 million; Recipient share of unliquidated obligations, \$ 16.9 million; and the Federal share of unliquidated obligations, \$ 435,000. The Federal share of outlays was overstated by approximately \$ 435,000. The Net Disbursement amount on the 272 Report was also overstated by this amount. The “Total Receipts” amount reported on the 272 Report varied from KDEM receipt records by approximately \$ 3.6 million.

Recommendation – We recommend KDEM formally document and maintain procedures for accurate report preparation and implement a review process for the FEMA 20-10 *Financial Status Report* and SF-272 *Federal Cash Transaction Report*.

Auditee Contact – Janice Harper, Comptroller, Adjutant General’s Department, State of Kansas

Management’s Response/Corrective Action Plan (Unaudited) – The KDEM Fiscal Officer is currently working on reconciling each open disaster. Currently there are fifteen (15) open disasters. Several staff members have been tasked with helping in the reconciliation process depending on each individual’s expertise within the Public Assistance process.

Management’s Response/Corrective Action Plan (Unaudited) – The KDEM Fiscal Officer is currently working on reconciling each open disaster. Currently there are fifteen (15) open disasters. Several staff members have been tasked with helping in the reconciliation process depending on each individual’s expertise within the Public Assistance process.

STATE OF KANSAS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Continued)

Finding No. 2008-14 (Material Weakness) (Continued)

KDEM has successfully closed one disaster and is ready to close a second disaster. Until all disasters can be reconciled within themselves and within our internal accounting system, it is impossible to fully reconcile to Smartlink. With current staffing levels we anticipate this reconciliation to take some time. We will continue to dedicate staff time to the process. If funding allows and a suitable candidate can be located, we hope to add an additional part-time person that can assist with this effort.

KDEM has completed a SF-272 *Federal Cash Transactions Report* and a FEMA 20-10 *Financial Status Report* within the 30 day deadline for each quarter following the quarter ending June 30, 2008. In addition, FEMA staff is fully aware of KDEM's situation and has provided KDEM staff guidance through this process.

KDEM has begun to formally document procedures that are currently being followed during the quarterly reporting process. However, this document is not complete at this time. We will complete this documentation when a final determination is made of what process is the best possible solution. This information will be determined by working through several methods to achieve the final report. We plan to set up a reporting tool within our internal accounting system that will automatically create this report. Once created, it would then be checked for accuracy before being submitted. At the current time each quarterly report is prepared by the KDEM Fiscal Officer and checked for accuracy. Each quarterly report is then forwarded to the Deputy Director of Emergency Management for review. Once the Deputy Director of Emergency Management completes her/his review she/he signs the document(s). Copies are made and originals are sent to FEMA.

Follow-up – Reporting testwork in 2009 revealed continued material errors in the FEMA 20-10, *Financial Status Report* and the SF-272 *Federal Cash Transactions Report*. This finding is repeated for the year ended June 30, 2009.