



***UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS***

**OMB CIRCULAR A-133, SINGLE AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2007**

**WITH**

**INDEPENDENT AUDITORS' REPORT**

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

OMB *CIRCULAR A-133*, SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2007

WITH

INDEPENDENT AUDITORS' REPORT

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

OMB CIRCULAR A-133, SINGLE AUDIT REPORT

Year Ended December 31, 2007

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*This is a copy of the County's annual financial statements reproduced from an electronic file. An original copy of this document is available at the County's office.*



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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Board of Commissioners  
**Unified Government of Wyandotte County /  
Kansas City, Kansas**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government of Wyandotte County / Kansas City, Kansas (Unified Government), as of and for the year ended December 31, 2007, which collectively comprise the Unified Government's basic financial statements, and have issued our report thereon dated June 19, 2008. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 85%, 80%, and 88%, respectively, of the assets, net assets, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Public Utilities, is based solely on the report 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Unified Government'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 Unified Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unified Government'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 certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 a more than 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 over financial reporting. We consider the deficiency described in finding 2007-1 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 the 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 the 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 consider the significant deficiency described in finding 2007-1 to be a material weakness.

#### Compliance and Other Matters

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

We noted certain matters that we reported to management of the Unified Government in a separate letter dated June 19, 2008.

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2008  
Wichita, Kansas



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

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Board of Commissioners  
**Unified Government of Wyandotte County /**  
**Kansas City, Kansas**

Compliance

We have audited the compliance of the Unified Government of Wyandotte County / Kansas City, Kansas (Unified Government), 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 December 31, 2007. The major federal programs of the Unified Government are identified in the summary of auditors' 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 management of the Unified Government. Our responsibility is to express an opinion on the compliance of the Unified Government, based on our audit

The Unified Government's basic financial statements include the operations of the Board of Public Utilities, a major fund, whose federal awards are not included in the Schedule of Expenditures of Federal Awards for the year ended December 31, 2007. Our audit, described below, did not include the operations of the Board of Public Utilities, which engaged other auditors to perform an audit in accordance with OMB *Circular A-133*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and OMB *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the compliance of the Unified Government 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 on the compliance of the Unified Government with those requirements.

In our opinion, the Unified Government 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 December 31, 2007. However, the results of our auditing procedures disclosed 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 2007-2, 2007-3, 2007-4, 2007-5, 2007-6, and 2007-7.

### Internal Control Over Compliance

The management of the Unified Government is responsible for establishing and maintaining effective internal control over compliance, with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Unified Government's internal control over compliance with 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 Unified Government's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Unified Government'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.

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 2007-2, 2007-3, 2007-4, 2007-5, 2007-6, and 2007-7 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. We did not consider any of the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

June 19, 2008  
Wichita, Kansas



INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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Board of Commissioners  
**Unified Government of Wyandotte County /  
Kansas City, Kansas**

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government of Wyandotte County / Kansas City, Kansas (Unified Government) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 19, 2008. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 88%, 80%, and 88%, respectively, of the assets, net assets, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Public Utilities, is based solely on the report of the other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government'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 the 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.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

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

June 19, 2008



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2007

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SECTION I – SUMMARY OF AUDITORS' RESULTS

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FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?   X   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified?        yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses?   X   yes        none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*?   X   yes        no

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION I – SUMMARY OF AUDITORS' RESULTS  
(Continued)

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Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
14.218	Community Development Block Grants
16.738	Edward Byrne Memorial Justice Assistance Grant
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
93.994	Maternal and Child Health Block Grant
14.239	HOME Investment Partnerships Program
97.067	Homeland Security Grant Program (Cluster)

Dollar threshold used to distinguish  
between type A and type B programs:

\$ 305,501

Auditee qualified as low-risk auditee?

yes  no

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION II – FINANCIAL STATEMENT FINDINGS

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**Finding 2007-1: Preparation of the Financial Statements (Material Weakness)**

**Condition:** The Unified Government's management is responsible for the accuracy, completeness, and fairness of data presented in the Comprehensive Annual Financial Report, including all disclosures. Currently, there is a deficiency in the controls over the period-end financial reporting process, including controls over procedures used to initiate, authorize, record and process journal entries into the general ledger, and record recurring and nonrecurring adjustments to the financial statements. During the audit process, several material adjusting entries were made to correct journal entries previously posted by management. In addition, material adjustments were made to the financial statements for items not initially identified by the entity's internal control, including: a) adjustments to amounts included with capital assets for both the enterprise funds and governmental activities, b) an adjustment to record the Series 2007-A General Obligation Refunding Bonds activity, c) adjustments to two significant estimates including incurred but not reported health and workers' compensation claims, and the amount reflected as receivables in the EMS fund, and d) an adjustment for interest payable on governmental fund type long-term debt.

**Criteria or Specific Requirement:** Internal controls should be designed to provide adequate control over the preparation of reliable financial statements.

**Effect:** Lack of controls and procedures could result in a material misstatement to the financial statements.

**Recommendation:** We recommend management evaluate and strengthen controls and procedures to capture the information needed to identify, authorize, record and process recurring and nonrecurring journal entries and year-end adjustments to the financial statements. We also recommend management consider additional training for staff in the preparation of financial statements, and ensure that key personnel in the accounting area are trained in the requirements of governmental accounting and reporting.

**Management Response:** Accounting management will work with external auditors to compile a list of recurring and nonrecurring adjustments needed to the financial statements to ensure those entries are initiated by the Accounting staff prior to the draft financial statements being presented to the auditors. Accounting staff will work with external auditors to gain a better understanding of journal entries and establish procedures to ensure proper recording of such entries. Accounting will seek out further training opportunities for preparation of financial reports and governmental accounting.

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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**Finding 2007-2 (Significant Deficiency):**

**#16.738, Edward Byrne Memorial Justice Assistance Grant, U.S. Department of Justice**

**Condition:** The Unified Government's police department did not complete certifications to support salary expenditures for those employees solely funded from the grant program noted above.

**Criteria or Specific Requirement:** OMB Circular A-87 states that when employee salaries are funded from a single federal award, periodic certifications are required documenting that the employees worked solely on that program for the period covered by the certification.

**Questioned Costs:** Total salaries and benefits funded by the program in 2007 were \$228,986.

**Context:** The Unified Government issued a policy directive in 2003 requiring certifications for employees who work on a single federal award program.

**Effect:** Salary expenditures incurred under these programs may not be allowed as a cost of the grant without proper documentation.

**Cause:** Management indicates that this condition is due to the lack of understanding concerning the documentation requirements. There have been changes in employees involved in management of the grant and in the management of the Public Safety Business Office (PSBO).

**Recommendation:** OMB Circular A-87 states that the certifications can be signed by a supervisory official having first-hand knowledge of the work performed by the employee. We recommend the police department develop, at least semi-annually, a listing of those employees whose salaries are being funded by this program. This list should then be reviewed and approved by a supervisory official having knowledge of the program and assignments for the employees listed.

**Management Response:** All PSBO staff have been refreshed on the existing policy. The existing twice a year e-mail reminder has been verified to all current PSBO employees. PSBO will continue to provide the certification to the appropriate Police employees for signature and verification by their supervisor. PSBO management will review staff compliance with the requirements before the completed forms are filed with the grant record.

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(Continued)

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**Finding 2007-3 (Significant Deficiency):**

**#16.738, Edward Byrne Memorial Justice Assistance Grant, U.S. Department of Justice**

**Condition:** Quarterly financial reports were not filed timely, and no documentation was found regarding submission of performance progress reports.

**Criteria or Specific Requirement:** Program requirements follow the guidance in the Office of Justice Programs Financial Guide. This Guide requires quarterly financial reports be completed within 45 days after the end of the quarter, and progress reports presenting information relevant to the performance of a plan or program.

**Questioned Costs:** None noted.

**Context:** Of the seven quarterly financial reports required in 2007, three were filed late (including dates 31 days, 31 days, and 14 days past due, respectively).

**Effect:** The Office of Justice Programs Financial Guide indicates that delinquent quarterly financial reports could result in funding being withheld and new awards being prohibited or restricted. Failure to complete progress reports could result in future drawdowns not being permitted.

**Cause:** Management indicates that this condition is due to the lack of understanding concerning the documentation requirements. There have been changes in employees involved in management of the grant and in the management of the Public Safety Business Office (PSBO).

**Recommendation:** We recommend the Unified Government establish a tickler system to remind staff when reports are due. We also recommend that a written policy be established outlining responsibilities for procedures related to completion of required reports.

**Management Response:** All PSBO staff have been refreshed on the existing policy. PSBO has reviewed the accuracy and completeness of the existing Outlook Calendar reminders. A checklist will be added to the existing grant master file to log submission dates.

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(Continued)

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**Finding 2007-4 (Significant Deficiency):**

**#14.218, Community Development Block Grants, U.S. Department of Housing and Urban Development**

**Condition:** Documentation of the comparison of budgeted distributions of salaries to actual costs based on time activity reports was not completed where employees work on multiple activities

**Criteria or Specific Requirement:** OMB Circular A-87 states that where budget estimates or other distribution percentages are determined before services are performed, the government should, at least quarterly, perform comparisons of actual costs to budgeted distributions based on monthly activity reports.

**Questioned Costs:** Total salaries and benefits for the employee in question were \$53,793.

**Context:** Only one employee was noted to be working on multiple activities which included the CDBG program. Time activity reports were completed, demonstrating evidence that the allocation of salaries funded by the CDBG program and other activities was materially correct. However, there was no process or control in place to perform the comparison of the time activity reports to the budgeted allocations and document the results.

**Effect:** Salary expenditures incurred under the program may not be allowed as a cost of the grant without proper documentation.

**Cause:** Management indicates this condition was due to a lack of understanding regarding this OMB Circular A-87 requirement.

**Recommendation:** We recommend management establish controls to ensure performance of quarterly comparisons of actual costs to budgeted distributions on the monthly activity reports. Additionally, distribution percentages should be revised, if necessary, to reflect changed circumstances.

**Management Response:** Community Development currently tracks time allocation under this grant and will put into place a mechanism to audit that tracking.

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(Continued)

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**Finding 2007-5 (Significant Deficiency):**

**#93.067, Homeland Security Grant Program, U.S. Department of Homeland Security, Passed Through the Kansas Highway Patrol**

**Condition:** One piece of equipment purchased during the year was not located in the Unified Government's property records.

**Criteria or Specific Requirement:** OMB Circular A-110 and the A-102 Common Rule require that equipment records shall be maintained with information about each item, including the funding course, who holds title, acquisition date and cost, and the date of disposal when applicable

**Questioned Costs:** None noted.

**Context:** The item purchased was a software package, which is different in nature than the types of equipment normally purchased by the Unified Government under this program. The item was properly purchased and approved by the State granting agency.

**Effect:** At such time the item purchased is no longer needed, proper disposal of the item under Federal guidelines would be difficult, if the item was not included on the Unified Government's standard property records.

**Cause:** Unknown.

**Recommendation:** We recommend that management review their procedures for identifying all equipment purchases, and completing the proper notification forms that ensure all equipment gets included on the property records.

**Management Response:** The Emergency Management Department agrees with the recommendation and will modify its procedures for identifying all equipment purchases, and completing the proper notification forms to ensure that the information is recorded in both the departments asset list and provided to the accounting department.

(Continued)

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(Continued)

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**Finding 2007-6 (Significant Deficiency):**

**#93.067, Homeland Security Grant Program, U.S. Department of Homeland Security, Passed  
Through the Kansas Highway Patrol**

**Condition:** Quarterly performance and financial reports as required by the grant agreements for the Metropolitan Medical Response System (MMRS) program included within the grant cluster were not completed. In addition, two quarterly reports for the State Homeland Security Program (SHSP) and Law Enforcement Terrorism Prevention Program (LETPP) were not completed timely.

**Criteria or Specific Requirement:** Grant award documents for the programs noted above outline the requirements for filing financial and performance reports. Quarterly reports are required for the MMRS program and quarterly expenditure reports are required to be filed within 15 days of the close of the quarter for the SHSP and LETPP programs.

**Questioned Costs:** None noted.

**Context:** Of the two quarterly reports that were filed late, one was 8 days past due, the other 100 days past due.

**Effect:** Delinquent quarterly financial reports could result in funding being withheld or reduced.

**Cause:** Unknown. However, there have been staffing changes within the management of the Emergency Management Department of the Unified Government.

**Recommendation:** We recommend management establish a tickler system to remind staff when reports are due. We also recommend that a written policy be established outlining responsibilities for procedures related to completion of required reports.

**Management Response:** The Emergency Management Department agrees with the recommendation and will modify its procedures to establish a tickler system to remind staff when reports are due. In addition, we will create a written policy establishing responsibilities and procedures related to completion of required reports.

(Continued)



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Year Ended December 31, 2007

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(Continued)

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**Finding 2007-7 (Significant Deficiency):**

**#93.067, Homeland Security Grant Program, U.S. Department of Homeland Security, Passed  
Through the Kansas Highway Patrol**

**Condition:** One piece of equipment purchased under the Law Enforcement Terrorism Prevention Program (LETPP) included within the grant cluster was not listed as eligible for purchase under the LETPP program.

**Criteria or Specific Requirement:** The Department of Homeland Security maintains an Authorized Equipment List on its Responder Knowledge Base (RKB) website. The piece of equipment in question was listed as being allowable under other Homeland Security programs, but not the LETPP program.

**Questioned Costs:** The acquisition cost of the equipment was \$26,691.

**Context:** The Kansas Highway Patrol administers the LETPP program for the State of Kansas. All quotes and purchases are sent to the Kansas Highway Patrol for approval, and completion of the purchasing process through Fisher Scientific. The equipment purchased was approved by the Kansas Highway Patrol.

**Effect:** Expenditures that are not on the Department of Homeland Security's Authorized Equipment List may not be considered an allowable cost under the grant program.

**Cause:** Unknown. However, there have been staffing changes within the management of the Emergency Management Department of the Unified Government.

**Recommendation:** We recommend management utilize the Department of Homeland Security's Authorized Equipment List and related website to verify equipment purchases are authorized, in addition to obtaining approval from the Kansas Highway Patrol.

**Management Response:** The Emergency Management Department agrees with the recommendation and will modify its procedures to utilize the Department of Homeland Security's Authorized Equipment List to verify equipment purchases and obtain approval from the Kansas Highway Patrol.

(Continued)

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)**

Year Ended December 31, 2007

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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***Findings Required to be Reported by Government Auditing Standards***

Finding Number	Finding	Corrective Action	Status
2006-1	There is no current process or control for tracking capital outlay expenditures from the escrow accounts for STAR bonds that relate to capital assets to be owned by the Unified Government.	Procedures were added within the Accounting Office to capture the information needed to record capital assets acquired from the escrow accounts.	Completed.
2006-2	Information pertaining to the Special Basic Rent and Theatre Basic Rent agreements with Cabela's Retail, Inc is not being communicated to accounting personnel so that capital lease payable balances can be updated timely and correctly.	Procedures were added within the Accounting Office to capture the information needed to record and update activity on the capital leases with Cabela's	Completed.

***Findings Required to be Reported by OMB Circular A-133***

CFDA #16.738, Edward Byrne Memorial Justice Assistance Grant, U.S. Department of Justice

Finding Number	Finding	Corrective Action	Status
2006-3	Certifications in support of salary expenditures for those employees solely funded from the grant program were not completed. In addition, for two employees, management's approval of their timesheets was also undocumented.	None noted. However, there were no repeat instances noted of timesheets not being approved by management.	Incomplete. See current year finding 2007-2.

(Continued)

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)**

Year Ended December 31, 2007

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
(Continued)**

CFDA #14.239, HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development

Finding Number	Finding	Corrective Action	Status
2006-4	The Community Development department did not perform on-site monitoring of subrecipients, and did not have procedures in place for timely follow-up of subrecipient audit findings, including procedures to ensure that subrecipients have taken appropriate corrective action on audit findings.	A "Review of Subrecipient Audits" policy was developed by Community Development, and a tracking sheet was created to identify and monitor the status on subrecipient monitoring activities. Procedures were completed in 2008 to perform on-site monitoring of subrecipients, including review of subrecipient audit findings, and review of their corrective action plans.	Completed.

CFDA #93.994, Maternal and Child Health Block Grant, U.S. Department of Health and Human Services, Passed Through the Kansas Department of Health and Environment.

Finding Number	Finding	Corrective Action	Status
2006-5	Two disbursements were made under the fiscal 2006 grant after the allowed 90-day close-out period, and reported as applicable to the fiscal 2006 grant year.	Management seeks approval from the awarding agency, in the event disbursements are beyond the grant fiscal year.	Noted no instances of disbursements made after the end of the grant year during current year testing.  Completed.
2006-6	One disbursement was made without adequate supporting documentation	Management reviews all disbursements for adequate supporting documentation.	During testing of program expenditures in the current year, noted no instances of inadequate supporting documentation.  Completed.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2007

<u>Program</u>	<u>CFDA #</u>	<u>2007 Federal Expenditures</u>	<u>Total By Federal Agency</u>
<b>U.S. Department of Agriculture:</b>			
<i>Passed Through Kansas Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10 557	\$ 871,727	
<i>Total U.S. Department of Agriculture</i>			\$ 871,727
<b>U.S. Department of Health and Human Services:</b>			
<i>Passed Through Kansas Department of Aging:</i>			
<i>Aging Cluster:</i>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93 044	406 680	
Special Programs for the Aging - Title III, Part C - Nutrition Services	93 045	359 575	
Nutrition Services Incentive Program	93 053	<u>168,305</u>	
		934 560	
Special Programs for the Aging - Title III, Part E - National Family Caregiver Support	93 052	148 322	
Centers for Medicare and Medicaid Services Research Demonstrations and Evaluations	93 779	10 907	
<i>Passed Through Kansas Department of Health and Environment:</i>			
Acquired Immunodeficiency Syndrome (AIDS) Activity	93 118	68 758	
Childhood Lead Poisoning Prevention Projects	93 197	54 828	
Family Planning Services	93 217	203,702	
Childhood Immunization Grant	93 268	24 329	
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93 283	274 676	
Child Care and Development Block Grant	93 575	63 742	
Comprehensive Breast and Cervical Cancer Early Detection Programs	93 919	62 354	
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93 977	188 997	
Preventive Health Services_ Sexually Transmitted Diseases Research Demonstrations, and Public Information and Education Grants	93 978	42	
Preventive Health and Health Services Block Grant	93 991	1 260	
Maternal and Child Health Block Grant	93 994	<u>322,918</u>	
<i>Total U.S. Department of Health and Human Services</i>			2 359 395
<b>U.S. Department of Justice:</b>			
<i>Direct Funding:</i>			
<i>Bureau of Justice Assistance:</i>			
HIDTA, Metro HIDTA, Missouri Midwest HIDTA	16 000 <sup>1</sup>	69 290	
Crime Victim Assistance/Discretionary Grants	16 582	70 368	
Community Capacity Development	16 595	189 085	
Edward Byrne Memorial Justice Assistance Grant	16 738	228 987	
<i>Passed Through the Kansas Office of the Attorney General:</i>			
Supervised Visitation, Safe Havens for Children	16 527	135 462	
Crime Victim Assistance	16 575	145 617	
Violence Against Women Formula Grants	16 588	160 486	
<i>Passed Through Kansas Juvenile Justice Authority:</i>			
Juvenile Accountability Incentive Block Grant	16 523	55 998	
Drug Court Discretionary Grant Program	16 585	<u>181,306</u>	
<i>Total U.S. Department of Justice</i>			1 236 599
<b>Environmental Protection Agency:</b>			
<i>Passed Through Kansas Department of Health and Environment:</i>			
Air Pollution Control Program Support	66 001	<u>252,831</u>	
<i>Total Environmental Protection Agency</i>			252 831
<b>U.S. Department of Housing and Urban Development:</b>			
<i>Direct Funding:</i>			
Community Development Block Grant	14 218	3 022 832	
Emergency Shelter Grants Program	14 231	145 219	
Supportive Housing Program	14 235	175 860	
HOME Investment Partnerships Program	14 239	<u>566,633</u>	
<i>Total U.S. Department of Housing and Urban Development</i>			3 910 544

The accompanying notes are an integral part of this schedule

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2007

<u>Program</u>	<u>CFDA #</u>	<u>2007 Federal Expenditures</u>	<u>Total By Federal Agency</u>
<b>U.S. Department of Homeland Security:</b>			
<i>Passed Through Kansas Division of Emergency Management:</i>			
Emergency Management Performance Grants	97 042	66 265	
Citizen Corps	97 053 <sup>2</sup>	12,033	
<i>Passed Through Kansas State Highway Patrol:</i>			
Metropolitan Medical Response System	97 071 <sup>2</sup>	517 128	
State Homeland Security Program (SHSP)	97 073 <sup>2</sup>	439,518	
Law Enforcement Terrorism Prevention Program (LETPP)	97 074 <sup>2</sup>	<u>155,701</u>	
<i>Total U. S. Department of Homeland Security</i>			1,190,645
<b>U.S. Department of Transportation:</b>			
<i>Passed Through the Kansas Department of Transportation:</i>			
Highway Planning and Construction	20 205	249,372	
State and Community Highway Safety	20 600	<u>112,263</u>	
<i>Total U. S. Department of Transportation</i>			<u>361,635</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 10,183,376</u>

1 A CFDA number is not available for this program Identified by federal awarding agency only

2 Homeland Security Grant Program (cluster) CFDA #97 067 for the cluster as a whole

The accompanying notes are an integral part of this schedule.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended December 31, 2007

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**Note 1. Organization**

The Unified Government of Wyandotte County / Kansas City, Kansas is the recipient of several federal grants. Various Unified Government departments administer these grant programs. The grants are accounted for in the General Fund, Special Revenue Funds, and Capital Project Funds.

**Note 2. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Unified Government and is presented on the cash basis of accounting. The information presented in this schedule is in accordance with the requirements of 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.

**Note 3. Local Government Contributions**

Local cost sharing, as defined by the OMB *Circular A-102, Attachment F*, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

**Note 4. Additional Audits**

Grantor agencies reserve the right to conduct additional audits of the Unified Government's grant programs for economy and efficiency and program results which may result in disallowed costs to the Unified Government. However, management does not believe such audits would result in any disallowed costs that would be material to the Unified Government's financial position at December 31, 2007.

**Note 5. Scope of Audit Pursuant to OMB Circular A-133**

This report does not include the federal financial assistance of the Board of Public Utilities of Kansas City, Kansas. This entity, including the federal financial assistance programs, is audited by other auditors. Copies of financial statements and Single Audit reports can be obtained at the following address:

Board of Public Utilities of Kansas City, Kansas  
540 Minnesota Avenue  
Kansas City, Kansas 66101

(Continued)

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /  
KANSAS CITY, KANSAS**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)**

Year Ended December 31, 2007

**Note 6. Noncash Awards**

Noncash award programs include #97.073, State Homeland Security Program, #97.074, Law Enforcement Terrorism Prevention Program, and #97.071, Metropolitan Medical Response System. These programs result in the acquisition of capital assets. Such noncash awards are valued at the cost incurred to acquire the asset, which approximates fair market value.

**Note 7. Social Services Block Grant Passed Through the Department of Social and Rehabilitation Services**

CDDO-07-087  
Comparison of Expenditures to Budget  
For the Fiscal Year July 1, 2006 Through June 30, 2007

	Budget	July 1, 2006 to December 31, 2006	January 1, 2007 to June 30, 2007	Total	Over (Under) Budget
<b>Revenues</b>					
State Contract	\$1,150,846	\$ 575,423	\$ 533,065	\$ 1,108,488	\$ (42,358)
Fiscal 06 TCM Overpayment	(42,358)	--	--	--	42,358
	<u>\$1,108,488</u>	<u>\$ 575,423</u>	<u>\$ 533,065</u>	<u>\$ 1,108,488</u>	<u>\$ --</u>
<b>Expenses</b>					
Community and Family Services and Support	\$ 643,830	\$ 315,169	\$ 328,661	\$ 643,830	\$ --
State Aid	160,280	78,700	81,580	160,280	--
Administration	346,736	147,892	200,121	348,013	1,277
Fiscal 06 TCM Overpayment	(42,358)	--	--	--	42,358
	<u>\$1,108,488</u>	<u>\$ 541,761</u>	<u>\$ 610,362</u>	<u>\$ 1,152,123</u>	<u>\$ 43,635</u>