

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

OMB *CIRCULAR A-133*, SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2013

WITH

INDEPENDENT AUDITOR'S REPORT

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

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KANSAS CITY, KANSAS**

OMB *CIRCULAR A-133*, SINGLE AUDIT REPORT

Year Ended December 31, 2013

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the Unified Government's basic financial statements, and have issued our report thereon dated June 19, 2014. Our report includes a reference to other auditors who audited the financial statements of the Board of Public Utilities, as described in our report on the Unified Government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Unified Government's Response to Findings

The Unified Government's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Unified Government's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

June 19, 2014
Wichita, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the Unified Government of Wyandotte County / Kansas City, Kansas' (Unified Government) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Unified Government's major federal programs for the year ended December 31, 2013. The Unified Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Unified Government's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Unified Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on CFDA No. 11.307

As described in findings 2013-005 and 2013-006 in the accompanying schedule of findings and questioned costs, the Unified Government did not comply with requirements regarding the following:

Finding #	CFDA #	Program Name	Compliance Requirement
2013-005	11.307	Economic Adjustment Assistance (Revolving Loan Fund)	Special Tests and Provisions
2013-006	11.307	Economic Adjustment Assistance (Revolving Loan Fund)	Reporting

Compliance with such requirements is necessary in our opinion, for the Unified Government to comply with the requirements applicable to that program.

Qualified Opinion on CFDA No. 11.307

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Unified Government complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Economic Adjustment Assistance Grant program for the year ended December 31, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Unified Government complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-002, 2013-003, and 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the Unified Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Unified Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the

circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Unified Government's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-002, 2013-003, 2013-004 and 2013-006, that we consider to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements which collectively comprise the Unified Government's basic financial statements. We issued our report thereon dated June 19, 2014, which contained an unmodified opinion on those financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 19, 2014. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 85 percent, 82 percent, and 90 percent, respectively of the assets, net position, and revenues of the business-type activities. Those financial 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 on the report of the other auditors.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

September 8, 2014
Wichita, Kansas

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

yes no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)

Identification of major programs and type of auditor’s report issued on compliance for major programs: See Below

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>OPINION</u>
10.557	<i>Special Supplemental Nutrition Program for Women, Infants and Children</i>	Unmodified
11.307	<i>Economic Adjustment Assistance (Revolving Loan Fund)</i>	Qualified
14.218	<i>Community Development Block Grants Cluster</i>	Unmodified
14.228	<i>Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii</i>	Unmodified
14.239	<i>HOME Investment Partnerships Program</i>	Unmodified
16.710	<i>Public Safety Partnership and Community Policing Grants (Recovery Act Funded)</i>	Unmodified
16.738 / 16.804	<i>JAG Program Cluster</i>	Unmodified
66.458	<i>Capitalization Grants for Clean Water State Revolving Funds</i>	Unmodified
93.667	<i>Social Services Block Grant</i>	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 549,298

Auditee qualified as low-risk auditee? _____ yes X no

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2013-001: Accounting and Financial Reporting (Significant Deficiency)

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. The deficiencies described below could result in misstatements to the basic financial statements. In January 2012, the Unified Government filled the Accounting Manager position, resulting in additional resources being available for completing the year-end closing process and preparation of the financial statements. This step taken by the Unified Government continues to provide substantial benefits to this process compared to prior years, as described in the items below:

- a) A deficiency exists related to the overall preparation of the basic financial statements and related footnotes for the Comprehensive Annual Financial Report. Our observation is that the Accounting Manager continues to provide substantial benefits related to the financial statement preparation process. We noted that the Accounting Manager continued to take steps during 2013 to develop improved controls and procedures over the preparation of the financial statements. This resulted in management continuing to complete the majority of the reconciliations and calculations needed in support of the year-end adjustments and financial statements with fewer adjusting entries being made during the audit process. Management was able to generate budgetary fund-level financial statements and assisted in compiling components of the footnotes and fund level statements that are in accordance with generally accepted accounting principles. The primary remaining areas of concern pertain to certain adjusting entries (described more fully in b) below), and the preparation of the government-wide financial statements and complete set of notes to the financial statements.
- b) A deficiency exists in controls over procedures used to initiate, authorize, record and process certain journal entries into the general ledger, and record recurring and nonrecurring adjustments to the financial statements as listed below. As noted previously, the Accounting Manager was active in preparing and/or reviewing year-end journal entries prepared by his staff. The remaining items we recommend to be focused on in future years include:
 - adjustments for activity recorded for certain capital assets (see more in c) below)
 - adjustments to reconcile and record pollution remediation and landfill closure / post-closure obligations under the requirements of GASB Statement Nos. 18 and 49
 - estimates for incurred but not reported health and workers' compensation claims
 - adjustments for general liability obligations for litigation or other legal matters
- c) A deficiency exists due to capital asset data that was found to include errors relating to the accuracy and completeness of the data. Areas of focus in future years would include:
 - the identification of completed construction in process (CIP) projects, and removal of those projects from CIP for Sewer and Stormwater projects
 - recording assets in the Stormwater Fund that had not been previously recorded

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

- the identification and tracking potential contributed capital assets resulting from various economic development agreements

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

Cause: Accounting personnel responsible for preparation of the Comprehensive Annual Financial Report are not adequately trained in generally accepted accounting principles issued by the GASB. Additionally, internal resources are not sufficient, and there is a lack of documented policies and procedures, and controls for ensuring completion of tasks needed to prepare the financial statements.

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

Recommendation: We recommend management:

- a) continue to 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.
- b) continue 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: We agree the process that began in the Accounting Division in 2012 has indeed resulted in a substantial improvement of the operations of the division, especially in the overall preparation of the basic financial statements and related footnotes for the Comprehensive Annual Financial Report. The successes realized in the early stages of this process continue to build upon each other allowing for growth of the professionalism and output of the entire division. This process will continue in 2014 and in future years to maximize the impact of the available resources of the department.

We are pleased to note that 2013 realized additional improvements from the prior year and agree that additional work remains to address the items that are noted in the communications to management including certain adjusting entries and the recording of capital asset activity. The Accounting Manager will continue to challenge the staff in professional growth, evaluate the various operations of the division and make the necessary changes to improve the overall operation and attain incremental progress. While Management does anticipate continued efforts to further staff capacity, it is the belief that in order to fully address this finding, additional resources will be required in the Accounting Division. The Finance Department was unable to obtain a new staff member in the 2014 budget process and directives during the 2015 budget process prevented the Department from resubmitting the request. The Department plans to resubmit the request in the future.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2013-002 (Significant Deficiency) (Repeat of Finding 2012-3):

<u>CFDA #</u>	<u>Program</u>
14.218	Community Development Block Grants Cluster, U.S. Department of Housing and Urban Development, Award No. B-12-MC-20-0001
14.239	HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development, Award No. M-12-MC-20-0200

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. In addition, other employees whose salaries are charged 100% to the CDBG or HOME programs cross-train and have some program duties related to other federal HUD grant programs.

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. Distribution percentages should be revised, if necessary, to reflect changed circumstances.

Questioned Costs: Questioned costs pertaining to employees who are charged 100% to HOME or CDBG but who may incur efforts for programmatic duties related to other federal HUD grant programs is unknown. Total salaries and fringe benefits for the employees for the HOME program were \$98,681, and for the CDBG program were \$880,028.

Context: Employees are tracking their time spent on their activities; however, this data has not been utilized to distribute their time to the different cost centers under OMB Circular A-87 as described above. For CDBG, a journal entry was done at year-end to allocate certain salaries. 24 CFR 570.206 allows for CDBG funds to be used to pay for HOME program administration costs. Therefore, the condition described above for the CDBG program pertains primarily to non-program administration activities performed by employees, and their corresponding salary expenditures.

Regarding the employees whose salaries are charged 100% to CDBG, but who may incur efforts on other programs, it was noted that, of the total federal funding received directly from HUD, approximately 48% is for CDBG, 37% is for HOME, and 15% for other programs.

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

Cause: Procedures put in place in 2009 to review the time activity reports and distribute salaries were not continued in 2011-2013. Additionally, management is limited by administration caps in other Federal awards such as HOME, making salary costs unallowable above the caps. The similar nature of the programs makes distinguishing time spent of different programs difficult.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

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

Recommendation: We recommend management utilize the time study process started in 2009 to perform quarterly comparisons of actual costs to budgeted distributions. Additionally, distribution percentages should be revised, if necessary, to reflect changed circumstances.

Management Response: The Community Development Department staff continues to complete time activity reports. Payroll was drawn and distributed through 12/18/2013 at time of audit. Community Development staff continues efforts to find the best way to allocate staff time. We have evaluated staff projects and work assignments and allocated grant resources in the Cayenta financial system accordingly, to reflect staff time as accurately as possible. We will continue to review the activity reports on a quarterly basis to reconcile, but the allocation described above should minimize the need for adjustments.

Anticipated Completion Date: December 31, 2014

Contact Person and Title: Wilba Miller, Director of Community Development

Finding 2013-003 (Significant Deficiency) (Repeat of Finding 2012-6 for CFDA #14.228):

<u>CFDA #</u>	<u>Program</u>
14.218	Community Development Block Grants Cluster – Neighborhood Stabilization Program (NSP3), U.S. Department of Housing and Urban Development, passed through the Kansas Department of Commerce, Award No. 10-NSP3-01
14.228	Community Development Block Grants / State's Program and Non-entitlement Grants in Hawaii, Neighborhood Stabilization Program (NSP1), U.S. Department of Housing and Urban Development, Passed Through the Kansas Department of Commerce, Award No. 09-NSP-021

Condition: The Unified Government could not provide supporting documentation for certain administrative costs that were charged to the program.

Criteria or Specific Requirement: Under 2 CFR part 225, to be allowable under federal awards, costs must be adequately documented.

Questioned Costs: For the NSP3 program, current year administrative reimbursements exceeded actual administrative costs incurred by \$128,800. Over the life of the grant, cumulative drawdowns have exceeded actual costs incurred by \$326,036.

For the NSP1 program, current year actual administrative costs incurred exceeded administrative reimbursements by \$22,000. Over the life of the grant, cumulative drawdowns have exceeded actual costs incurred by \$194,735.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

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

Context: Both grant awards allow for administrative costs to be charged up to 7% of total project costs. The Unified Government requested reimbursement for 7% of total project costs (which totaled approximately \$192,188 for the year ended December 31, 2013 for NSP 3 and \$7,000 for NSP 1); however, actual administrative expenditures charged to the grant were approximately \$63,388 for NSP 3 and \$29,000 for NSP 1. The last NSP 1 request for reimbursement was made prior to the 2012 finding (2012-6) being reported.

Effect: Lack of adequate support could result in the potential for unallowed expenditures.

Cause: Program personnel indicated that their understanding was that the 7% could be claimed for administrative costs.

Recommendation: We recommend that management ensure there is proper supporting documentation for all administrative costs claimed for reimbursement. If administrative expenditures are incurred that are not being charged to the grant award, those need to be specifically identified and allocated to the grants, in accordance with the cost principles of OMB Circular A-87.

Management Response: Community Development staff continues efforts to find the best way to appropriate staff time. We have evaluated staff projects and work assignments and allocated grant resources in the Cayenta financial system accordingly, to reflect staff time as accurately as possible. We will continue to review the activity reports on a quarterly basis to reconcile, but the allocation described above should minimize the need for journal entries and re-distribution. NSP State grant funds automatically send us 7% of each draw we request, therefore administration costs will not support the funds received always until we spend them down at which time we will have supporting documentation. This program will remain open while spending down administration funds received on applicable projects.

Anticipated Completion Date: December 31, 2014

Contact Person and Title: Wilba Miller, Director of Community Development

Finding 2013-004 (Significant Deficiency) (Repeat of Finding 2012-8):

<u>CFDA #</u>	<u>Program</u>
14.218	Community Development Block Grants Cluster – U.S. Department of Housing and Urban Development, Award No. B-12-MC-20-0001
14.239	HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development, Award No. M-12-MC-20-0200

Condition: The Unified Government did not file the required reports through the Federal Funding Accountability and Transparency Act Subaward Report system (FSRS) for subawards greater than \$25,000.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

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

Criteria or Specific Requirement: 2 CFR part 170 requires prime grant recipients to file a Federal Funding Accountability and Transparency Act (FFATA) subaward report by the end of the month following the month in which the prime recipient awards any subgrant equal to or greater than \$25,000.

Questioned Costs: None were noted.

Context: This requirement became effective for subawards made after October 1, 2010 under a federal award agreement entered into on or after that date. The Unified Government did not file the required 2013 reports through FSRS for one qualifying subaward for the CDBG program.

During 2013, the Unified Government incurred expenditures for the HOME program on a contract entered into in October 2012. The required 2012 report through FSRS for this qualifying subaward for the Home program was not filed.

Effect: Failure to file required Federal reports could result in noncompliance with reporting requirements noted above.

Cause: Lack of knowledge among program managers on the reporting requirements and guidelines.

Recommendation: We recommend the Unified Government review the requirements of the Federal Funding Accountability and Transparency Act Subaward Reporting System and implement internal controls and processes to ensure the required reports are submitted.

Management Response: Community Development will establish internal controls to ensure compliance with the requirements of the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) by training additional program staff through the FSRS Awardee User Demonstration training as there has been considerable staff turnover. Program staff will be assigned to file reports for their assigned program and transmit the information for collection in a single file for review.

Anticipated Completion Date: December 31, 2014

Contact Person and Title: Wilba Miller, Director of Community Development

Finding 2013-005 (Repeat of Finding 2012-5):

#11.307, Economic Adjustment Assistance (Revolving Loan Fund), U.S. Department of Commerce, Economic Development Administration, Award No. RLF KS-1

Condition: Prior to fiscal 2010, the Revolving Loan Fund (RLF) was administered by a separate nonprofit entity, not the Unified Government. Records received from the nonprofit entity after the Unified Government took over the program were incomplete, with the following impact on the administration of the program by the Unified Government:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

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

- a) For loans made prior to 2011, all required standard loan documents were not completed and located in the loan files. Out of \$1,076,400 of loans outstanding at December 31, 2013, \$119,648 of loans were missing documentation.
- b) The Unified Government did not have 75% of the Revolving Loan Fund (RLF) capital base loaned or committed during 2013. Excess funds were sequestered in accordance with program requirements.

Criteria or Specific Requirements: 13 CFR section 307.15(b)(2) requires that, prior to the disbursement of any EDA funds, the RLF recipient must certify to EDA that standard RLF loan documents are in place. Such loan documentation must include, at a minimum, the (1) loan application, (2) loan agreements, (3) board of directors' meeting minutes approving the loan, (4) promissory note, (5) security agreements, (6) deed of trust or mortgage if applicable, (7) agreement of prior lien holder if applicable, and (8) signed bank turn-down letter demonstrating that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed.

13 CFR section 307.16(c) requires that RLF recipients manage their repayment and lending schedules to provide that at all times at least 75% of the RLF capital base is loaned or committed. If the recipient fails to satisfy the utilization standard for two consecutive reporting periods, the excess funds are required to be sequestered.

Questioned Costs: None noted.

Context/Cause: Prior to fiscal 2010, the RLF was administered by a separate nonprofit entity, not the Unified Government. Records received from the nonprofit entity after the Unified Government took over the program were incomplete, including loan file documentation, documentation of payments received since the initial disbursement of the loan, and the remaining outstanding principal balances on the loans. With the exception of new loans made in 2011, 2012 and 2013, all loans outstanding in 2010 had been initially disbursed and administered by the nonprofit entity. Testing on the new loans made in 2011, 2012 and 2013 found all standard loan documents to be in place.

Effect: There is a risk that outstanding loans do not meet the program criteria.

Recommendation: We recommend management continue working on implementing its new policies and procedures for administration of the Revolving Loan Fund, which may also include updating documentation for loans previously disbursed by the former administering agency.

Management Response: The Unified Government RLF program staff continues to work with recipients of the UG's Revolving Loan Fund, but at this time the UG is not accepting applications and is only servicing existing loans while working with the EDA for alternatives to continue the program.

Anticipated Completion Date: December 31, 2014

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

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

Contact Person and Title: Charles Brockman, Economic Development Department

Finding 2013-006 (Significant Deficiency):

#11.307, Economic Adjustment Assistance (Revolving Loan Fund), U.S. Department of Commerce, Economic Development Administration, Award No. RLF KS-1

Condition: The program did not issue the required September 2013 ED-209, *Semi-Annual Report for EDA-Funded RLF*. Additionally, there was not adequate supervisory review or approval over reporting to ensure accuracy and completeness of data and information included in the report.

Criteria or Specific Requirements: Internal controls should be designed to provide adequate control over the preparation of reliable reports. 13 CFR section 307.14 (a) requires that Form ED-209, *Semi-Annual Report for EDA-Funded RLF Grants (OMB No. 0610-0095)* be filed semi-annually. For the period ending March 31, 2010, and all subsequent reporting periods ending September 30 and March 31, all EDA RLF recipients must submit in electronic format Form ED-209 through EDA's Revolving Loan Fund Management System (RLFMS)

Questioned Costs: None noted.

Context/Cause: The ED-209 reports have not been issued since the March 2013 ED-209 report due to the separation of the employee responsible for accumulating data. Additionally, the program's internal controls were not sufficient to ensure the September 2013 ED-209 was issued.

Effect: Failure to conduct a supervisory review could result in inaccurate reports being submitted to the grantor agency, and failure to file reports could result in loss of funding.

Recommendation: We recommend management implement a control in which management reviews and monitors the federal compliance requirements of the grant.

Management Response: The March 2013 report was prepared jointly by two staff members that included information maintained and reviewed by the Finance Department. The March 2013 report was prepared in accordance with the EDA guidelines. However, per the EDA, subsequent notification was given that sequestering of funds was required. The UG is working with an external consultant to submit the September 2013 semi-annual report.

Anticipated Completion Date: December 31, 2014

Contact Person and Title: Charles Brockman, Economic Development Department

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings Required to be Reported by OMB Circular A-133

#14.218/14.253, Community Development Block Grants, U.S. Department of Housing and Urban Development; and #14.239 HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development

Finding 2012-3, 2011-7, 2010-11, 2009-9, 2008-5 and 2007-4: 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. Additionally, in 2009, it was noted that other employees whose salaries are charged 100% to the CDBG program cross-train and have some program duties related to other federal HUD grant programs.

Corrective Action: During 2009, management developed a time tracking system to identify staff time spent on specific awards. However, the time tracking system was not implemented for all of 2009, and was not continued in 2010-2013.

Status: In progress. See also current year finding 2013-002.

#97.083 Staffing for Adequate Fire and Emergency Response (SAFER). Department of Homeland Security, Federal Emergency Management Agency, Award No. EMW-2009-FH-01185

Finding 2012-4, 2011-8 and 2010-12: The Unified Government did not maintain the required minimum firefighter staffing levels required by the grant.

Corrective Action: The Unified Government Fire Department recruited 8 additional firefighters in July 2012. In April 2014, the Unified Government received a letter from FEMA noting that this finding was closed.

Status: Complete

#11.307, Economic Adjustment Assistance (Revolving Loan Fund), U.S. Department of Commerce, Economic Development Administration

Finding 2012-5, 2011-9 and 2010-15: Prior to fiscal 2010, the Revolving Loan Fund (RLF) was administered by a separate nonprofit entity, not the Unified Government. Records received from the nonprofit entity after the Unified Government took over the program were incomplete, with the following impact on the administration of the program by the Unified Government:

- a) All required standard loan documents were not completed and located in the loan files for loans made prior to 2011.
- b) The Unified Government did not have 75% of the Revolving Loan Fund (RLF) capital base loaned or committed. Excess funds were sequestered in accordance with program requirements.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

Corrective Action: The Unified Government RLF program staff continues to update and implement procedures to effectively administer the RLF program.

Status: Items a) and b) are in progress. See current year finding 2013-005.

#14.228, Community Development Block Grants / State's Program and Non-entitlement Grants in Hawaii, Neighborhood Stabilization Program (NSP1), U.S. Department of Housing and Urban Development, Passed through the Kansas Department of Commerce, Award No. 09-NSP-021 and #81.128 Energy Efficiency and Conservation Block Grants, U.S. Department of Energy, Award No. DE-SC0002481

Finding 2012-6: The Unified Government could not provide supporting documentation for certain administrative costs that were charged to the program. In addition, for CFDA No. 81.128, the administrative costs were not provided for in the program budget or approved by Activity Sheets

Corrective Action: For #14.228, Community Development will establish internal controls to ensure proper supporting documentation is available and specifically identifiable for all administrative costs claimed for reimbursement.

For #81.128, management has provided OMB Circular A-87 to staff along with a policy directing staff to adhere to those standards. The policy further requires that any deviation, at the direction of the grantor staff, be documented in writing and added to the grant files.

Status: #14.228 is in progress; see also current year finding 2013-003. There were no Federal expenditures in 2013 under #81.128.

#14.218, Community Development Block Grants Cluster – Neighborhood Stabilization Program (NSP3), U.S. Department of Housing and Urban Development, Award No. B-11-MN-20-0001; and U.S. Department of Housing and Urban Development, passed through the Kansas Department of Commerce, Award No. 10-NSP3-01 and #81.128 Energy Efficiency and Conservation Block Grants, U.S. Department of Energy, Award No. DE-SC0002481

Finding 2012-7: The Unified Government could not provide evidence that the required suspension and debarment verification check had been performed on certain contracted vendors.

Corrective Action: For #14.218, Community Development will establish internal controls to ensure personnel perform and document the required verification checks on the vendors for applicable procurements and subawards utilizing federal funds. Moreover, NSP3 does not expect additional procurements or subawards so no further instances of noncompliance are anticipated; however subsequent suspension and debarment checks were not completed for vendors being used by the program.

For #81.128, management has provided the Unified Government Procurement Department form "Supplier Certification Regarding Debarment and / or Suspension" to program staff. Policy has been

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2013

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

amended to require program staff to ensure that the completed form is maintained as part of the grant file. Additionally, staff is required to create documentation that the SAM verification has occurred and add to the file in the form of a dated screen print.

Status: For #14.218, no new vendors were used in 2013; however the Unified Government continued to use the vendor noted in the 2012 audit without performing a subsequent suspension and debarment verification form. There were no Federal expenditures in 2013 under #81.128.

#14.218/14.253, Community Development Block Grants, U.S. Department of Housing and Urban Development; and #14.239 HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development

Finding 2012-8: The Unified Government did not file the required reports through the Federal Funding Accountability and Transparency Act Subaward Report System (FSRS) for subawards greater than \$25,000

Corrective Action: Community Development will establish internal controls to ensure compliance with the requirements of the Federal Funding Accountability and Transparency Act Subaward Reporting System. However, it was noted that 2012 required reports were not subsequently filed.

Status: In progress. See also current year finding 2013-004.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY,
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

<u>Program</u>	<u>CFDA #</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>	<u>Total By Federal Agency</u>	<u>Passed-Through to Subrecipients</u>
U.S. Department of Agriculture:					
Passed Through Kansas Department of Health and Environment:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	3KS700703	\$ 824,814		
Passed Through Kansas Department of Education:					
School Breakfast Program	10.553	not available	¹ 31,948		
National School Lunch Program	10.555	not available	¹ 54,117		
<i>Total U.S. Department of Agriculture</i>				\$ 910,879	
U.S. Department of Commerce:					
Direct Funding:					
Economic Adjustment Assistance - Revolving Loan Fund Program	11.307		<u>1,342,751</u>		
<i>Total U.S. Department of Commerce</i>				1,342,751	
U.S. Department of Housing and Urban Development:					
Direct Funding:					
Community Development Block Grant	14.218		² 1,812,767		\$ 107,806
Community Development Block Grants - Neighborhood Stabilization Program (NSP3)	14.218		² 125,918		
Emergency Shelter Grants Program	14.231		149,397		148,685
Supportive Housing Program	14.235		372,788		372,788
HOME Investment Partnerships Program	14.239		1,495,223		135,204
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251		75,467		
Passed Through Kansas Department of Commerce:					
Community Development Block Grants - Neighborhood Stabilization Program (NSP3)	14.218	10-NSP3-01	² 2,763,696		
Community Development Block Grants / State's Program and Non-entitlement Grants in Hawaii (HERA) - Neighborhood Stabilization Program (NSP1)	14.228	09-NSP-021	<u>126,177</u>		
<i>Total U.S. Department of Housing and Urban Development</i>				6,921,433	
U.S. Department of Justice:					
Direct Funding:					
Bureau of Justice Assistance:					
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		2,304		
Adult Drug Court Discretionary Grant Program	16.585		61,724		
ARRA - Public Safety Partnership and Community Policing Grants	16.710		650,770		
Edward Byrne Memorial Justice Assistance Grant	16.738		³ 359,800		
Congressionally Recommended Awards	16.753		131,845		
ARRA - Edward Byrne Memorial Justice Assistance Grant program / Grants to Units of Local Government	16.804		³ 2,535		
Passed Through the Kansas Governor's Office:					
Crime Victim Assistance	16.575	13-VOCA-50 14-VOCA-54	122,756		
Passed Through the Kansas Office of the Attorney General:					
Violence Against Women Formula Grants	16.588	12-VAWA-32	<u>70,219</u>		
<i>Total U.S. Department of Justice</i>				1,401,953	
U.S. Department of Transportation:					
Passed Through the Kansas City Area Transportation Authority					
Federal Transit Formula Grants	20.507	M090X288	25,393		
Passed Through the Kansas Department of Transportation:					
Highway Planning and Construction	20.205	105 N-0428-03	475,000		
Highway Planning and Construction	20.205	35-105 K-6391-01	53,517		
Highway Planning and Construction	20.205	TEA-N043(301)	364,777		
Highway Planning and Construction	20.205	HPS-C459(001)	88,837		
State and Community Highway Safety	20.600	SA-1908-13	⁴ 29,625		
State and Community Highway Safety	20.600	SA-1908-14	⁴ 9,738		
State and Community Highway Safety	20.600	OP-1011-13 & OP-1011-10	⁴ 28,897		
State and Community Highway Safety	20.600	not available	⁴ 1,370		
Passed Through Kansas Department of Education:					
Occupant Protection Incentive Grants	20.602	OP-1011-13 & OP-1011-10	⁴ <u>7,457</u>		
<i>Total U. S. Department of Transportation</i>				1,084,611	

The accompanying notes are an integral part of this schedule.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY,
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

<u>Program</u>	<u>CFDA #</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>	<u>Total By Federal Agency</u>	<u>Passed-Through to Subrecipients</u>
U.S. Environmental Protection Agency:					
Passed Through Kansas Department of Health and Environment:					
Air Pollution Control Program Support	66.001	A-00796207 & 17	226,104		
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA977348 01	46,939		
Capitalization Grants for Clean Water State Revolving Funds	66.458	C20-1596-02	<u>638,504</u>		
<i>Total U.S. Environmental Protection Agency</i>				911,547	
U.S. Department of Health and Human Services:					
Passed Through Kansas Department of Aging:					
<i>Aging Cluster:</i>					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	12AAKST3SP	5 314,156		67,300
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	12AAKST3SP	5 665,685		115,562
Nutrition Services Incentive Program	93.053	12AAKNSIP	5 <u>152,565</u>		36,086
			1,132,406		
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	12AAKST3SP	17,233		1,813
Special Programs for the Aging - Title IV and Title II Discretionary Projects	93.048	90MP0087/02 & 1XOCMS330767	281,400		
Special Programs for the Aging - Title III Part E - National Family Caregiver Support	93.052	12AAKST3SP	116,814		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	12-087, 13-087	178,313		
Social Services Block Grant	93.667	SY12SCA	464,921		
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	1N0CMS020189-20-02	8,198		
Passed Through Kansas Department of Health and Environment:					
Public Health Emergency Preparedness	93.069	1 U90 TP000523-01	269,352		
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	24	159,858		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5U52PS707869-22	20,282		
Family Planning Services	93.217	5	316,352		
Childhood Immunization Grant	93.268	34 / 35	72,611		
Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childhood Home Visiting Program	93.505	D89MC25208	299,267		
Child Care and Development Block Grant	93.575	18	65,975		
Medical Assistance Program	93.778	32	269,262		
HIV Prevention Activities - Health Department Based	93.940	20	8,069		
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93.977	16	80,295		
Maternal and Child Health Block Grant	93.994	17	<u>422,477</u>		
<i>Total U.S. Department of Health and Human Services</i>				4,183,085	
Executive Office of the President:					
Passed Through Kansas Bureau of Investigation:					
High Intensity Drug Trafficking Areas Program	95.001	G12MW003A & G11MW0003A	<u>46,674</u>		
<i>Total Executive Office of the President</i>				46,674	
U.S. Department of Homeland Security:					
Direct Funding:					
Assistance to Firefighters Grant	97.044	EMW-2009-FO-09395 & EMW- 2012-FP-01011	93,452		
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2009-FH-01185	382,670		
Passed Through Kansas Division of Emergency Management:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4035	6,135		
Emergency Management Performance Grants - 2012	97.042	EMW-2012-EP-00026	979		
Emergency Management Performance Grants - 2013	97.042	EMW-2013-EP-00027	87,799		
Passed Through Mid-America Regional Council:					
Port Security Grant Program	97.056	EMW-2011-PU-K00095	71,976		
Port Security Grant Program	97.056	EMW-2011-PU-K00095-S01	22,500		
Homeland Security Grant Program - UASI 2010	97.067	2010-SS-T0-0039	58,448		
Passed Through Kansas State Highway Patrol:					
Homeland Security Grant Program - KC Metro SHSP 2010	97.067	2010-SS-T0-0035	481,238		
Homeland Security Grant Program - KC Metro SHSP 2011	97.067	EMW-2011-SS-0051-S01	45,146		
Homeland Security Grant Program - MMRS 2010	97.067	2010-SS-T0-0035	156,489		
Homeland Security Grant Program - MMRS 2011	97.067	EMW-2011-SS-0051-S01	100,167		
<i>Total U.S. Department of Homeland Security</i>				<u>1,506,999</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 18,309,932	\$ 985,244

- 1 Child Nutrition Cluster.
- 2 CDBG - Entitlement Grants Cluster
- 3 JAG Program Cluster
- 4 Highway Safety Cluster
- 5 Aging Cluster

The accompanying notes are an integral part of this schedule.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

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 modified accrual 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, 2013.

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

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NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

Note 6. Revolving Loan Funds

For the Schedule of Expenditures of Federal Awards, the amount expended for the U.S. Department of Commerce Revolving Loan Fund (RLF) program is determined as follows:

Balance of RLF loans outstanding at December 31, 2013	\$ 1,076,400
Plus: cash and investment balance in the RLF at December 31, 2013	728,186
Plus: administrative expenses paid out of RLF income during the year ended December 31, 2013	1,796
Plus: unpaid principal of all loans written off during the year ended December 31, 2013	<u>19,744</u>
Subtotal	1,826,126
Federal share of the RLF	<u>73.53%</u>
	<u><u>\$ 1,342,751</u></u>

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
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NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2013

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

CDDO-12-087

Comparison of Expenditures to Budget
For the Fiscal Year July 1, 2012 Through June 30, 2013

	Budget	July 1, 2012 to December 31, 2012	January 1, 2013 to June 30, 2013	Total	Over (Under) Budget
<u>Revenues</u>					
State Contract	\$ 504,784	\$ 252,392	\$ 252,392	\$ 504,784	\$ --
	\$ 504,784	\$ 252,392	\$ 252,392	\$ 504,784	\$ --
<u>Expenses</u>					
State Aid	\$ 155,472	\$ 76,511	\$ 78,961	\$ 155,472	\$ --
Administration	349,312	251,120	98,192	349,312	--
	\$ 504,784	\$ 327,631	\$ 177,153	\$ 504,784	\$ --