

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

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2016

WITH

INDEPENDENT AUDITOR'S REPORT



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

SINGLE AUDIT REPORT

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KANSAS CITY, KANSAS

SINGLE AUDIT REPORT

Year Ended December 31, 2016

TABLE OF CONTENTS

	<u>Page</u>
A copy of the Unified Government of Wyandotte County / Kansas City, Kansas' Comprehensive Annual Financial Report, year ended December 31, 2016 accompanies this report. The independent auditor's report and the basic financial statements are hereby incorporated by reference	
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 <i>Government Auditing Standards</i>	1 - 2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3 - 6
Schedule of Findings and Questioned Costs	7 - 12
Summary Schedule of Prior Audit Findings	13 - 14
Schedule of Expenditures of Federal Awards	15 - 16
Notes to Schedule of Expenditures of Federal Awards	17 - 19

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 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, 2016, 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, 2017. 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. 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.

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*.

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, 2017
Wichita, Kansas

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

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 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, 2016. 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, 2016. 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 the Uniform Guidance.

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 finding 2016-001 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
2016-001	11.307	Economic Adjustment Assistance (Revolving Loan Fund)	Special Tests and Provisions: Increases to RLF Capital Base and Capital Utilization; Loan Requirements

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, 2016.

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, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on this major federal program is not modified with respect to this matter.

The Unified Government's response to the noncompliance finding identified in our audit are 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 compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-002, that we consider to be a significant deficiency.

The Unified Government's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, 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, 2016, 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, 2017, which contained unmodified opinions on those financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 19, 2017. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 85 percent, 85 percent, and 87 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

August 23, 2017
Wichita, Kansas

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes X no
- Significant deficiencies identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

FEDERAL AWARDS

Internal control over major federal programs:

- Material weaknesses identified? yes X no
- Significant deficiencies identified? X yes none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 X yes no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

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

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

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>OPINION</u>
11.307	<i>Economic Adjustment Assistance (Revolving Loan Fund)</i>	Qualified
20.205	<i>Highway Planning and Construction</i>	Unmodified
66.458	<i>Capitalization Grants for Clean Water State Revolving Funds</i>	Unmodified
93.044 / 93.045 / 93.053	<i>Aging Cluster</i>	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2016-001 (Repeat of Finding 2015-004):

CFDA #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:

- a) For loans made prior to 2011, all required standard loan documents were not completed and located in the loan files. Out of \$692,872 of loans outstanding at December 31, 2015, \$7,583 of loans were missing documentation. There were no new loans issued during 2016.
- b) The Unified Government did not have 75% of the Revolving Loan Fund (RLF) capital base loaned or committed during 2016. The Unified Government is required to sequester “excess funds” if they fall below the capital utilization standard. For the March 31, 2016 and September 30, 2016 reporting periods, the calculation of “excess funds” was \$172,964 and \$229,823, respectively, above the amount of funds sequestered.

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. No new loans were issued in 2014, 2015 or 2016.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The Unified Government is in the process of closing the program and returning the federal portion of funds to the federal government as loans are paid off. Consequently, outstanding loans do not total 75% of the revolving loan base.

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 (Unaudited): The Unified Government has contracted with an external consultant to perform agreed-upon procedures pertaining to the Unified Government's compliance with requirements of the program. Management is actively working with the EDA and loan recipients to terminate the program.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2016

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

Finding 2016-002 (Significant Deficiency):

CFDA #93.044, 93.045, 93.053, Aging Cluster, U.S. Department of Health and Human Services, All open awards, Passed through the Kansas Department for Aging.

Condition: No risk assessment of the subrecipient was performed.

Criteria: Per 2 CFR 200.331(b), a pass through entity is required to evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.

Questioned Costs: None noted.

Context: There was no risk assessment performed on the only subrecipient of the grant.

Cause: The program manager and staff were unaware of the requirement. Upon learning of the requirement, the program manager developed a risk assessment form which has been put into use during 2017.

Effect: Federal funds could be improperly utilized by a subrecipient which does not have an adequate understanding of the requirements or tools to support the program.

Recommendation: We recommend management develop procedures to ensure a documented risk assessment is performed on a potential subrecipient before entering into an agreement to provide Federal funds to that entity.

Management Response (Unaudited): The requirement that programs with subrecipients complete a written evaluation of each subrecipient's risk was new in 2016 and the program was not aware of the requirement at the time. An evaluation is now in place and has already been completed for 2017.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY /
KANSAS CITY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2016

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings Required to be Reported by Government Audit Standards

Finding 2015-001: Accounting and Financial Reporting (initially reported in 2012):

Corrective Action: Management has upgraded personnel through attrition, adding new individuals that have substantially improved available resources. Additionally, management implemented a new CAFR management program designed to assist governments in drafting their financial statements. Utilizing these new resources, management has implemented new processes in the year end process and in the area of CAFR compilation.

Status: Completed

Finding 2015-002: Schedule of Expenditures of Federal Awards: Expenditures of federal awards were not accurately reported.

Corrective Action: Management has adjusted the process used to develop the SEFA to provide for quarterly review periods which will allow more opportunities to gather the relevant data and make necessary corrections throughout the year. Management is now utilizing a form developed by the American Institute of Certified Public Accountants to communicate with departments clearly the information needed to compile accurate SEFA reports. Management is communicating directly with grantor agencies when possible to confirm the accuracy of the SEFA.

Status: Completed

Findings required to be Reported by the Uniform Guidance

Finding 2015-002: Schedule of Expenditures of Federal Awards: Expenditures of federal awards were not accurately reported.

This finding, as reported under Findings required to be Reported by *Government Auditing Standards*, is also be required to be reported as a finding under the Uniform Guidance. For corrective action and status, see Findings required to be reported by *Government Auditing Standards*.

CFDA #14.218 Community Development Block Grants, U.S. Department of Housing and Urban Development; and CFDA #14.239 HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development (initially reported in 2007):

Finding 2015-003:

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.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2016

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Corrective Action: The Community Development Department has developed a new time allocation system. Staff are entering time spent on each fund on their weekly time reports. Staff time is being reconciled at the end of each quarter.

Status: Corrected

CFDA #11.307, Economic Adjustment Assistance (Revolving Loan Fund), U.S. Department of Commerce, Economic Development Administration (initially reported in 2010)

Finding 2015-004: 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.

Corrective Action: The Unified Government RLF program staff continues to update and implement procedures to effectively administer the RLF program, but at this time the Unified Government is not accepting applications and is only servicing loans while working with the EDA to withdraw from the program.

Status: The Unified Government contracted with an external consultant to perform agreed-upon procedures pertaining to the Unified Government's compliance with certain requirements to the program. A final report will soon be submitted to the EDA as the Unified Government is working with the EDA to terminate our involvement in the Revolving Loan Fund. Items a) and b) are in progress. See current year finding 2016-001.

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

Finding 2015-005: The undisbursed portion of grant agreements exceeded 1.5 times the grant amount for the current program year.

Corrective Action: The Community Development has established an internal policy to monitor the timeliness ratio to comply with the requirements. The fiscal staff runs an IDIS PR56 Current CDBG Timeliness Report on a weekly basis. These reports are kept in a computer file for comparison and review to determine expenditure rates. Staff are also monitoring subrecipients for timeliness of their program activities on a regular basis.

Status: Corrected

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY)
KANSAS CITY, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2016

<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	\$ 932,875		
Passed Through Kansas Department of Education:					
School Breakfast Program	10.553	not available	¹ 19,336		
National School Lunch Program	10.555	not available	¹ 30,686		
<i>Total U.S. Department of Agriculture</i>				\$ 982,897	
U.S. Department of Commerce:					
Direct Funding:					
Economic Adjustment Assistance - Revolving Loan Fund Program	11.307		² 944,726		
<i>Total U.S. Department of Commerce</i>				944,726	
U.S. Department of Housing and Urban Development:					
Direct Funding:					
Community Development Block Grant	14.218		³ 2,727,034		\$ 970,192
Emergency Shelter Grants Program	14.231		162,048		58,114
HOME Investment Partnerships Program	14.239		487,985		119,716
Continuum of Care Program	14.267		159,138		75,987
<i>Total U.S. Department of Housing and Urban Development</i>				3,536,205	
U.S. Department of Justice:					
Direct Funding:					
Bureau of Justice Assistance:					
Edward Byrne Memorial Justice Assistance Grant	16.738		283,696		
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745				
Equitable Sharing Program	16.922		116,228		
Equitable Sharing Program	16.922		7,894		
Passed Through the Kansas Governor's Office:					
Crime Victim Assistance	16.575	15-VOCA-54	126,367		
Crime Victim Assistance	16.575	16-VOCA-64	43,812		
Passed Through the Kansas Office of the Attorney General:					
Violence Against Women Formula Grants	16.588	16-VAWA-27	86,311		
<i>Total U.S. Department of Justice</i>				664,308	
U.S. Department of Transportation:					
Passed Through the Kansas Department of Transportation:					
Highway Planning and Construction	20.205	HPS-C459(001)	⁴ 498,323		
State and Community Highway Safety	20.600	SA-1908-16	⁵ 35,534		
State and Community Highway Safety	20.600	SA-1908-17	⁵ 10,414		
State and Community Highway Safety	20.600	OP-1011-14 & OP-1011-15	⁵ 36,679		
<i>Total U. S. Department of Transportation</i>				580,950	
U.S. Department of Treasury:					
Direct Funding:					
Equitable Sharing Program	21.000		19,681		
<i>Total U. S. Department of Treasury</i>				19,681	
U.S. Environmental Protection Agency:					
Passed Through Kansas Department of Health and Environment:					
Air Pollution Control Program Support	66.001	00796208	135,607		
Air Pollution Control Program Support	66.001	00796209	54,585		
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA977348 01	42,762		
Capitalization Grants for Clean Water State Revolving Funds	66.458	C20-1596-02	⁶ 4,325,535		
<i>Total U.S. Environmental Protection Agency</i>				4,558,489	
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	AAKST3SS	⁷ 327,535		70,637
Special Programs for the Aging - Title III,					
Part C - Nutrition Services	93.045	AAKST3CM,AAKST3HD	⁷ 624,220		121,069
Nutrition Services Incentive Program	93.053	AAKNSNIP	⁷ 161,411		44,902
Special Programs for the Aging - Title III, Part D - Disease					
Prevention and Health Promotion Services	93.043	AAKST3PH	21,703		
Special Programs for the Aging - Title III					
Part E - National Family Caregiver Support	93.052	AAKST3FC	145,973		
Medicare Enrollment Assistance Program	93.071	47AAKSMSHI	200		
State Health Insurance Assistance Program	93.324	90SA0075	8,824		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	CDDO-KDADS-087-2016	61,384		
Developmental Disabilities Basic Support and Advocacy Grants	93.630	CDDO-KDADS-087-2017	80,983		
Social Services Block Grant	93.667	G-1601KSSOSR	278,300		
Medical Assistance Program	93.778	1X0CMS330767	⁹ 287,380		

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, 2016

<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>
Passed Through Kansas Department of Health and Environment:					
Public Health Emergency Preparedness	93.069	U90 TP000523-04	77,268		
Public Health Emergency Preparedness	93.069	U90 TP000523-05	50,140		
Public Health Emergency Preparedness	93.069	1 U90 TP000523-01	36,092		
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	1401KSPREP & 1501KSPREP	169,836		
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	5U52PS707869-22	24,454		
Family Planning Services	93.217	FPHPA070009-47	249,738		
Family Planning Services	93.217	FPHPA076219-02	175,566		
Childhood Immunization Grant	93.268	H23IP000748-03	33,580		
Childhood Immunization Grant	93.268	H23IP000748-04	34,867		
National State Based Tobacco Control Programs	93.305	U58DP005993-01	12,155		
National State Based Tobacco Control Programs	93.305	5 NU58DP005993-02	14,858		
Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childhood Home Visiting Program	93.505	U58DP005993-01	68,405		
Affordable Care Act (ACA) Tribal Maternal, Infant, and Early Childhood Home Visiting Program	93.505	5 NU58DP005993-02	163,580		
Child Care and Development Block Grant	93.575	not available	63,116		
Racial and Ethnic Approaches to Community Health REACH	93.738	not available	29,913		
State and Local public health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke	93.757	U58DP0004808-02W1	3,713		
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	2B01OT009021-15	12,155		
Medical Assistance Program	93.778	not available	197,510		
HIV Prevention Activities - Health Department Based	93.940	U62PS003694-04 & 05	16,510		
Preventive Health Services - Sexually Transmitted Diseases Control Grant	93.977	H25PS004370-02 & 03 & 04	231,009		
Preventive Health and Health Services Block Grant	93.991	2B01OT009021-16	19,444		
Maternal and Child Health Block Grant	93.994	3616-264329G & H	(713)		
Maternal and Child Health Block Grant	93.994	B04MC26667-01,28100-01, 29344-01	188,673		
Maternal and Child Health Block Grant	93.994	B04MC29344-01	38,603		
<i>Total U.S. Department of Health and Human Services</i>				3,908,385	
Executive Office of the President:					
Passed Through Kansas Bureau of Investigation:					
High Intensity Drug Trafficking Areas Program	95.001	G12MW0003A & G13MW0003A & G14MW0003A	46,188		
<i>Total Executive Office of the President</i>				46,188	
U.S. Department of Homeland Security:					
Passed Through Kansas Division of Emergency Management:					
Emergency Management Performance Grants - 2014	97.042	EMW-2015-EP-00077	382		
Emergency Management Performance Grants - 2015	97.042	EMK-2016-EP-00003	76,686		
Passed Through Mid-America Regional Council:					
Homeland Security Grant Program - UASI 2010	97.067	KS HSGP FY2014	3,259		
<i>Total U.S. Department of Homeland Security</i>				80,327	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 15,322,156	\$ 1,460,617

1	Child Nutrition Cluster	\$ 50,022
2	Economic Development Cluster	\$ 944,726
3	CDBG - Entitlement Grants Cluster	\$ 2,727,034
4	Highway Planning and Construction Cluster	\$ 498,323
5	Highway Safety Cluster	\$ 82,627
6	Clean Water State Revolving Fund Cluster	\$ 4,325,535
7	Aging Cluster	\$ 1,113,166
8	CCDF Cluster	\$ 63,116
9	Medicaid Cluster	\$ 484,890

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, 2016

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 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*. 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 2 CFR Part 200, Section 200.306, 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, 2016.

Note 5. Scope of Audit Pursuant to The Uniform Guidance

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

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2016

Note 6. Indirect Cost Rate

The Unified Government of Wyandotte County / Kansas City, Kansas has elected not to use the 10-percent de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

Note 7. 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, 2016	\$ 692,871
Plus: cash and investment balance in the RLF at December 31, 2016	563,723
Plus: administrative expenses paid out of RLF income during the year ended December 31, 2016	12,731
Plus: unpaid principal of all loans written off during the year ended December 31, 2016	15,492
Subtotal	<u>1,284,817</u>
Federal share of the RLF	<u>73.53%</u>
	<u>\$ 944,726</u>

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2016

Note 8. Social Services Block Grant Passed Through the Kansas Department for Aging and Disability Services

CDDO-KDADS-16-087

Comparison of Expenditures to Budget
For the Contract Period July 1, 2015 Through June 30, 2016

	<u>Budget</u>	<u>Jul 1, 2015 Through Dec 31, 2015</u>	<u>Jan 1, 2016 Through Jun 30, 2016</u>	<u>Total</u>	<u>Over / (Under) Budget</u>
<u>Revenues</u>					
State Contract	\$ 474,440	\$ 237,220	\$ 237,220	\$ 474,440	\$ -
	<u>\$ 474,440</u>	<u>\$ 237,220</u>	<u>\$ 237,220</u>	<u>\$ 474,440</u>	<u>\$ -</u>
<u>Expenditures</u>					
Community and Family Services and Support	\$ -	\$ -	\$ 1,789	1,789	\$ 1,789
State Aid	144,607	81,393	63,035	144,428	(179)
Administration	329,833	120,230	140,832	261,062	(68,771)
	<u>\$ 474,440</u>	<u>\$ 201,623</u>	<u>\$ 205,656</u>	<u>\$ 407,279</u>	<u>\$ (67,161)</u>