

STATE OF WYOMING

ENTITY IDENTIFICATION NUMBER 83-0208667

COMPLIANCE REPORT

JUNE 30, 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 THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Governor, Members of the Legislature
State of Wyoming
Cheyenne, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wyoming (the "State") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 26, 2013. Our report includes a reference to other auditors who audited the financial statements of the Wyoming Community Development Authority, the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, and the Wyoming Department of Transportation, which are shown as discretely presented component units, and the University of Wyoming Foundation, which is a component unit of the University of Wyoming and is included in the balances for the University of Wyoming, a discretely presented component unit of the State. The Foundation represents approximately 32% of total assets and 14% of total revenues of the University, as described in our report on the State's financial statements. The financial statements of the University of Wyoming Foundation were not audited in accordance with *Government Auditing Standards*. 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 State's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs, identified as 2013-001, to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs, identified as 2013-002, to be a significant deficiency.

Compliance and Other Matters

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

The State's Response to Findings

The State's responses to the findings identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the State'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 State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cheyenne, Wyoming
December 26, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Governor, Members of the Legislature
State of Wyoming
Cheyenne, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the State of Wyoming's (the "State") 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 State's major Federal programs for the year ended June 30, 2013. The State's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The State of Wyoming's basic financial statements include the operations of the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, the Wyoming Department of Transportation, and the University of Wyoming which received approximately \$498 million in Federal awards which is not included in the accompanying schedule of expenditures of Federal awards for the year ended June 30, 2013. Our audit, described below, did not include the operations of the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, the Wyoming Department of Transportation, and the University of Wyoming because these entities either had separate audits performed and reported on in accordance with OMB Circular A-133, or were not required to have an audit performed 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 State's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 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 2013-003 and 2013-004, 2013-006, 2013-008 through 2013-010, and 2013-012 through 2013-018. Our opinion on each major Federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan (Exhibit I). The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with 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 State's internal control over compliance.

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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-004 through 2013-013, and 2013-016 through 2013-018 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan (Exhibit I). The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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, the aggregated discretely presented component units (except as noted below), each major fund, and the aggregate remaining fund information of the State of Wyoming as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State of Wyoming's basic financial statements. We issued our report thereon dated December 26, 2013, which contained unmodified opinions on those financial statements that collectively comprise the basic financial statements. We did not audit the financial statements of the Wyoming Department of Transportation, the Wyoming Community Development Authority, the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, and the University of Wyoming Foundation included in the University of Wyoming, which are shown as discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, the Wyoming Department of Transportation, the Wyoming Community Development Authority, and the University of Wyoming Foundation portion of the University of Wyoming component units, are based on the reports of the other auditors. 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 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 expenditure of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mc Gee, Hearne & Paiz, LLP

Cheyenne, Wyoming

March 4, 2014, except for that portion which addresses the schedule of expenditures of Federal awards, as to which the date is December 26, 2013

STATE OF WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor	Total Expenditures
Direct Funding:	
U.S. Department of Agriculture	\$ 100,335,991
U.S. Department of Commerce	472,600
U.S. Department of Defense	37,376,860
U.S. Department of Housing and Urban Development	225,644
U.S. Department of the Interior	123,209,779
U.S. Department of Justice	5,530,752
U.S. Department of Labor	129,496,865
U.S. Department of Transportation	2,221,904
National Endowment for the Arts and the Humanities	1,633,716
U.S. Department of Veterans Affairs	73,958
Environmental Protection Agency	18,425,589
U.S. Department of Energy	1,154,936
U.S. Department of Education	103,437,006
National Archives and Records Administration	17,430
U.S. Department of Health and Human Services	407,305,472
Executive Office of the President	954,678
Social Security Administration	3,131,774
U.S. Department of Homeland Security	10,490,573
Other Federal Financial Awards	2,191,668
Total Direct Funding	947,687,195
Pass-Through Funding:	
Montana Department of Labor and Industry	1,654,695
Western Governors Association	62,613
Total Pass-Through Funding	1,717,308
Total Federal Financial Awards	\$ 949,404,503

STATE OF WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<u>DIRECT FUNDING</u>		
U.S. DEPARTMENT OF AGRICULTURE:		
<i>Plant and Animal Disease, Pest Control, and Animal Care</i> Administered by Livestock Board	10.025	\$ 254,985
<i>Federal-State Marketing Improvement Program</i> Administered by Department of Agriculture	10.156	36,705
<i>Market Protection and Promotion</i> Administered by Department of Agriculture	10.163	15,241
<i>Specialty Crop Block Grant</i> Administered by Department of Agriculture	10.169	157,294
<i>State Mediation Grants</i> Administered by Department of Agriculture	10.435	69,982
<i>Cooperative Agreements with States for Intrastate Meat and Poultry Inspection</i> Administered by Department of Agriculture	10.475	338,911
<i>Supplemental Nutrition Assistance Program</i> Administered by Department of Family Services	10.551	56,402,043
<i>School Breakfast Program</i> Administered by Department of Education	10.553	3,353,017
<i>National School Lunch Program</i> Administered by Department of Education	10.555	13,908,649
<i>Special Milk Program for Children</i> Administered by Department of Education	10.556	22,800
<i>Special Supplemental Nutrition Program for Women, Infants and Children</i> Administered by Department of Health	10.557	8,463,745
<i>Child and Adult Care Food Program</i> Administered by Department of Education	10.558	5,321,051
<i>Summer Food Service Program for Children</i> Administered by Department of Education	10.559	577,129

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>State Administrative Expenses for Child Nutrition</i> Administered by Department of Education	10.560	\$ 557,123
<i>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</i> Administered by Department of Family Services	10.561	6,230,303
<i>Emergency Food Assistance Program (Administrative Costs)</i> Administered by Department of Family Service	10.568	67,859
<i>Emergency Food Assistance Program (Food Commodities)</i> Administered by Department of Family Service	10.569	890,217
<i>Child Nutrition Discretionary Grants Limited Availability</i> Administered by Department of Education	10.579	256,561
<i>Fresh Fruit and Vegetable Program</i> Administered by Department of Education	10.582	1,627,198
<i>Cooperative Forestry Assistance</i> Administered by Office of State Lands and Investments	10.664	1,505,799
Administered by Department of Agriculture	10.664	167,864
		<u>1,673,663</u>
<i>Rural Development, Forestry, and Communities</i> Administered by Office of State Lands and Investments	10.672	85,576
<i>Forest Legacy Program</i> Administered by Office of State Lands and Investments	10.676	9,293
<i>Watershed Rehabilitation Program</i> Administered by Department of Water Development Commission	10.916	<u>16,646</u>
Total U.S. Department of Agriculture		<u>100,335,991</u>
U.S. DEPARTMENT OF COMMERCE:		
<i>Public Safety Interoperable Communications Grant Program</i> Administered by Office of Homeland Security	11.555	<u>472,600</u>
Total U.S. Department of Commerce		<u>472,600</u>
U.S. DEPARTMENT OF DEFENSE:		
<i>State Memorandum of Agreement Program for the Reimbursement of Technical Services</i> Administered by Department of Environmental Quality	12.113	102,870

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Military Construction, National Guard</i>		
Administered by Adjutant General (Military Department)	12.400	\$ 14,767,600
<i>National Guard Military Operations and Maintenance (O & M) Projects</i>		
Administered by Adjutant General (Military Department)	12.401	20,725,532
<i>National Guard ChalleNGe Program</i>		
Administered by Adjutant General (Military Department)	12.404	<u>1,780,858</u>
Total U.S. Department of Defense		<u>37,376,860</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
<i>Emergency Solutions Grants Program</i>		
Administered by Department of Health	14.231	91,940
<i>Housing Opportunities for Persons with AIDS</i>		
Administered by Department of Health	14.241	<u>133,704</u>
Total U.S. Department of Housing and Urban Development		<u>225,644</u>
U.S. DEPARTMENT OF THE INTERIOR:		
<i>Fish, Wildlife and Plant Conservation Resource Management</i>		
Administered by Department of Environmental Quality	15.231	40,418
Administered by Wyoming Game and Fish Department	15.231	<u>200,835</u>
		241,253
<i>Environmental Quality and Protection Resource Management</i>		
Administered by Department of Environmental Quality	15.236	135,749
Administered by Department of Geological Survey	15.236	<u>7,366</u>
		143,115
<i>Challenge Cost Share</i>		
Administered by Wyoming Game and Fish Department	15.238	22,500
<i>Management Initiatives</i>		
Administered by Department of State Parks and Cultural Resources	15.239	276,820
Administered by Wyoming Game and Fish Department	15.239	<u>71,294</u>
		348,114
<i>National Fire Plan - Rural Fire Assistance</i>		
Administered by Office of State Lands and Investments	15.242	33,069
<i>Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining</i>		
Administered by Department of Environmental Quality	15.250	2,219,700

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Abandoned Mine Land Reclamation (AMLR) Program</i> Administered by Department of Environmental Quality	15.252	\$ 100,241,322
<i>Federal Oil and Gas Royalty Management</i> Administered by Department of Audit	15.427	2,340,777
<i>Recreation Resource Management</i> Administered by Wyoming Game and Fish Department	15.524	7,294
Administered by Department of State Parks and Cultural Resources	15.524	<u>342,173</u>
		349,467
<i>Central Valley Project, Trinity River Division, Trinity River Fish and Wildlife Administration</i> Administered by Wyoming Game and Fish Department	15.532	15,000
<i>Sport Fish Restoration Program</i> Administered by Wyoming Game and Fish Department	15.605	5,657,508
<i>Fish and Wildlife Management Assistance</i> Administered by Wyoming Game and Fish Department	15.608	220,606
<i>Wildlife Restoration and Basic Hunter Education</i> Administered by Wyoming Game and Fish Department	15.611	8,633,134
<i>Cooperative Endangered Species Conservation Fund</i> Administered by Wyoming Game and Fish Department	15.615	19,522
<i>Landowner Incentive Program</i> Administered by Wyoming Game and Fish Department	15.633	160,942
<i>State Wildlife Grants</i> Administered by Wyoming Game and Fish Department	15.634	485,946
<i>Research Grants (Generic)</i> Administered by Wyoming Game and Fish Department	15.650	95,026
<i>Migratory Bird Monitoring, Assessment and Conservation</i> Administered by Wyoming Game and Fish Department	15.655	5,003
<i>Endangered Species Conservation Recovery Fund</i> Administered by Wyoming Game and Fish Department	15.657	33,712
<i>National Cooperative Geologic Mapping Program</i> Administered by Wyoming State Geological Survey	15.810	72,589

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Energy Cooperatives to Support the National Coal Resources Data System (NCRAS)</i> Administered by Wyoming State Geological Survey	15.819	\$ 11,747
<i>Historic Preservation Fund Grants-in-Aid</i> Administered by Department of State Parks and Cultural Resources	15.904	1,584,508
<i>Technical Preservation Services</i> Administered by Department of State Parks and Cultural Resources	15.915	<u>275,219</u>
Total U.S. Department of the Interior		<u>123,209,779</u>
U.S. DEPARTMENT OF JUSTICE:		
<i>Sexual Assault Services Formula Program</i> Administered by Attorney General	16.017	119,050
<i>Protection of Voting Rights</i> Administered by Secretary of State	16.104	84,172
<i>Juvenile Accountability Block Grants</i> Administered by Department of Family Services	16.523	306,268
<i>Juvenile Justice and Delinquency Prevention - Allocation to States</i> Administered by Department of Family Services	16.540	41,538
<i>Part E - Developing, Testing and Demonstrating Promising New Programs</i> Administered by Attorney General	16.541	175,630
<i>Missing Children's Assistance</i> Administered by Attorney General	16.543	154,792
<i>Title V - Delinquency Prevention Program</i> Administered by Department of Family Services	16.548	75,608
<i>National Criminal History Improvement Program (NCHIP)</i> Administered by Attorney General	16.554	52,189
<i>State Criminal Alien Assistance Program</i> Administered by Department of Corrections	16.572	4,464
<i>Crime Victim Assistance</i> Administered by Attorney General	16.575	840,301
<i>Crime Victim Compensation</i> Administered by Attorney General	16.576	260,788

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Violence Against Women Formula Grants</i> Administered by Attorney General	16.588	\$ 493,055
<i>Corrections-Technical Assistance/Clearinghouse</i> Administered by Attorney General	16.603	1,500
<i>Enforcing Underage Drinking Laws Programs</i> Administered by Department of Health	16.727	301,473
<i>Edward Byrne Memorial Justice Assistance Grant Program</i> Administered by Attorney General	16.738	586,671
<i>DNA Backlog Reduction Program</i> Administered by Attorney General	16.741	220,313
<i>Paul Coverdell Forensic Sciences Improvement Grant Program</i> Administered by Attorney General	16.742	60,155
<i>Support for Adam Walsh Act Implementation Grant Program</i> Administered by Attorney General	16.750	105,918
<i>Recovery Act - Internet Crimes Against Children Task Force Program (ICAC), Recovery Act</i> Administered by Attorney General	16.800 ARRA	26,741
<i>Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories, Recovery Act</i> Administered by Attorney General	16.803 ARRA	<u>1,620,126</u>
Total U.S. Department of Justice		<u>5,530,752</u>
U.S. DEPARTMENT OF LABOR:		
<i>Labor Force Statistics</i> Administered by Department of Workforce Services	17.002	706,276
<i>Compensation and Working Conditions</i> Administered by Department of Workforce Services	17.005	78,346
<i>Employment Service - Wagner-Peyser Funded Activities</i> Administered by Department of Workforce Services	17.207	4,148,127

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Unemployment Insurance</i> Administered by Department of Workforce Services	17.225	\$ 100,004,577
<i>Unemployment Insurance, Recovery Act</i> Administered by Department of Workforce Services	17.225 ARRA	17,172,138
<i>Senior Community Service Employment Program</i> Administered by Department of Workforce Services	17.235	472,693
<i>Trade Adjustment Assistance</i> Administered by Department of Workforce Services	17.245	18,029
<i>WIA Adult Program</i> Administered by Department of Workforce Services	17.258	4,518,125
<i>H-1B Job Training Grants</i> Administered by Department of Workforce Services	17.268	301,952
<i>Work Opportunity Tax Credit (WOTC)</i> Administered by Department of Workforce Services	17.271	57,241
<i>Temporary Labor Certification for Foreign Workers</i> Administered by Department of Workforce Services	17.273	65,692
<i>Occupational Safety and Health - State Program</i> Administered by Department of Workforce Services	17.503	689,842
<i>Consultation Agreements</i> Administered by Department of Workforce Services	17.504	686,765
<i>Disabled Veterans' Outreach Program (DVOP)</i> Administered by Department of Workforce Services	17.801	372,941
<i>Local Veterans' Employment Representative Program</i> Administered by Department of Workforce Services	17.804	<u>204,121</u>
Total U.S. Department of Labor		<u>129,496,865</u>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:		
<i>Recreational Trails Program</i>		
Administered by Department of State Parks and Cultural Resources	20.219	\$ 2,054,708
<i>Alcohol Open Container Requirements</i>		
Administered by Department of Homeland Security	20.607	106,220
<i>Interagency Hazardous Materials Public Sector Training and Planning Grants</i>		
Administered by Office of Homeland Security	20.703	<u>60,976</u>
Total U.S. Department of Transportation		<u>2,221,904</u>
NATIONAL ENDOWMENT FOR THE ARTS AND THE HUMANITIES:		
<i>Promotion of the Arts - Literature</i>		
Administered by Department of State Parks and Cultural Resources	45.004	36,042
<i>Promotion of the Arts - Partnership Agreements</i>		
Administered by Department of State Parks and Cultural Resources	45.025	763,398
<i>Grants to States</i>		
Administered by Department of Administration and Information	45.310	<u>834,276</u>
Total National Endowment for the Arts and the Humanities		<u>1,633,716</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS:		
<i>All-Volunteer Force Educational Assistance</i>		
Administered by Adjutant General (Military Department)	64.124	<u>73,958</u>
Total U.S. Department of Veterans Affairs		<u>73,958</u>
ENVIRONMENTAL PROTECTION AGENCY:		
<i>State Indoor Radon Grants</i>		
Administered by Department of Health	66.032	95,980
<i>Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act</i>		
Administered by Department of Environmental Quality	66.034	188,477

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>State Clean Diesel Grant Program</i>		
Administered by Department of Environmental Quality	66.040	\$ 85,726
<i>Water Pollution Control State, Interstate, and Tribal Program Support</i>		
Administered by Department of Environmental Quality	66.419	278,438
<i>State Underground Water Source Protection</i>		
Administered by Oil and Gas Conservation Commission	66.433	183,575
<i>Water Quality Management Planning</i>		
Administered by Department of Environmental Quality	66.454	36,816
<i>Capitalization Grants for Clean Water State Revolving Funds</i>		
Administered by Office of State Lands and Investments	66.458	7,599,512
Administered by Department of Environmental Quality	66.458	82,621
		<u>7,682,133</u>
<i>Nonpoint Source Implementation Grants</i>		
Administered by Department of Environmental Quality	66.460	1,471,763
<i>Regional Wetland Program Development Grants</i>		
Administered by Wyoming Game and Fish Department	66.461	43,668
<i>Capitalization Grants for Drinking Water State Revolving Funds</i>		
Administered by Office of State Lands and Investments	66.468	4,092,053
Administered by Department of Environmental Quality	66.468	92,452
Administered by Water Development Commission	66.468	45,740
		<u>4,230,245</u>
<i>Performance Partnership Grants</i>		
Administered by Department of Environmental Quality	66.605	2,557,780
<i>Environmental Information Exchange Network Grant Program and Related Assistance</i>		
Administered by Department of Environmental Quality	66.608	57,749
<i>Consolidated Pesticide Enforcement Cooperative Agreements</i>		
Administered by Department of Agriculture	66.700	68,130
<i>Underground Storage Tank Prevention, Detection and Compliance Program</i>		
Administered by Department of Environmental Quality	66.804	312,302
<i>Leaking Underground Storage Tank Trust Fund Corrective Action Program</i>		
Administered by Department of Environmental Quality	66.805	474,370

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>State and Tribal Response Program Grants</i>		
Administered by Department of Environmental Quality	66.817	\$ 658,437
Total Environmental Protection Agency		18,425,589
U.S. DEPARTMENT OF ENERGY:		
<i>Weatherization Assistance for Low-Income Persons</i>		
Administered by Department of Family Services	81.042	753,432
<i>Weatherization Assistance for Low-Income Persons, Recovery Act</i>		
Administered by Department of Family Services	81.042 ARRA	101,036
<i>Fossil Energy Research and Development</i>		
Administered by Department of Environmental Quality	81.089	7,933
<i>Transport of Transuranic Wastes to the Waste Isolation Pilot Plant States and Tribal Concerns, Proposed Solutions</i>		
Administered by Office of Homeland Security	81.106	108,680
<i>State Electricity Regulators Assistance</i>		
Administered by Wyoming Public Service Commission	81.220	183,855
Total U.S. Department of Energy		1,154,936
U.S. DEPARTMENT OF EDUCATION:		
<i>Adult Education - Basic Grants to States</i>		
Administered by Wyoming Community College Commission	84.002	822,788
<i>Title I Grants to Local Educational Agencies</i>		
Administered by Department of Education	84.010	29,816,994
<i>Migrant Education - State Grant Program</i>		
Administered by Department of Education	84.011	253,451
<i>Title I State Agency Program for Neglected and Delinquent Children and Youth</i>		
Administered by Department of Education	84.013	721,596
<i>Special Education - Grants to States</i>		
Administered by Department of Education	84.027	26,508,581

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Career and Technical Education - Basic Grants to States</i> Administered by Department of Education	84.048	\$ 3,845,128
<i>Rehabilitation Services - Vocational Rehabilitation Grants to States</i> Administered by Department of Workforce Services	84.126	8,763,570
<i>Independent Living - State Grants</i> Administered by Department of Workforce Services	84.169	253,039
<i>Special Education - Preschool Grants</i> Administered by Department of Education	84.173	1,268,112
<i>Rehabilitation Services - Independent Living Services for Older Individuals who are Blind</i> Administered by Department of Workforce Services	84.177	233,150
<i>Special Education - Grants for Infants and Families</i> Administered by Department of Health	84.181	2,164,387
<i>Supported Employment Services for Individuals with the Most Significant Disabilities</i> Administered by Department of Workforce Services	84.187	236,931
<i>Education for Homeless Children and Youth</i> Administered by Department of Education	84.196	86,115
<i>Even Start - State Educational Agencies</i> Administered by Department of Education	84.213	4,995
<i>Vocational Educational Leadership</i> Administered by Department of Education	84.243	154,908
<i>Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training</i> Administered by Department of Workforce Services	84.265	17,757
<i>Twenty-First Century Community Learning Centers</i> Administered by Department of Education	84.287	5,401,311
<i>Foreign Language Assistance</i> Administered by Department of Education	84.293	4,110

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Education Technology State Grants</i> Administered by Department of Education	84.318	\$ 40,339
<i>Special Education - State Personnel Development</i> Administered by Department of Education	84.323	287,004
<i>Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</i> Administered by Department of Education	84.326	78,674
<i>Grants to States for Workplace and Community Transition Training for Incarcerated Individuals</i> Administered by Department of Corrections	84.331	9,310
<i>English Language Acquisition State Grants</i> Administered by Department of Education	84.365	437,521
<i>Mathematics and Science Partnerships</i> Administered by Department of Education	84.366	708,201
<i>Improving Teacher Quality State Grants</i> Administered by Department of Education	84.367	10,308,136
<i>Grants for State Assessments and Related Activities</i> Administered by Department of Education	84.369	4,555,607
<i>Striving Readers</i> Administered by Department of Education	84.371	21,913
<i>School Improvement Grants</i> Administered by Department of Education	84.377	1,641,697
<i>School Improvement, Recovery Act</i> Administered by Department of Education	84.388 ARRA	3,140,789
<i>Education Jobs Fund, Recovery Act</i> Administered by Department of Education	84.410 ARRA	<u>1,650,892</u>
Total U.S. Department of Education		<u>103,437,006</u>
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:		
<i>National Historic Publications and Records Grants</i> Administered by Department of State Parks and Cultural Resources	89.003	<u>17,430</u>
Total National Archives and Records Administration		<u>17,430</u>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
<i>Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation</i> Administered by Department of Health	93.041	\$ 23,624
<i>Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals</i> Administered by Department of Health	93.042	81,595
<i>Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services</i> Administered by Department of Health	93.043	85,341
<i>Special Programs for the Aging - Title III, Part B - Grants for Supportive Service and Senior Centers</i> Administered by Department of Health	93.044	1,737,168
<i>Special Programs for the Aging - Title III, Part C - Nutrition Services</i> Administered by Department of Health	93.045	3,116,119
<i>Special Programs for the Aging - Title IV and Title II, Discretionary Projects</i> Administered by Department of Health	93.048	93,044
<i>National Family Caregiver Support, Title III, Part E</i> Administered by Department of Health	93.052	729,309
<i>Nutrition Services Incentive Program</i> Administered by Department of Health	93.053	576,039
<i>Public Health Emergency Preparedness</i> Administered by Department of Health	93.069	4,881,592
<i>Affordable Care Act (ACA) Personal Responsibility Education Program</i> Administered by Department of Health	93.092	186
<i>Maternal and Child Health Federal Consolidated Programs</i> Administered by Department of Health	93.110	128,168
<i>Project Grants and Cooperative Agreements for Tuberculosis Control Programs</i> Administered by Department of Health	93.116	171,481

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Emergency Medical Services for Children</i> Administered by Department of Health	93.127	\$ 120,375
<i>Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices</i> Administered by Department of Health	93.130	84,042
<i>Injury Prevention and Control Research and State and Community Based Programs</i> Administered by Department of Health	93.136	63,596
<i>Projects for Assistance in Transition from Homelessness (PATH)</i> Administered by Department of Health	93.150	241,228
<i>State Rural Hospital Flexibility Program</i> Administered by Department of Health	93.241	252,485
<i>Substance Abuse and Mental Health Services - Projects of Regional and National Significance</i> Administered by Department of Health	93.243	929,466
<i>Universal Newborn Hearing Screening</i> Administered by Department of Health	93.251	278,537
<i>Immunization Cooperative Agreements - Administrative</i> Administered by Department of Health	93.268	1,060,276
<i>Immunization Cooperative Agreements - Vaccines</i> Administered by Department of Health	93.268	270,737
<i>Adult Viral Hepatitis Prevention and Control</i> Administered by Department of Health	93.270	94,214
<i>Centers for Disease Control and Prevention - Investigations and Technical Assistance</i> Administered by Department of Health	93.283	3,328,758
<i>Comprehensive School Health</i> Administered by Department of Education	93.293	133,425
<i>State Partnership Grant Program to Improve Minority Health</i> Administered by Department of Health	93.296	137,502
<i>Small Rural Hospital Improvement Grants Program</i> Administered by Department of Health	93.301	151,681

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>ARRA - State Primary Care Offices, Recovery Act</i> Administered by Department of Health	93.414 ARRA	\$ 3,060
<i>PPHF 2012 National Public Health Improvement Initiative</i> Administered by Department of Health	93.507	76,822
<i>Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work</i> Administered by Department of Health	93.520	74,800
<i>The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF</i> Administered by Department of Health	93.521	390,206
<i>PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by 2012 Prevention and Public Health Funds</i> Administered by Department of Health	93.539	65,420
<i>The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) authorizes Coordinated Chronic Disease Prevention and Health Promotion Program</i> Administered by Department of Health	93.544	86,688
<i>Promoting Safe and Stable Families</i> Administered by Department of Family Services	93.556	142,713
<i>Temporary Assistance for Needy Families</i> Administered by Department of Family Services	93.558	22,162,474
<i>Child Support Enforcement</i> Administered by Department of Family Services	93.563	4,484,115
<i>Low-Income Home Energy Assistance</i> Administered by Department of Family Services	93.568	9,872,163
<i>Community Services Block Grant</i> Administered by Department of Health	93.569	3,358,455
<i>Child Care and Development Block Grant</i> Administered by Department of Family Services	93.575	2,700,890

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Child Care and Development Block Grant, Recovery Act</i> Administered by Department of Family Services	93.575 ARRA	\$ 1,723
<i>State Court Improvement Program</i> Administered by Supreme Court	93.586	217,560
<i>Community-Based Child Abuse Prevention Grants</i> Administered by Department of Family Services	93.590	282,851
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i> Administered by Department of Family Services	93.596	6,073,822
<i>Grants to States for Access and Visitation Programs</i> Administered by Department of Family Services	93.597	106,261
<i>Chafee Education and Training Vouchers Program (ETV)</i> Administered by Department of Family Services	93.599	90,000
<i>Head Start</i> Administered by Department of Workforce Services	93.600	82,101
<i>Adoption Incentive Payments</i> Administered by Department of Family Services	93.603	27,372
<i>Voting Access for Individuals with Disabilities - Grants to States</i> Administered by Secretary of State	93.617	68,575
<i>Developmental Disabilities Basic Support and Advocacy Grants</i> Administered by Attorney General	93.630	378,658
<i>Children's Justice Grants to States</i> Administered by Department of Family Services	93.643	69,873
<i>Stephanie Tubbs Jones Child Welfare Services Program</i> Administered by Department of Family Services	93.645	389,827
<i>Foster Care - Title IV-E</i> Administered by Department of Family Services	93.658	2,371,557
<i>Foster Care - Title IV-E, Recovery Act</i> Administered by Department of Family Services	93.658 ARRA	(1,300)

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Social Services Block Grant</i>		
Administered by Department of Family Services	93.667	\$ 3,004,766
<i>Child Abuse and Neglect State Grants</i>		
Administered by Department of Family Services	93.669	125,336
<i>Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes</i>		
Administered by Attorney General	93.671	537,559
<i>Chafee Foster Care Independence Program</i>		
Administered by Department of Family Services	93.674	468,154
<i>ARRA-Head Start, Recovery Act</i>		
Administered by Department of Family Services	93.708 ARRA	78,974
<i>ARRA-State Grants to Promote Health Information Technology</i>		
Administered by Department of Enterprise Technology Services	93.719 ARRA	681,704
<i>ARRA-Prevention and Wellness - State, Territories and Pacific Islands, Recovery Act</i>		
Administered by Department of Health	93.723 ARRA	144,986
<i>ARRA-Health Information Technology and Public Health</i>		
Administered by Department of Health	93.729 ARRA	305,501
<i>Children's Health Insurance Program</i>		
Administered by Department of Health	93.767	10,539,116
<i>State Medicaid Fraud Control Units</i>		
Administered by Attorney General	93.775	353,335
<i>State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare</i>		
Administered by Department of Health	93.777	1,884,974
<i>Medical Assistance Program</i>		
Administered by Department of Family Services	93.778	1,540,037
Administered by Department of Health	93.778	302,456,611
		<hr style="width: 100%; border: 0.5px solid black;"/>
		303,996,648
<i>Medical Assistance Program, Recovery Act</i>		
Administered by Department of Health	93.778 ARRA	4,458,607

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Grants to States for Operation of Qualified High-Risk Pools</i> Administered by Department of Insurance	93.780	\$ 190,965
<i>National Bioterrorism Hospital Preparedness Program</i> Administered by Department of Health	93.889	986,496
<i>Grants to States for Operation of Offices of Rural Health</i> Administered by Department of Health	93.913	174,476
<i>HIV Care Formula Grants</i> Administered by Department of Health	93.917	808,348
<i>Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease</i> Administered by Department of Health	93.918	219,953
<i>HIV Prevention Activities - Health Department Based</i> Administered by Department of Health	93.940	637,910
<i>HIV Demonstration, Research, Public and Professional Education Projects</i> Administered by Department of Health	93.941	69,478
<i>Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs</i> Administered by Department of Health	93.946	130,554
<i>Block Grants for Community Mental Health Services</i> Administered by Department of Health	93.958	447,078
<i>Block Grants for Prevention and Treatment of Substance Abuse</i> Administered by Department of Health	93.959	3,408,792
<i>Preventive Health Services - Sexually Transmitted Diseases Control Grants</i> Administered by Department of Health	93.977	252,858
<i>Preventive Health and Health Services Block Grant</i> Administered by Department of Health	93.991	109,598
<i>Maternal and Child Health Services Block Grant to the States</i> Administered by Department of Health	93.994	942,632
Total U.S. Department of Health and Human Services		407,305,472

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
EXECUTIVE OFFICE OF THE PRESIDENT:		
<i>High Intensity Drug Trafficking Areas Program</i> Administered by Attorney General	95.001	\$ 954,678
Total Executive Office of the President		954,678
SOCIAL SECURITY ADMINISTRATION:		
<i>Social Security - Disability Insurance</i> Administered by Department of Workforce Services	96.001	2,953,708
<i>Social Security - Survivors Insurance</i> Administered by Department of Family Services	96.004	178,066
Total Social Security Administration		3,131,774
U.S. DEPARTMENT OF HOMELAND SECURITY:		
<i>Boating Safety Financial Assistance</i> Administered by Wyoming Game and Fish Department	97.012	348,984
<i>Community Assistance Program State Support Services Element (CAP-SSSE)</i> Administered by Office of Homeland Security	97.023	47,117
<i>Flood Mitigation Assistance</i> Administered by Office of Homeland Security	97.029	7,900
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i> Administered by Office of Homeland Security	97.036	994,673
<i>National Dam Safety Program</i> Administered by State Engineer	97.041	135,452
<i>Emergency Management Performance Grants</i> Administered by Office of Homeland Security	97.042	2,804,441
<i>State Fire Training Systems Grants</i> Administered by Fire Prevention and Electrical Safety	97.043	17,078
<i>Fire Management and Assistance Grant</i> Administered by Wyoming State Lands and Investments	97.046	344,503
<i>Pre-Disaster Mitigation</i> Administered by Office of Homeland Security	97.047	38,643

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Interoperable Emergency Communications</i>		
Administered by Office of Homeland Security	97.055	\$ 94,703
<i>Homeland Security Grant Program</i>		
Administered by Office of Homeland Security	97.067	5,447,257
<i>Buffer Zone Protection Program (BZPP)</i>		
Administered by Office of Homeland Security	97.078	181,288
<i>Earthquake Consortium</i>		
Administered by Office of Homeland Security	97.082	3,777
Administered by Department of Geological Survey	97.082	24,757
		<u>28,534</u>
Total U.S. Department of Homeland Security		<u>10,490,573</u>
OTHER FEDERAL FINANCIAL AWARDS:		
<i>Voluntary Public Access</i>		
Administered by Wyoming Game and Fish Department	None	818,216
<i>Common Core of Data</i>		
Administered by Department of Education	None	100
<i>Ed Facts</i>		
Administered by Department of Education	None	805
<i>NAEP State Coordinator</i>		
Administered by Department of Education	None	123,902
<i>Pipeline Safety Grant Program</i>		
Administered by Public Service Commission	None	180,645
<i>DAM Security</i>		
Administered by Department of State Parks and Cultural Resources	None	216,678
<i>Social Security Reimbursement Program</i>		
Administered by Department of Workforce Services	None	121,334
<i>Game and Fish, Various Programs</i>		
Administered by Wyoming Game and Fish Department	None	262,719

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Lead - Niosh</i>		
Administered by Department of Health	None	\$ 6,783
<i>Vital Records</i>		
Administered by Department of Health	None	250,863
<i>Mammography</i>		
Administered by Department of Health	None	11,981
<i>Hunt Registry</i>		
Administered by Department of Health	None	92,592
<i>Equal Opportunity Employment</i>		
Administered by Department of Workforce Services	None	105,050
Total Other Federal Financial Awards		2,191,668
Total Direct Funding		947,687,195
 <u>PASS-THROUGH FUNDING</u>		
MONTANA DEPARTMENT OF LABOR AND INDUSTRY:		
<i>Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors, Recovery Act</i>		
Administered by Department of Workforce Services	17.275 ARRA	\$ 1,654,695
WESTERN GOVERNORS ASSOCIATION:		
<i>Electricity Delivery and Energy Reliability, Research, Development, and Analysis, Recovery Act</i>		
Administered by Wyoming Game and Fish Department	81.122 ARRA	62,613
Total Pass-Through Funding		1,717,308
Total Federal Financial Assistance		\$ 949,404,503

STATE OF WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the State of Wyoming except as described in Note 2 and is presented on the cash basis of accounting, which is generally utilized by the State of Wyoming for Federal reporting purposes, whereby expenditures are reported when paid. The information in this schedule is presented 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 of the State of Wyoming.

2. Content

In accordance with the provisions of paragraph 500(a) of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, the accompanying schedule of expenditures of Federal awards does not include the departments or agencies listed below which were separately audited and reported on in compliance with OMB Circular A-133.

Department of Transportation
University of Wyoming
Wyoming Business Council
Wyoming Community Development Authority

3. Noncash Awards

The schedule of expenditures of Federal awards includes the following noncash items as expenditures: USDA Commodities of \$890,217; Food Stamps of \$56,402,043; and value of vaccines of \$270,737. The values of USDA Commodities and vaccines have been recorded at their fair market value at the date of issuance. Food Stamps are valued at face value.

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA #10.551) are supported by both regularly appropriated funds and incremental funding made available under Section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 10.95% of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2012.

4. Unemployment Insurance Compensation

The schedule of expenditures of Federal awards includes approximately \$85 million of State Unemployment Insurance Compensation Benefits (SUICB). The SUICB is included in the schedule of expenditures of Federal awards pursuant to a directive issued by the Department of Labor, Office of Inspector General.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

A. Financial Statements

Type of auditor's report issued: McGee, Hearne & Paiz, LLP has audited the basic financial statements of the State of Wyoming as of and for the year ended June 30, 2013 and have issued their report thereon dated December 26, 2013. They did not audit the financial statements of the Wyoming Natural Gas Pipeline Authority, the Wyoming Infrastructure Authority, the Wyoming Department of Transportation, the Wyoming Community Development Authority, and the University of Wyoming Foundation portion of the University of Wyoming, which are shown as discretely presented component units. Those financial statements were audited by other auditors. The opinion on the basic financial statements of the State was unmodified based on the opinion of McGee, Hearne & Paiz, LLP and the reports of other auditors.

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

B. 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

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2013

Identification of major programs:

CFDA Number	Name of Federal Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.558	Child and Adult Care Food Program (CACFP)
10.560	State Administrative Expenses for Child Nutrition
12.400	Military Construction, National Guard
12.401	National Guard Military Operations and Maintenance (O&M) Projects
15.252	Abandoned Mine Land Reclamation (AMLR) Program
17.503	Occupational Safety and Health - State Program
17.504	Consultation Agreements
66.458	Capitalization Grants for Clean Water State Revolving Fund
66.468	Capitalization Grants for Drinking Water State Revolving Fund
66.605	Performance Partnership Grants
84.048	Career and Technical Education - Basic Grants to States (Perkins IV)
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.287	Twenty-First Century Community Learning Centers (21st Century)
84.367	Improving Teacher Quality State Grants
84.369	Grants for State Assessments and Related Activities
84.410 ARRA	* Educational Jobs Fund (Ed Jobs), Recovery Act
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance (LIHEAP)
93.658	* Foster Care - Title IV-E
93.767	Children's Health Insurance Program (CHIP)
95.001	High Intensity Drug Trafficking Areas Program
97.067	Homeland Security Grant Program
Cluster	* CCDF Cluster
Cluster	Child Nutrition Cluster
Cluster	* JAG Program Cluster
Cluster	* Medicaid Cluster
Cluster	* School Improvement Cluster
Cluster	* SNAP Cluster
Cluster	Special Education Cluster (IDEA)
Cluster	TANF Cluster
Cluster	Title 1, Part A Cluster

* These programs/clusters contain a portion of Recovery Funds.

- Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000
- Auditee qualified as low-risk auditee? _____ Yes X No

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

II. FINANCIAL STATEMENT FINDINGS

2013-001: Audit Adjustments

Condition - Several adjustments to the State's financial statements were proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Criteria - Under professional standards, material adjustments to the financial statements is considered a control deficiency.

Cause - The control deficiency exists because State personnel did not identify the adjusting journal entries. The CAFR Division of the State Auditor's Office has considerable operational experience, as well as experience in compiling the financial statements and related footnote disclosures in accordance with U.S. GAAP. Due to the decentralized accounting structure of the State, the CAFR Division of the State Auditor's Office must obtain and compile information from the individual state agencies, which is then used to prepare the State's financial statements. In addition, as the State maintains cash basis financials internally, some personnel within the individual state agencies do not understand how to provide accrual basis account balances as of year end. As such, the information being provided by the agencies to the CAFR Division is not always complete and/or accurate. The CAFR Division attempts to review the information they receive for reasonableness. However, due to the volume of information they receive and the limited time frame between the receipt of information and the timing of when the information needs to be provided for audit purposes, they are not able to identify all of the adjustments that need to be made. There are also limited review processes in place within the CAFR Division related to the preparation of financial statement information.

Effect - During the financial statement audit, several adjustments to the State's financial records were identified, proposed, and/or recorded through the audit processes to properly report the government-wide and fund level financial statements in accordance with U.S. GAAP. The significant adjustments proposed and/or recorded to properly report the fund level financial statements principally included adjustments to agency fund accruals related to excise taxes; the allowance for doubtful accounts related to the unemployment insurance receivables; accruals related to workers' compensation premiums; accruals related to mineral royalties; accruals related to other taxes; accruals related to licenses and permits; due from other governments related to Federal mineral royalties; due to/from other funds; due to component units; and various payable accruals. In addition, significant reclassification adjustments were proposed and/or recorded related to the incorrect allocations of current and noncurrent cash and pooled investments and deposits in U.S. Treasury, as well as the improper classification of revenues and expenditures.

The significant adjustments proposed and/or recorded to properly report the government-wide financial statements principally included those above, as well as an adjustment to correct Federal mineral royalty and coal lease bonus revenues.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Recommendation - We recommend that the State Auditor's Office continue to work with the individual state agencies on developing and implementing effective control systems at the agency level to ensure that the information that the agencies are providing is complete, accurate, and consistent with what the CAFR Division needs and within the timeframes needed. In addition, we also recommend that the CAFR Division continue with its implementation of an internal review process, to the extent it is reasonable to do so with the resources available, to assist in determining the propriety of the journal entries posted and the compilation of the financial statements.

Auditee Response - We are pleased the State has received an unqualified opinion on its basic financial statements for the fiscal year ending June 30, 2013. The State Auditor's Office concurs with the recommendations on 2013-001. It will assign specific responsibilities to personnel in this office to educate individual State agencies which had findings for the audited fiscal year. The State Auditor's Office has also scheduled three training sessions for State agency accounting personnel in April on various payable accruals, and will schedule other trainings on other findings of general applicability. The State Auditor's Office will also continue to refine its internal review process of financial statement information through the use of specifically assigned personnel, to the extent review can reasonably occur within the applicable time frame.

2013-002: Workers' Compensation System Conversion

Condition - The data produced from the Workers' Compensation Division (the "Division") information system was not accurate or complete and was not provided in a timely manner.

Criteria - Accurate, complete, and timely information related to workers' compensation claims and premium data is required in order for: a) the actuary to prepare an accurate Unpaid Loss and Loss Adjustment Expense Analysis to be used as the basis for the claims liability, and b) the CAFR Division of the State Auditor's Office to report an accurate receivable related to premiums.

Cause - In September 2012, the Division implemented a new information system called PowerSuite. During the conversion, the reporting capabilities of the new information system were not adequately tested to ensure that the information that had been previously provided for the actuarial analysis and for audit purposes would be able to be pulled from the new system in a comparable format. There was also no review processes in place within the Division related to the propriety of the information provided from the new system.

Effect - The CAFR Division of the State Auditor's Office had requested that the information from the Division related to its financial statement reporting be provided by September 30, 2013. However, due to delays in the receipt of the information, the majority of the information was not provided for audit until mid-November 2013.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

During our reconciliation of the claim payments made during fiscal year 2013, we were unable to reconcile the claim payments per the WOLFS accounting system to those reported to the actuary – the amount reported to the actuary was approximately \$3.5 million less than that reflected in WOLFS. It was determined that this was due to the fact that the information reported to the actuary was net of claims recoveries, while previously the information reported to the actuary was the gross claims expense. Per review of the actuary's report, we noted a comment that "*With the recent system conversion there have been a number of data issues primarily in the latest calendar year.*" The estimated claims liability determined by the actuary is adjusted by a reconciliation amount, which is defined as follows:

In order to reconcile between the data used in the Actuary analysis and the data used in the Division's Income & Expense Exhibit we have added an additional unpaid amount to reflect this difference. We have developed our estimate of this adjustment as a percentage of the indemnity and medical loss payments between the two sources. We reviewed historic relationships of paid to paid amounts before making a selection for the reconciliation adjustment.

We noted that for fiscal years 2011-2012, the reconciliation amount had averaged approximately \$10.9 million and it increased to approximately \$17.1 million in fiscal year 2013, as a result of the discrepancies in the data noted by the actuary during the analysis performed. However, we confirmed with the actuary that he did not believe there would be any impact on the rate estimation chosen by the Division.

During our audit work performed on the Division's receivable related to premiums, we noted the following errors:

1. The data received from the Division excluded premiums received from the employers that file on a monthly basis. Our analysis as to the impact on the receivable accrual was that it was understated by approximately \$2 million.
2. The data received from the Division included the amounts invoiced versus the payments received, as had been provided previously. As a result, each time an employer had made a payment on a previously invoiced balance, the entire invoiced amount was included again in the receivable population. Our analysis as to the impact on the receivable accrual was that it was overstated by approximately \$900,000.

Recommendation - We recommend that the Division perform additional testing on the reporting from PowerSuite to ensure that the information that will be provided for the actuarial analysis and for audit purposes at June 30, 2014 is complete, accurate, and consistent with what the actuary and CAFR Division need and within the timeframes requested.

In addition, we also recommend that the State Auditor's Office work with agencies that are implementing new information systems to ensure that the agencies understand the importance of testing data reported from new systems as compared to that from the old system as it relates to any potential financial reporting implications.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Auditee Response - During the audit, the Division discovered that recoveries were erroneously included in the data sent to the actuary. This did understate the amount of payments made on claims costs and therefore the actuary information and the WOLFS information could not be reconciled. The Division has taken steps to correct our methodology for collecting the data for the actuary. The Division is also reconciling that data to the WOLFS system to verify that the data collected for actuary reporting is reconciled to the WOLFS data. Because of the complexities in gathering this data the timing of information sent to the actuary, the Division feels that a quarterly reconciliation is the most feasible approach.

The Division is currently working with StoneRiver Cognos Data Report developers to develop a data system which will enable the user to access accurate payment information for employers. This system will allow for the reporting of payments collected versus invoiced. This will ensure that the information provided for the actuarial analysis and for audit purposes for the year ending June 30, 2014 is complete, accurate, consistent and timely and will meet the actuary and CAFR Division requirements.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

2012-001: Internal Control

All Programs Administered by the Wyoming Department of Education

Federal Agency - U.S. Department of Agriculture; U.S. Department of Education

Condition - In February 2013, the Governor assembled an *Inquiry Team* to investigate concerns which had been expressed by certain legislators and current/former employees for the Wyoming Department of Education (WDE). The charge of the *Inquiry Team* was to gather the facts relative to human resources, budget issues and department operations. The *Inquiry Team* was to report the information that was collected; it was not to draw conclusions or make recommendations. The *Inquiry Team* published its report on June 13, 2013. Among other things, the report cited the following:

- The Control Environment within the WDE may have been compromised. Certain employees believed the work environment had become strained due to intimidation and the uncertainty of job security in addition to management override of internal controls.
- The appropriateness of charges to Federal programs was questioned.
- There are concerns that State funds were spent on professional development training, which is contrary to House Bill 001, Section 005, Paragraph 3c (which became effective on March 8, 2012).

The previous information was reported in the prior year as 2012-SA-09.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

During the audit of the major programs within the WDE for fiscal year 2013, the following issues were brought to our attention:

- Within the Striving Readers Literacy program (CFDA #84.371), a sole-source contract was approved with an immediate family member. The contract was completed during fiscal year 2012 at a cost of \$7,477.69 of which \$6,860.68 was paid for with Federal funds.
- Within the School Improvement Grant Cluster (CFDA #84.377 and #84.388ARRA), there was a contract with an independent contractor who later became an immediate family member of a person with supervisory duties within the Federal Program Unit of the WDE. Even though it does not appear as if this person participated in the selection of the independent contractor or the subsequent approval of payments, there was still a potential conflict of interest. Payments made under this contract totaled \$105,084 in fiscal year 2012 and \$289,000 in fiscal year 2013.
- Within the Grants for State Assessments (CFDA #84.369), the WDE amended a contract with an independent contractor to provide additional payments based on the number of hours required to complete the work going forward. The WDE also provided the independent contractor with retroactive payments which may not be allowed under the amended contract or the State’s rules, regulations and policies regarding contracts with independent contractors. The retroactive payments totaled \$40,500, all of which was paid during fiscal year 2012.
- As indicated above, State and Federal funds were spent on professional development (T2T, 3+8, SpLit) which may be in violation of the 2012 Session Laws of Wyoming, Chapter 26, Section 005 – Department of Education. We were provided a schedule of identified “professional development” payments and they were identified as follows:

Funding	Fiscal Year		Total
	2012	2013	
Title 2 Teacher Quality (CFDA #84.367)	\$ -	\$ 32,099	\$ 32,099
Special Education – Grants to States (CFDA #84.027)	-	22,477	22,477
State Personnel Development (CFDA #84.323)	20,697	2,100	22,797
Assessment and Related Activity (CFDA #84.369)	4,750	23,022	27,772
Federal Funds Subtotal	25,447	79,698	105,145
General Fund	-	3,953	3,953
School Foundation Fund	20,766	236,524	257,290
Total	\$ 46,213	\$ 320,175	\$ 366,388

The question as to whether or not these payments are in compliance with State Statutes and Rules has been presented to the Wyoming Attorney General’s Office for an opinion.

- WDE provided funding to Fremont #38, a Local Education Agency (LEA) within the State of Wyoming. WDE employees have questioned the allowability of certain expenditures, program activities, qualifications and oversight provided by WDE employees and independent contractors to the LEA under the Title 1 and School Improvement Grant Clusters.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Criteria - The Office of Management and Budget (OMB) Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Cause - Management override of controls.

Effect - If the claims by certain WDE employees are determined to be true, the WDE may have to return Federal funds, and may have violated State law.

Recommendation – Due to the complexity of the issues identified, it is our recommendation that the WDE request the involvement of the Wyoming Attorney General and the U.S. Department of Education to resolve these issues.

Questioned Costs - Unknown

Auditee Response - *See Corrective Action Plan*

2013-003: Reporting

Condition - The Single Audit reporting package for the year ended June 30, 2012 was not submitted within nine months of the fiscal year end.

Criteria - The Single Audit reporting package is required to be submitted to the Federal Audit Clearinghouse by the earlier of either 30 days after receipt of the auditor's reports or nine months after the fiscal year end date.

Cause - In February 2013, the Governor assembled an *Inquiry Team* to investigate concerns which had been expressed by certain legislators and current/former employees for the Wyoming Department of Education (WDE). The charge of the *Inquiry Team* was to gather the facts relative to human resources, budget issues and department operations. The *Inquiry Team* was to report the information that was collected; it was not to draw conclusions or make recommendations. The *Inquiry Team* published its report in June 2013.

Effect - The State cannot qualify as a low-risk auditee.

Recommendation - Because of the extenuating circumstances, and the fact that the State has not previously missed the nine-month deadline, we do not believe this to be a systemic problem.

Questioned Costs - None

Auditee Response - *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-004: Subrecipient Monitoring

Title I Cluster

Special Education Cluster

Career and Technical Education – Basic Grants to States (CFDA #84.048)

Improving Teacher Quality State Grants (CFDA #84.367)

Federal Agency – U.S. Department of Education

Condition – A component of the subrecipient monitoring compliance requirement is that a pass-through entity is responsible for *During-the-Award Monitoring* (monitoring the subrecipient’s use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved). For the WDE, the primary means of *During-the-Award Monitoring* are site visits. There are 48 school districts and seven community colleges in the State, and the WDE attempts to review one-third of them each year; therefore, each district/community college is reviewed at least once every three years. For the period under audit, we selected 10 subrecipients to verify that an on-site assessment was performed within the last three years. The results of our testing found that there was one school district for which no documentation of an on-site assessment could be provided.

Criteria – The requirements for subrecipient monitoring are contained in the 31 U.S.C. 7502(f)(2)(b) (Single Audit Act Amendments of 1996 (Pub.L. 104-156)), OMB Circular A-133 (Sec .225 and .400(d)), A102 Common Rule (Sec. .37 and .40(a)), and OMB Circular A-110 (Sec. .51(a)), Federal Awarding Agency program regulations and terms and conditions of the award.

Cause – Based upon discussions with WDE personnel, they indicated that there has been a significant amount of movement of staff as well as turnover in staff and, as such, they believe the documentation was lost.

Effect – WDE is at risk of LEA’s not operating grants awarded to them in compliance with the terms of the grant agreement and Federal regulations.

Recommendation – We recommend program personnel and department leadership ensure processes are put in place to ensure documentation of *During-the-Award Monitoring* is maintained and a process is in place to ensure WDE follows up on compliance findings with the LEA’s.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-005: Earmarking

Title I Cluster

Migrant Education - State Grant Program (CFDA #84.011)

Title I State Agency Program for Neglected and Delinquent Children and Youth (CFDA #84.013)

Federal Agency – U.S. Department of Education

Condition – The programs identified above have an earmarking compliance requirement that in total they do not spend more than \$400,000 on administrative expenses. The WDE does not have a process in place to monitor the \$400,000 administrative earmark requirement.

Criteria – A State Educational Agency (SEA) may reserve for the administration of Title I programs up to one percent from each of the amounts allocated to the State under Title I, Parts A, C (MEP), and D (Subpart 1) or \$400,000, whichever is greater.

Cause – The WDE does not have an effective system in place to monitor the aforementioned grants compliance with the earmarking requirement through the life of the grants.

Effect – A violation or failure to comply with the Federal laws and regulations may result in the Federal Awarding Agency taking any action deemed necessary to gain compliance.

Recommendation – We recommend that the WDE implement a control system in which the earmarking requirement is actively monitored to ensure the programs remain in compliance. In addition, we recommend the WDE contact the Federal Awarding Agency to determine if there are any best practices the department should implement.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2013-006: Level of Effort

Career and Technical Education – Basic Grants to States (CFDA #84.048)

Federal Agency – U.S. Department of Education

Condition – The WDE – Career and Technical Education program failed to meet the level of effort compliance requirement for this program for the 2010 grant year that closed during the period under audit.

Criteria – A State must provide from non-Federal sources for State administration under the Perkins Act an amount that is not less than the amount provided by the State from non-Federal sources for State administrative costs for the preceding fiscal or program year (Section 323(a) of Perkins IV (20 USC 413(a))). The amount budgeted/expended for the 2009 biennium was \$898,415; the amount budgeted/expended for the 2011 biennium was 872,080.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Cause –The WDE reduced State administration spending during the 2011 biennium and failed to ensure the level of effort requirement for the grant was maintained.

Effect – WDE failed to meet the level of effort requirement for the grant and, as such, a violation of failure to comply with Federal laws and regulations may result in the Federal Awarding Agency taking any action deemed necessary to gain compliance.

Recommendation – We recommend the WDE – Career and Technical Education program contact their Federal Awarding Agency and inform them of the situation and follow whatever instructions they provide. Furthermore, we recommend that the WDE review all programmatic requirements prior to initiating budget reductions to ensure level of effort requirements will be met.

Questioned Costs – \$26,335 under the level of effort requirement.

Auditee Response – *See Corrective Action Plan*

2013-007: Earmarking

Special Education Cluster

Federal Agency – U.S. Department of Education

Condition – The WDE – Special Education Cluster has earmarking requirements which limits the amount of grant funds that can be spent on *Administration* and *State Activities*. The initial calculation for the 2010 grant, which closed during the period under audit, indicated that the Cluster was not in compliance with this requirement. However, after going through the detailed expenditures, the Cluster personnel were able to reclassify certain expenditures that were initially classified as *Administrative* or *State Activities*; this allowed for the program to be in compliance with the *Administration/State Activities* earmarking requirement. However, the Cluster personnel had not been monitoring compliance with this requirement throughout the life of the grant and, as such, we believe that there is not an effective system in place to ensure compliance with this requirement.

Criteria – Each State Educational Agency may reserve, for each fiscal year, not more than the maximum amount the State was eligible to reserve or State administration under 20 USC 1411 for FY 2004, or \$800,000 (adjusted for inflation in accordance with 20 USC 1411(e)(1)(B)), whichever is greater. Administration includes the coordination of activities under this part with, and providing technical assistance to, other programs that provide services to children with disabilities. These funds may also be used for the administration of Part C of the IDEA if the SEA is the lead agency (20 USC 1411(e)(1)A; 34 CFR section 300.704(a)).

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

The maximum amount a State may reserve for State-level activities in fiscal year 2007 and subsequent fiscal years is as follows: States, for which the amount reserved for State administration is greater than \$850,000 and the State reserves funds for the LEA risk pool, may reserve an amount equal to 10 percent of the State's allocation for fiscal year 2006 under 20 USC 1411(d), adjusted cumulatively for inflation. States, for which the amount reserved for administration is greater than \$850,000 and the State does not reserve funds for the LEA risk pool, may reserve an amount equal to 9 percent of the State's allocation for fiscal year 2006 under 20 USC 1411(d), adjusted cumulatively for inflation. States for which the amount reserved for State administration is less than or equal to \$850,000 and the State reserves funds for the LEA risk pool may reserve an amount equal to 10.5 percent of the State's allocation for fiscal year 2006 under 20 USC 1411(d), adjusted cumulatively for inflation. States for which the amount reserved for administration is less than or equal to \$850,000 and the State does not reserve funds for the LEA risk pool may reserve an amount equal to 9.5 percent of the State's allocation for fiscal year 2006 under 20 USC 1411(d), adjusted cumulatively for inflation. (20 USC 1411(e)(2) and 34 CFR section 300.704(b)). SEAs must use some portion of State-level activity funds for monitoring, enforcement, and complaint investigation, and to establish and implement the mediation process, including providing for the costs of mediators and support personnel. (20 USC 1411(e)(2)(B); 34 CFR section 300.704(b)(3)).

Cause – The WDE – Special Education Cluster does not have an effective system in place to ensure the program is actively monitoring and tracking the *Administrative/State Activities* spending versus the State programmatic expenditures for this program.

Effect – By not having an effective monitoring system in place, the Cluster could become out of compliance, at which time the Federal Awarding Agency may take any action deemed necessary to gain compliance.

Recommendation – We recommend that the WDE implement a control system in which the earmarking requirement is actively monitored to ensure the programs remain in compliance.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2013-008: Allowable Costs / Cost Principles

Improving Teacher Quality (CFDA #84.367)

Federal Agency – U.S. Department of Education

Condition – We were informed by a program manager of a WDE employee whose salary was allocated to a program in which the employee was not responsible for performing program related duties. Upon testing performed, it was noted the time and effort log prepared by the employee did not correspond with the employee's payroll allocation in the general ledger.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Criteria – OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, indicates that to be allowable under Federal awards, costs, among other things must be allocable to Federal awards. A cost is allocable to a particular cost objective if the goods and services involved are chargeable or assignable to such cost objectives in accordance with relative benefits received.

Cause – Department personnel are required to fill out time and effort logs based upon position number, which does not always correspond with the duties performed by the individual.

Effect – The individual's time and effort log did not reconcile to the actual payroll expenditures allocated to the Federal program and, therefore, the aforementioned grant was potentially allocated a disproportionate share of costs.

Recommendation – We recommend the WDE – Improving Teacher Quality program contact their Federal Awarding Agency and inform them of the situation and follow whatever instructions they provide. Furthermore, we recommend that the WDE review all paid positions and ensure that their pay is being charged to the proper program and is consistent with their time and effort reports.

Questioned Costs – \$46,800.67

Auditee Response – *See Corrective Action Plan*

2013-009: Allowable Costs / Cost Principles

Federal Programs (with payroll expenditures) Administered by the Wyoming Department of Education (CFDA #s 10.560, 84.010, 84.027, 84.048, 84.173, 84.196, 84.243, 84.287, 84.318, 84.323, 84.365, 84.367, 84.369, 93.293)

Federal Agency – U.S. Department of Agriculture; U.S. Department of Education; U.S. Department of Health and Human Services

Condition – The WDE recorded multiple payroll adjustments during the year under audit and was unable to provide time and effort reports to support the payroll adjustments.

Criteria – OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, indicates that to be allowable under Federal awards, costs, among other things, must be allocable to Federal awards. A cost is allocable to a particular cost objective if the goods and services involved are chargeable or assignable to such cost objectives in accordance with the relative benefits received.

Cause – The WDE had significant turnover of employees which resulted in multiple positions being out of alignment with the budgets previously set forth. As employee positions were out of alignment, WDE would be unable to draw down funds under grant agreements. WDE elected to move payroll based on grant budgets compared to moving payroll based on time and effort logs.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Effect – The WDE’s time and effort logs do not reconcile to actual payroll expenditures allocated to Federal programs and, therefore, the aforementioned grants were potentially allocated a disproportionate share of costs.

Recommendation – We recommend that the WDE ensure personnel positions are in line with budgets and if an expenditure modification is required that they are consistent with the approved time and effort log, and that all supporting documentation be retained.

Questioned Costs – Unknown

Auditee Response – *See Corrective Action Plan*

2013-010: Reporting

Abandoned Mine Land Reclamation (AMLR) Grant (CFDA #15.252)

Federal Agency – Environmental Protection Agency

Condition – The program is required to file OSM-49 and Narrative Performance reports, and for the period ending February 28, 2013, these reports were not prepared or submitted.

Criteria – The OSM Federal Assistance Manual requires the recipient to submit either an SF-425 or OSM 49 and a performance report 90 days after the end of each 12-month reporting period.

Cause – Human error.

Effect – The Federal Awarding Agency is unable to evaluate the overall status of the program.

Recommendation – We recommend that the program contact the Federal Awarding Agency on how to proceed, as well as implementing a control structure that ensures timely submission of required reports.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2013-011: Suspension and Debarment

Abandoned Mine Land Reclamation (AMLR) Grant (CFDA #15.252)

Federal Agency – Environmental Protection Agency

Condition – During the period under audit, the program entered into 14 new contracts; of the three contracts selected for testing, none contained a suspension or debarment clause, nor did the program verify vendor eligibility through the System for Award Management (SAM) website.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Criteria – OMB Circular A-102 (2 CFR part 180) requires that recipients “shall comply with the nonprocurement debarment and suspension common rule implementing Executive Orders 12549 and 12689, *Debarment and Suspension*.”

Cause – Lack of control procedures in place to ensure compliance with suspension and debarment requirements.

Effect – Without performing a check for suspension and debarment, payments could be made to a vendor who is suspended or debarred.

Recommendation – We recommend that the program implement a control structure that ensures verification of vendor eligibility and inclusion of suspension and debarment clause in contracts.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2013-012: Reporting

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA #10.561)

Temporary Assistance for Needy Families (CFDA #93.558)

Low-Income Home Energy Assistance (CFDA #93.568)

Federal Agency – U.S. Department of Agriculture; U.S. Department of Education

Condition – During testing of compliance with reporting requirements, we noted that the aforementioned programs failed to file transparency reports for the amounts the program has subgranted.

Criteria – Transparency Act, implementing requirements in 2 CFR part 170 and the FAR.

Cause – Human error.

Effect: Failure to submit complete, accurate, and timely reports may indicate the need for closer monitoring by the Federal agency or may result in possible award delays or enforcement actions.

Recommendation – We recommend that the Department of Family Service’s personnel implement a formal process to ensure that all required transparency reports are prepared, reviewed and filed.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-013: Subrecipient Monitoring / Suspension and Debarment

Temporary Assistance for Needy Families (CFDA #93.558)

Federal Agency – U.S. Department of Health and Human Services

Condition – One of the five subrecipient monitoring files/contracts tested did not have the CFDA number, and OMB Circular A-133 compliance requirements were not listed on the contracts or otherwise communicated to the subrecipient, and no procedures were performed to verify this was being done. Also, DFS does not have an effective system in place to obtain and review the subrecipients' Single Audit Reports. In addition, one of the related contracts did not contain a suspension or debarment clause and no separate verification from the subrecipient existed regarding suspension and debarment. In addition, DFS failed to check the System for Award Management (SAM) website to ensure the subrecipient was not suspended or debarred.

Criteria – The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub.L. 104-156)). Subrecipient contract must include, but is not limited to, the CFDA Number, Suspension and Debarment Clause, Name of Federal Awarding Agency, and breakout of funding if it is split between State and Federal funds. In addition, OMB Circular A-102 (2 CFR part 180) states all recipients of Federal funds “shall comply with the nonprocurement debarment and suspension common rule implementing Executive Orders 12549 and 12689, *Debarment and Suspension*.”

Cause – DFS currently has no procedures in place to ensure compliance with the requirements to communicate the CFDA number, A-133 audit requirements, and suspension and debarment requirements. Additionally, there are no control procedures in place to ensure the Single Audit Report from the subrecipient is reviewed.

Effect – A violation or failure to comply with Federal laws and regulations may result in the Federal agency taking whatever action is deemed necessary to gain compliance. Furthermore, by not including the applicable award information, the subrecipient may not know the funds are Federal and thus not know all of the applicable requirements. Additionally, by not obtaining and reviewing the Single Audit Report from the subrecipient, the programs are not effectively monitoring the activity of that subrecipient.

Recommendation – We recommend that the agency review its internal control policies and develop an effective and efficient system to ensure the CFDA number and A-133 Single Audit requirements are communicated to the subrecipient. Furthermore, the agency should review its internal control policies and develop an effective and efficient system for obtaining and reviewing the required Single Audit Reports and suspension and debarment requirements prior to contract award.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-014: Eligibility

Medical Assistance Program (CFDA #93.778)

Federal Agency – U.S. Department of Health and Human Services

Condition – Of the 40 recipients selected for testing compliance with the eligibility requirements within the Medicaid Cluster, we noted one instance where the recipient was not timely removed from the system at the time the recipient became ineligible to receive benefits. In November of 2011, the recipient entered a 12-month extended Medicaid program, which is a one-time program offered to families who have lost Family Care medical benefits due to earnings in excess of limits. A review performed in October of 2012 should have removed the family from the system as their income, which was allowed under the program at the higher rate, would have precluded them from being eligible under another program.

Criteria – Per 42 USC 1320b-7(a), a State must have in effect an income and eligibility verification system which meets the requirements of subsection (d) and under which—...(2) wage information...shall be requested and utilized to the extent that such information may be useful in verifying eligibility for, and the amount of, benefits available under any program. In addition, 42 CFR Section 435.916, states that the agency must redetermine the eligibility of Medicaid beneficiaries, with respect to circumstances that may change, at least every 12 months and the agency must have procedures designed to ensure that beneficiaries make timely and accurate reports of any change in circumstances that may affect their eligibility.

Cause – We noted that although there is a control system in place to ensure that eligible persons are periodically reviewed to ensure he or she meets the eligibility requirements on an on-going basis, due to the volume of recipients participating in the Medicaid Program, occasionally ineligible recipients are not timely removed from the system.

Effect – Failure to comply with the eligibility requirements of the program may indicate the need for closer monitoring by the Federal agency or may result in possible award delays or enforcement actions.

Recommendation – We recommend the State increase training efforts surrounding any medical subtype that is not used as often as other subtypes to ensure those responsible for periodic reviews of recipients are aware of all risks of error.

Questioned Costs – \$23,290

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-015: Allowable Costs / Cost Principles

Rehabilitation Services – Vocational Rehabilitation Grants to States (CFDA #84.126)

Federal Agency – U.S. Department of Education

Condition – During testing of compliance with allowable/unallowable costs, we noted that of the 25 expenditures tested, one was paid directly to the individual participant for tools to be purchased based on quotes and not actual expenditure of funds. Furthermore, the client was unable to provide receipts to verify that funds were utilized as intended.

Criteria – The Code of Federal Regulations (CFR) 42, Sections 430 through 456, 1002, and 1007 detail the requirements for maintaining documentation and OMB Circular A-87.

Cause – The program violated compliance requirements to ensure Federal funds are utilized for allowable costs/activities when payments are made directly to the participant based on quotes from a vendor.

Effect – Participants given funds based on quotes and not actual costs could utilize Federal funds for unallowable costs/activities.

Recommendation – We recommend that funds be paid directly to the vendor and not the program participant, unless it is for reimbursement and a receipt is provided.

Questioned Costs – Known \$5,740; Projected \$152,425.09

Auditee Response – *See Corrective Action Plan*

2013-016: Eligibility

Rehabilitation Services – Vocational Rehabilitation Grants to States (CFDA #84.126)

Federal Agency – U.S. Department of Education

Condition – During testing of eligibility, we noted that of the 25 case files tested, three were missing signatures on the Individualized Plan of Employment (IPE). We also noted that eligibility determinations for two files were not made within the 60-day requirement, nor were extensions filed.

Criteria – 34 CFR part 361.45 Vocational Rehabilitation Regulations, states that “the designated State unit must ensure that the IPE is agreed to and signed by the eligible individual or as appropriate, the individual’s representative; and approved and signed by a qualified rehabilitation counselor employed by the designated State unit.” Furthermore, 34 CFR part 361.41 states that “an eligibility determination must be made within 60 days.”

Cause – Human error.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

Effect – Failure to meet the 60 day requirement and to agree/approve and sign the IPE may indicate the need for closer monitoring by the Federal agency or may result in possible award delays or enforcement actions.

Recommendation – We recommend that additional training be set in place that will ensure eligibility requirements are met. We also recommend that if extenuating circumstances exist that precludes signatures on the IPE, additional documentation should be added to the file.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2013-017: Allowable Costs / Cost Principles

Occupational Safety and Health – State Program (CFDA #17.503) Consultation Agreements (CFDA #17.504)

Federal Agency – U.S. Department of Labor

Condition – During testing of compliance with allowable/unallowable costs, we noted costs were improperly allocated between the OSHA Compliance and the OSHA Consultation programs, improper coding of costs, and missing documentation of costs.

Criteria – OMB Circular A-87 Section C provides guidelines for allocable costs.

Cause – Human error.

Effect – By incorrectly allocating expenses and improper coding of expenses, the amount spent on the program will be misstated, which could result in incorrect reporting and possibly not meeting match requirements. Additionally, not having proper documentation disqualifies expenditure from being allowable, and missing documentation is not proper. As a result, the program could be charging unallowable costs to the program, which would result in questioned costs, reporting errors and the potential for the match requirement to not be met.

Recommendation – We recommend expenditures being allocated between two programs be closely reviewed to ensure proper allocation, proper coding, and proper documentation is retained.

Questioned Costs – \$104,025.39

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2013

2013-018: Subrecipient Monitoring

Child Nutrition Cluster

Federal Agency – U.S. Department of Agriculture

Condition – A component of the subrecipient monitoring compliance requirement is that a pass-through entity is responsible for *Award Identification* (at the time of the award, identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; name of the Federal Awarding Agency; and the requirement applicable to the program as well as OMB Circular A-133). The Wyoming Department of Education (WDE) failed to notify certain subrecipients of the Special Milk Program for Children and the Summer Food Service Program for Children of the *Award Identification* information. In addition, the WDE also failed to inquire and obtain copies of the subrecipients' A-133 audits, if one was required. In total, there were 23 subrecipients of the Summer Food Service Program for Children and four subrecipients of the Special Milk Program for Children.

Criteria – The requirements for subrecipient monitoring are contained in the 31 U.S.C. 7502(f)(2)(b) (Single Audit Act Amendments of 1996 (Pub.L. 104-156)), OMB Circular A-133 (Sec. .225 and .400(d)), A102 Common Rule (Sec. .37 and .40(a)), and OMB Circular A-110 (Sec. .51(a)), Federal Awarding Agency program regulations and terms and conditions of the award.

Cause – The Program Accountant did not include the *Award Identification* information in the grant award letters that were sent to the aforementioned subrecipients, and the School Foundation Program Consultant did not follow up to determine if audits were required.

Effect – The recipients of the funds may not be aware that the funds received were Federal pass-through funds and, as such, may not comply with the Federal requirements.

Recommendation – We recommend that the Nutrition Program Consultant and the School Foundation Program Consultant work together for all non-school districts to ensure that the required information is both communicated to subrecipients and appropriate information is obtained from subrecipients.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Finding	Status
<u>2012-SA-01:</u> Subrecipient Monitoring	
Universal Newborn Hearing Screening (CFDA #93.251) <i>Federal Agency:</i> U.S. Department of Health and Human Services The program subgrants all of its funds to a non-profit organization that was required to have a Single Audit. The organization had a Single Audit, but the program was unable to provide a copy of the Single Audit or provide evidence that the Single Audit report was received and reviewed.	<i>The subrecipient submitted the required Affirmation of Audit indicating that they had an A-133 audit and that there were no reported findings related to the audit.</i>
<u>2012-SA-02:</u> Cash Management	
State Planning Establishment Grant for the Affordable Care Act (CFDA #93.525) <i>Federal Agency:</i> U.S. Department of Health and Human Services The program drew grant funds to hold in reserve.	<i>The grant funds held in reserve were returned.</i>
<u>2012-SA-03:</u> Allowable Costs/Cost Principles	
Emergency Management Partnership Grant (CFDA #97.042) Homeland Security Grant Program (CFDA #97.067) <i>Federal Agency:</i> U.S. Department of Homeland Security The programs identified are not properly allocating payroll, telecommunications, and computer/data processing charges. The programs are charging 100% of the costs to the program even though they provide services/benefits to other Federal/state programs.	<i>The Wyoming Office of Homeland Security (WOHS) has updated its procedures to ensure the proper allocation of expenditures across all grant programs.</i>
<u>2012-SA-04:</u> Matching	
State Grants to Promote Health Information Technology (CFDA #93.719 ARRA) <i>Federal Agency:</i> U.S. Department of Health and Human Services The program was not in compliance with the matching requirement.	<i>The program was able to get approval from the Federal Awarding Agency regarding the use of in-kind contributions and to allow the carryover of unused in-kind contributions. Through this, the program became compliant with the matching requirement.</i>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Finding	Status
<p><u>2012-SA-05:</u> Reporting</p> <p>Public Safety Interoperable Communications Grant Program (CFDA #11.555) Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA #97.036) Emergency Management Partnership Grant (CFDA #97.042) Homeland Security Grant Program (CFDA #97.067)</p> <p><i>Federal Agency:</i> U.S. Department of Commerce (CFDA #11.555); U.S. Department of Homeland Security (CFDA #'s 97.036; 97.042; 97.067)</p> <p>The programs identified above submitted <i>Federal Financial Reports</i> (SF-425) with incorrect, incomplete, or inconsistent information.</p>	<p><i>The reports in question were corrected and resubmitted. In addition, an additional review of the reports is being performed prior to their submission.</i></p>
<p><u>2012-SA-06:</u> Reporting</p> <p>State Grants to Promote Health Information Technology (CFDA #93.719 ARRA)</p> <p><i>Federal Agency:</i> U.S. Department of Health and Human Services</p> <p>The quarterly 1512 reports improperly excluded the subaward information.</p>	<p><i>The reports were corrected and resubmitted.</i></p>
<p><u>2012-SA-07:</u> Suspension and Debarment</p> <p>Grants to States (CFDA #45.310) Career and Technical Education – Basic Grants to States (CFDA #84.048) State Planning Establishment Grant for the Affordable Care Act (CFDA #93.525)</p> <p><i>Federal Agency:</i> U.S. National Endowment for the Arts and the Humanities; U.S. Department of Education; U.S. Department of Health and Human Services</p> <p>The check for Suspension and Debarment was not performed.</p>	<p><i>The corrective action plan was implemented.</i></p>
<p><u>2012-SA-08:</u> Matching</p> <p>Centers for Disease Control and Prevention – Investigations and Technical Assistance (CFDA #93.283) National Bioterrorism Hospital Preparedness Program (CFDA #93.889)</p> <p><i>Federal Agency:</i> U.S. Department of Health and Human Services</p> <p>The aforementioned programs have a matching compliance requirement; however, neither program had an effective system in place to ensure compliance with the matching compliance requirement.</p>	<p><i>The fiscal managers are now obtaining the match information to ensure the matching compliance requirement is met.</i></p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Finding	Status
<p>2012-SA-09: Internal Control</p> <p>All Programs Administered by the Wyoming Department of Education</p> <p><i>Federal Agency:</i> U.S. Department of Agriculture; U.S. Department of Education</p> <p>In February 2013, the Governor assembled an <i>Inquiry Team</i> to investigate concerns which had been expressed by certain legislators and current/former employees for the Wyoming Department of Education (WDE). The charge of the <i>Inquiry Team</i> was to gather the facts relative to human resources, budget issues and department operations. The <i>Inquiry Team</i> was to report the information that was collected; it was not to draw conclusions or make recommendations. The <i>Inquiry Team</i> published its report on June 13, 2013. Among other things, the report cited the following:</p> <ul style="list-style-type: none">• The Control Environment within the WDE may have been compromised by management override. Certain employees believed the work environment had become strained due to intimidation and the uncertainty of job security in addition to management override of internal controls.• The appropriateness of charges to Federal programs was questioned.• There are concerns that State funds were spent on professional development training, which is contrary to House Bill 001, Section 005, Paragraph 3c (which became effective on March 8, 2012).	<p><i>This finding will be repeated as 2012-001.</i></p>

EXHIBIT I

CORRECTIVE ACTION PLAN

STATE OF WYOMING

CORRECTIVE ACTION PLAN

JUNE 30, 2013

The following are the corrective action plans for the *Findings and Questioned Costs for Federal Awards* reported in the June 30, 2013 Compliance Report for the State of Wyoming.

2012-001. Internal Control

All Programs Administered by the Wyoming Department of Education

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The Wyoming Department of Education (WDE) Internal Control guidance was compromised by management override on multiple occasions throughout the period of fiscal year 2013. Regardless of the specificity and stringency of the internal controls in place at that time, management decisions were made that were not allowable or advisable and overrides were directed to Finance staff to cut through steps that were considered bureaucracy.

The WDE Finance staff is meeting to review, update and strengthen internal controls. Despite this effort, management override is conceivably still possible. To mitigate this risk, the Finance staff is establishing a communication protocol to be initiated when financial or budgetary issues arise and management does not honor the opinions and guidance of its finance group. If a questioned cost or budget move is overridden, the Finance Division will contact the Wyoming Attorney General's office for an opinion on the transaction under review and communication will also be shared with the Department of Audit and the Governor's Office. Training on this process will be provided to leadership and to staff.

Anticipated Completion Date: June 30, 2014

2013-003. Reporting

Statewide Single Audit

Contact: Pamela J. Robinson, (307) 777-7798

Corrective Action Planned: As a result of the Governor's Inquiry Team's investigation into the WDE, the auditors opted to hold the report until the Inquiry Team published its results. It is not anticipated that a similar situation will occur for the year ended June 30, 2013.

Anticipated Completion Date: March 31, 2014

2013-004. Subrecipient Monitoring

Title I Cluster

Special Education Cluster

Career and Technical Education - Basic Grants to States (CFDA #84.048)

Improving Teacher Quality State Grants (CFDA #84.367)

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The Federal Programs Division has had a process in place to ensure that documentation is kept for all necessary monitoring. The Consolidated Grant Manager coordinates all communication with School Districts. The Consolidated Grant Manager's process for documenting the monitoring involves scanning and uploading all communications and documents received by the Federal Programs Division to a shared WDE server location, called the U: Drive. There is a folder on the shared server where this documentation is stored in electronic file format. The physical Server address is: U:\CONSOLIDATED GRANT\District Monitoring.

Due to office moves and general unsettledness at WDE, some of the documentation for the school year being monitored was lost before it could be uploaded. The Federal Programs Division has now implemented a process that all documentation received or created must be immediately uploaded to this drive before any processing of this documentation takes place.

Anticipated Completion Date: A new process has already been implemented.

2013-005. Earmarking

Title I Cluster

Migrant Education - State Grant Program (CFDA #84.011)

**Title I State Agency Program for Neglected and Delinquent Children and Youth
(CFDA #84.013)**

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The WDE Finance Division will utilize the agency Budget Management System to effectively monitor all WDE Federal budgets with Matching, Level of Effort and Earmarking requirements. The WDE program manager responsible for each applicable budget will be trained on the proper use of the Budget Management System for this purpose. Each program manager will be required to submit a periodic progress report for their budget to the WDE Chief Financial Officer and shall include verification that all Matching, Level of Effort and Earmarking requirements are in compliance with the awarding agency rules and regulations.

Anticipated Completion Date: June 30, 2014

2013-006. Level of Effort**Career and Technical Education – Basic Grants to States (CFDA #84.048)**

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The Compliance Supplement for CDFA 84.048 Career and Technical Education (Perkins IV) requires “a State must maintain its fiscal effort in the preceding year from State sources for career and technical education on either an aggregate or a per-student basis when compared with such effort in the second preceding year, unless this requirement is specifically waived by the Secretary of Education.” The compliance issue is a result of the WDE expending \$21,005 less during the 2011 biennium as compared to the 2009 biennium, \$872,080 vs. \$893,085. The WDE did meet the Federal matching requirement for the Perkins program.

The reduced spending occurred in the 100 (salary and benefits) and 200 series (supplies, equipment, and travel). The 100 series reduction in spending was a result of position salary/benefits changes that occurred during the 11/12 biennium. The State of Wyoming prohibits 100 series transfers to other budget series and activities, so the WDE had no other option but to revert the unused funds.

In addition, the WDE expended less in the 200 series. During the time period in question, the WDE leadership of the Superintendent Hill administration decided not to fund a Wyoming Department of Education membership in the Vocational and Technical Education Consortium of States (now the Career and Technical Education Consortium of States). The annual membership of this organization was \$20,000 per year and was covered under the 0207 object code for a total of \$40,000 during the 2009 biennium. In addition, the expenditure of funds for office supplies and printing costs under object code 0231 for the Wyoming Department of Education Career Technical Education section also decreased from the previous biennium. The WDE recognizes that it would have been appropriate to contact the Federal Perkins program manager to request a reduction of the required maintenance of effort.

In the future, the WDE Perkins program manager will monitor the State matching requirement and the year-to-year expenditures to ensure program compliance. The program manager will advise the agency leadership as to the budget status and will make recommendations. When necessary, the WDE will contact the grant awarding agency to maintain the appropriate level of State maintenance of effort for the Perkins program. In addition, the WDE Finance Division will conduct a periodic review of the State maintenance of effort for this grant program and will alert the program staff of any potential MOE concerns.

Anticipated Completion Date: June 30, 2014

2013-007. Earmarking**Special Education Cluster**

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The WDE recognizes the need to have a documented procedure in place for ongoing review and monitoring of funds for “Administrative” and “Other State-Level Activities” expended from the Special Education grant program.

Going forward, the WDE Special Programs Division will monitor the expenditures throughout the award to ensure the “Administration” and “Other State-Level Activities” amounts entered on the Special Education Part B Interactive Spreadsheet section of the application maintain alignment with the Special Education Federal fund (IDEA) expenditures. An Expenditure Report tracking the spending relative to the “Administration” and “Other State-Level Activities” will be submitted quarterly for the Special Education Director’s review. A formal tracking system will be designed and implemented to document the monitoring.

Anticipated Completion Date: June 30, 2014

2013-008. Allowable Costs / Cost Principles

Improving Teacher Quality (CFDA #84.367)

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The WDE is working with the vendor who developed our Budget Management System (BMS), the Access based system that pulls through WOLFS InfoView history files after each WOLFS processing. We are adding a payroll cost allocation module for use by employees who are required to track their time and efforts. This will allow these employees to download monthly timesheets, complete and sign electronically. The supervisor will review for accuracy and can also sign electronically and this timesheet will stored for audit purposes in the BMS. The timesheets will generate General Expenditure Modifications (GEMs) and these WOLFS transactions will interface with the State Accounting system, WOLFS, on a quarterly basis. The A&I Budget Office reviews all 100 series (payroll costs) GEMs and sends this on to the Governor’s Office for review. Following the Governor’s Office approval, the GEMs in WOLFS are given final approval and the transactions process. This new module and the processes within will allow the WDE to ensure employees positions are in line with the funding that accurately reflect the work done by these employees.

Anticipated Completion Date: June 30, 2014

2013-009. Allowable Costs / Cost Principles

Federal Programs (with payroll expenditures) Administered by the Wyoming Department of Education (CFDA #s 10.560, 84.010, 84.027, 84.048, 84.173, 84.196, 84.243, 84.287, 84.318, 84.323, 84.365, 84.367, 84.369, 93.293)

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: The WDE is working with the vendor who developed our Budget Management System (BMS), the Access based system that pulls through WOLFS InfoView history files after each WOLFS processing. We are adding a payroll cost allocation module for use by employees who are required to track their time and efforts. This will allow these employees to download monthly timesheets, complete and sign electronically. The supervisor will review for accuracy and can also sign electronically and this timesheet will stored for audit purposes in the BMS. The timesheets will generate General Expenditure Modifications (GEMs) and these WOLFS transactions will interface with the State Accounting system, WOLFS, on a quarterly basis. The A&I Budget Office reviews all 100 series (payroll costs) GEMs and sends this on to the Governor’s Office for review. Following the Governor’s Office approval, the GEMs in WOLFS are given final approval and the transactions process. This

new module and the processes within will allow the WDE to ensure employees positions are in line with the funding that accurately reflect the work done by these employees.

Anticipated Completion Date: March 31, 2014

2013-010. Reporting

Abandoned Mine Land Reclamation (AMLR) Grant (CFDA #15.252)

Administered by the Wyoming Department of Environmental Quality

Contact: Steve Toulson, (307) 777-5933

Corrective Action Planned: The agency agrees with the finding and has filed the necessary reports with the Federal grantor agency. Controls have been implemented to remind the accountant and supervisor that reports are due on the anniversary dates of each grant using electronic calendars and auto generated e-mail reminders.

Anticipated Completion Date: March 31, 2014

2013-011. Suspension and Debarment

Abandoned Mine Land Reclamation (AMLR) Grant (CFDA #15.252)

Administered by the Wyoming Department of Environmental Quality

Contact: Steve Toulson, (307) 777-5933

Corrective Action Planned: The agency agrees with the finding and has reviewed all contract templates to make certain suspension and debarment language is now included. Further, the route slips DEQ uses to route the contracts through the stations (accounting project management, etc.) have been updated to require a check of the www.sam.gov website and include the results of the search.

Anticipated Completion Date: March 31, 2014

2013-012. Reporting

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA #10.561)

Temporary Assistance for Needy Families (CFDA #93.558)

Low-Income Home Energy Assistance (CFDA #93.568)

Administered by the Wyoming Department of Family Services

Contact: Richard Bagby, (307) 777-7561

Corrective Action Planned: The Department of Family Services will investigate the Transparency Act and coordinate implementation of the requirements with other State agencies, as necessary.

Anticipated Completion Date: June 30, 2014

2013-013. Subrecipient Monitoring / Suspension and Debarment**Temporary Assistance for Needy Families (CFDA #93.558)**

Administered by the Wyoming Department of Family Services

Contact: Richard Bagby, (307) 777-7561

Corrective Action Planned: The Department of Family Services will implement a new process to review all subrecipient contracts prior to authorization to verify that all subrecipient requirements are met.

Anticipated Completion Date: June 30, 2014

2013-014. Eligibility**Medical Assistance Program (CFDA #93.778)**

Administered by the Wyoming Department of Health

Contact: Bob Peck, (307) 777-3670

Corrective Action Planned: The Department of Family Services was responsible for eligibility determination for the Medicaid program. The eligibility system (EPICS) had limitations on collecting renewal dates for enrollees and had no way to enforce manual actions by workers. The Department of Health recently launched a new eligibility system (WES) in February, 2014 and moved the Medicaid eligibility functions to the Department of Health. The new system automates many of the previously manual processes. Renewal dates will be populated based on program rules and application dates. Cases that are not renewed timely will be closed automatically. The recent changes made by the Department will remove most of the opportunities for human error.

Anticipated Completion Date: March 31, 2014

2013-015. Allowable Costs / Cost Principles**Rehabilitation Services – Vocational Rehabilitation Grants to States (CFDA #84.126)**

Administered by the Wyoming Department of Workforce Services

Contact: Angie Buchanan, (307) 777-8650

Corrective Action Planned: With the increased popularity of the internet, the Division of Vocational Rehabilitation (DVR) has had difficulty finding vendors: (1) who will accept DVR's client-related purchase orders, known as "Authorization of Services" forms, and (2) who will then accept payment from DVR after the good or service has been provided to the DVR client. Many internet based vendors can provide goods or services at a significantly reduced cost but many of these internet based vendors require payment at time of purchase via credit card or some other similar payment option. Up to this point, DVR has had only one State credit card issued to one DVR employee for administrative-type costs (staff training registrations, staff supplies, etc.) DVR's sole State issued credit card has not been used for client-related purchases due to a number of reasons including the staff time required to facilitate the client-related purchases including shipping, tracking the client-related purchases on DVR's case management information system, etc. At times, DVR has relied on its clients to use their own credit cards to make authorized purchases from internet based vendors. However, as a result of the compliance finding, DVR will implement the following corrective actions:

- A. For any DVR "Authorization of Services" forms created on or after February 11, 2014, DVR will not pay any payments directly to clients unless the payment is for a reimbursement with the receipt attached to the "Authorization of Services" form.
- B. The DVR field staff will aggressively seek out and use comparable benefits (i.e., other providers) to help pay for the goods and services identified in the clients' Individual Plans for Employment (IPEs). Identified comparable benefits will be referenced in the services section of each client's IPE.
- C. The DVR field staff will continue to identify vendors (including internet based vendors) who may be willing to accept DVR's "Authorization of Services" forms. The DVR administrative staff will then try to facilitate the negotiation of credit terms between the vendor and the State Attorney General's Office.
- D. The DVR management team will investigate other options to procure goods and services for its clients. These options may include obtaining State issued credit cards for some DVR field staff members, setting up "corporate accounts" with internet based vendors, etc.

Anticipated Completion Date: March 31, 2014

2013-016. Eligibility

Rehabilitation Services - Vocational Rehabilitation Grants to States (CFDA #84.126)

Administered by the Wyoming Department of Workforce Services

Contact: Angie Buchanan, (307) 777-8650

Corrective Action Planned: To ensure that IPEs have the required signatures, the DVR field office assistants will conduct regular technical reviews using "check sheets" attached to each client's file. "Check sheets" identify all the required forms and signatures needed in the client case file so as to be in compliance with Federal Rehabilitation Services Administration (RSA) requirements and Wyoming State Statutes.

To ensure that eligibility determinations are made within the 60 day requirement, DVR will implement the following actions:

- A. The DVR area managers will provide continuous training to and oversight of DVR field office staff regarding the 60 day eligibility requirement.
- B. The DVR counselors will on a weekly basis print a "50 Day" alert report from DVR's case management system and will use this report to determine what needs to be done in each applicant's file to complete the eligibility process within the remaining 10 days of the 60 day requirement. The DVR counselors will fax a copy of these weekly reports along with the identified needs to their DVR area manager.

Anticipated Completion Date: March 31, 2014

2013-017. Allowable Costs / Cost Principles**Occupational Safety and Health – State Program (CFDA #17.504)**

Administered by the Wyoming Department of Workforce Services

Contact: Angie Buchanan, (307) 777-8650

Corrective Action Planned: The thirty-seventy percent (30%/70%) split between the Occupational Safety and Health State (OSHA) programs, OSHA Compliance and OSHA Consultation, was initiated by a long standing practice whereby the Federal representative for the State allows payroll to be allocated for a current Federal Fiscal Year (FFY) based on the previous FFY years' time documented by employees as being worked on each program. The time documented by employees has typically calculated to this thirty-seventy percent (30%/70%) split. Therefore, expenses also started being allocated on the same thirty-seventy percent (30%/70%) split. This error was detected by a Certified Internal Auditor (CIA) when the former Department of Employment (DOE) and Department of Workforce Services (DWS) were merged into one (1) agency, recently.

The Department is aware that management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs. Management of the Occupational Safety and Health State (OSHA) programs, OSHA Compliance and OSHA Consultation, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements of the grant. Therefore, the Department's Agency Director and the OSHA's management are in the process of taking measures to correct the previous allocation methods to more consistently align with the expenses being incurred by each program. The internal controls and procedures being implemented by management to correct the proper allocation of expenses to the appropriate grant include:

- A. OSHA's management is implementing policies, procedures and documentation requirements that mandate that actual time be documented on timesheets. Time and effort information contained on the OSHA Information System (OIS) and the National Cash Register (NCR) for the Consultation and Compliance programs, respectively, should match internal timesheets maintained for payroll purposes.
- B. OSHA's management is implementing policies, procedures and documentation requirements that mandate that mileage logs accurately reflect which program(s) are incurring travel related expenses.
- C. OSHA's management will provide training for all staff members who are required to document and determine allocation of expenses.
- D. A dedicated accountant for the OSHA programs has been assigned to be responsible for understanding the programs objectives, conditions of the Federal awards and to make sure that expenses are being allocated consistently and equitably among the programs.
- E. To improve internal controls, the Fiscal Division's workflow and approval of documents now only allows a Fiscal Division manager to be the final approval on accounting documents so that review of allocation methods and proper documentation requirements are substantiated prior to payment of fiscal transactions.
- F. OSHA grants have been established on the accounting system using the grant module to assist with a more accurate and improved tracking of financial transactions.

- G. The Department's Fiscal Division is currently working with the State Auditor's Office (SAO) to implement a cost allocation system on the State's accounting system. This cost allocation system will allow expenses to be allocated based on hours reported on monthly timesheets for all employees.

Anticipated Completion Date: March 31, 2014

2013-018. Subrecipient Monitoring

Child Nutrition Cluster

Administered by the Wyoming Department of Education

Contact: Richard Crandall, (307) 777-7690

Corrective Action Planned: Due to a variety of reasons, the Nutrition Programs (NP) accountant neglected to send the Federal Award Notification Letters and Audit Surveys to some of the Special Milk and Summer Food Service Program participants (grantees). Additionally, the Finance Department did not realize that Audit Surveys were not submitted from these grantees. These documents are always provided to grantees at the same time.

The selection year of this A-133 audit occurred in the middle of a process change to all of the Nutrition Programs, specifically with regard to and how the WDE communicates with the USDA Food Program grantees. When the notification oversight occurred, the WDE was in the middle of migrating from a paper process for reporting and audit surveys to using WDE's new on-line CNP (Child Nutrition Program) Software program.

The new WDE process requires that all Federal award letters are sent to subrecipients via e-mail with audit survey instructions and survey submission deadlines. All audit surveys are now submitted via the CNP on-line program. The survey contact within the Finance Department receives a copy of this e-mail notification and the submission deadline for all surveys. The past process was to mail grantees the Federal award letters and paper audit surveys to be returned to WDE.

All audit forms are reviewed on the CNP website to verify submission by both the NP accountant and the Finance contact. Calendar prompts and personnel procedures have been created to generate automated reminders to this annual process. With two WDE staff members verifying submission of the electronic surveys, any lapse in notification will be noticed in a timely fashion.

This process change is already in place to implement the necessary corrective action and avoid a repeat of this finding.

Anticipated Completion Date: A new process has already been implemented.