

STATE OF WYOMING

STATEWIDE SINGLE AUDIT

**FOR FISCAL YEAR ENDED
JUNE 30, 2015**



CYNTHIA I. CLOUD—STATE AUDITOR

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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, 2015, 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 18, 2015. 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 35% of the total assets and 11% of the 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 was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 State's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, identified as 2015-001 and 2015-004, to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies, identified as 2015-002, 2015-003, 2015-005, 2015-006 and 2015-007.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs, identified as 2015-002.

The State's Response to Findings

The State's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The State's responses 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 18, 2015

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

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, 2015. 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 Lottery Corporation, Wyoming Business Council, Wyoming Community Development Authority, Wyoming Pipeline Authority, Wyoming Infrastructure Authority, Wyoming Department of Transportation, and the University of Wyoming, all of which received approximately \$444 million in Federal awards which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2015. Our audit, described below, did not include the operations of the Wyoming Lottery Corporation, Wyoming Business Council, Wyoming Community Development Authority, Wyoming Pipeline Authority, Wyoming Infrastructure Authority, 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, 2015.

Other Matters

The results of our auditing procedures disclosed 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 2013-004, 2013-013, 2013-014, 2014-004, 2015-008, 2015-009, 2015-010, 2015-011, 2015-012, and 2015-013. 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 preceding paragraph 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 2015-011 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, 2013-013, 2013-014, 2015-008, 2015-009, 2015-010, and 2015-012, 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 aggregate 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, 2015, 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 18, 2015, 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, Wyoming Community Development Authority, Wyoming Pipeline Authority, 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, Wyoming Infrastructure Authority, Wyoming Department of Transportation, 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. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mc Gee, Hearne & Paiz, LLP

Cheyenne, Wyoming

March 28, 2016, except for that portion which addresses the Schedule of Expenditures of Federal Awards, as to which the date is December 18, 2015

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2015

Federal Grantor	Total Expenditures
Direct Funding:	
U.S. Department of Agriculture	\$ 92,161,047
U.S. Department of Commerce	6,914
U.S. Department of Defense	33,070,859
U.S. Department of Housing and Urban Development	156,602
U.S. Department of the Interior	107,820,812
U.S. Department of Justice	4,260,899
U.S. Department of Labor	110,852,620
U.S. Department of Transportation	2,015,605
National Endowment for the Arts and the Humanities	1,234,996
U.S. Department of Veterans Affairs	199,104
Environmental Protection Agency	25,442,252
U.S. Department of Energy	1,065,569
U.S. Department of Education	107,882,048
National Archives and Records Administration	14,406
U.S. Election Assistance Commission	166,903
U.S. Department of Health and Human Services	412,886,749
Executive Office of the President	992,945
Social Security Administration	3,151,912
U.S. Department of Homeland Security	9,335,142
Other Federal Financial Awards	569,654
Total Direct Funding	<u>913,287,038</u>
Pass-Through Funding:	
University of Wyoming	53,863
Total Pass-Through Funding	<u>53,863</u>
Total Federal Financial Awards	<u><u>\$ 913,340,901</u></u>

STATE OF WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015**

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	\$ 264,691
<i>Federal-State Marketing Improvement Program</i> Administered by Department of Agriculture	10.156	14,598
<i>Market Protection and Promotion</i> Administered by Department of Agriculture	10.163	24,153
<i>Specialty Crop Block Grant</i> Administered by Department of Agriculture	10.169	181,403
<i>State Mediation Grants</i> Administered by Department of Agriculture	10.435	44,790
<i>Cooperative Agreements with States for Intrastate Meat and Poultry Inspection</i> Administered by Department of Agriculture	10.475	392,526
<i>Cooperative Extension Service</i> Administered by Department of Agriculture	10.500	1,973
<i>Supplemental Nutrition Assistance Program</i> Administered by Department of Family Services	10.551	46,480,371
<i>School Breakfast Program</i> Administered by Department of Education	10.553	3,509,566
<i>National School Lunch Program</i> Administered by Department of Education	10.555	14,269,098
<i>Special Milk Program for Children</i> Administered by Department of Education	10.556	29,209
<i>Special Supplemental Nutrition Program for Women, Infants and Children</i> Administered by Department of Health	10.557	8,001,625
<i>Child and Adult Care Food Program</i> Administered by Department of Education	10.558	5,196,707
<i>Summer Food Service Program for Children</i> Administered by Department of Education	10.559	718,595

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STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>State Administrative Expenses for Child Nutrition</i> Administered by Department of Education	10.560	\$ 743,809
<i>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program</i> Administered by Department of Family Services	10.561	7,462,413
<i>Emergency Food Assistance Program (Administrative Costs)</i> Administered by Department of Family Services	10.568	61,368
<i>Emergency Food Assistance Program (Commodities)</i> Administered by Department of Family Services	10.568	655,621
<i>Farm to School Grant</i> Administered by Department of Education	10.575	3,073
<i>Child Nutrition Discretionary Grants Limited Availability</i> Administered by Department of Education	10.579	52,803
<i>Fresh Fruit and Vegetable Program</i> Administered by Department of Education	10.582	1,834,727
<i>Cooperative Forestry Assistance</i> Administered by Office of State Lands and Investments	10.664	1,838,817
Administered by Department of Agriculture	10.664	43,855
		<u>1,882,672</u>
<i>Rural Development, Forestry, and Communities</i> Administered by Office of State Lands and Investments	10.672	308,399
<i>Forest Legacy Program</i> Administered by Office of State Lands and Investments	10.676	<u>26,857</u>
Total U.S. Department of Agriculture		<u>92,161,047</u>
U.S. DEPARTMENT OF COMMERCE:		
<i>State and Local Implementation Grant Program</i> Administered by Enterprise Technology Services	11.549	<u>6,914</u>
Total U.S. Department of Commerce		<u>6,914</u>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
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	\$ 52,753
<i>Military Construction, National Guard</i>		
Administered by Adjutant General (Military Department)	12.400	7,732,280
<i>National Guard Military Operations and Maintenance (O & M) Projects</i>		
Administered by Adjutant General (Military Department)	12.401	23,422,500
<i>National Guard ChalleNGe Program</i>		
Administered by Adjutant General (Military Department)	12.404	1,863,326
Total U.S. Department of Defense		33,070,859
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
<i>Housing Opportunities for Persons with AIDS</i>		
Administered by Department of Health	14.241	156,602
Total U.S. Department of Housing and Urban Development		156,602
U.S. DEPARTMENT OF THE INTERIOR:		
<i>Fish, Wildlife and Plant Conservation Resource Management</i>		
Administered by Department of Environmental Quality	15.231	10,000
Administered by Wyoming Game and Fish Department	15.231	124,469
		134,469
<i>Environmental Quality and Protection Resource Management</i>		
Administered by Department of Environmental Quality	15.236	310,972
Administered by Department of Geological Survey	15.236	2,928
		313,900
<i>Challenge Cost Share</i>		
Administered by Wyoming Game and Fish Department	15.238	30,465
<i>Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining</i>		
Administered by Department of Environmental Quality	15.250	2,026,408
<i>Abandoned Mine Land Reclamation (AMLR) Program</i>		
Administered by Department of Environmental Quality	15.252	85,536,994

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Federal Oil and Gas Royalty Management State and Tribal Coordination</i> Administered by Department of Audit	15.427	\$ 2,419,669
<i>Recreation Resource Management</i> Administered by Department of State Parks and Cultural Resources	15.524	389,030
Administered by Wyoming Game and Fish Department	15.524	<u>14,900</u>
		403,930
<i>Sport Fish Restoration Program</i> Administered by Wyoming Game and Fish Department	15.605	5,030,269
<i>Fish and Wildlife Management Assistance</i> Administered by Wyoming Game and Fish Department	15.608	44,432
<i>Wildlife Restoration and Basic Hunter Education</i> Administered by Wyoming Game and Fish Department	15.611	9,747,510
<i>Cooperative Endangered Species Conservation Fund</i> Administered by Wyoming Game and Fish Department	15.615	91,489
<i>North American Wetlands Conservation Fund</i> Administered by Wyoming Game and Fish Department	15.623	16,107
<i>Landowner Incentive Program</i> Administered by Wyoming Game and Fish Department	15.633	19,250
<i>State Wildlife Grants</i> Administered by Wyoming Game and Fish Department	15.634	604,285
<i>Research Grants (Generic)</i> Administered by Wyoming Game and Fish Department	15.650	26,245
<i>Endangered Species Conservation - Recovery Implementation Funds</i> Administered by Wyoming Game and Fish Department	15.657	36,850
<i>Endangered Species Conservation - Wolf Livestock Loss Compensation and Prevention</i> Administered by Wyoming Game and Fish Department	15.666	36,034
<i>National Cooperative Geologic Mapping Program</i> Administered by Wyoming State Geological Survey	15.810	77,216

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)</i> Administered by Wyoming State Geological Survey	15.819	\$ 13,384
<i>Historic Preservation Fund Grants-in-Aid</i> Administered by Department of State Parks and Cultural Resources	15.904	720,052
<i>Outdoor Recreation - Acquisition, Development and Planning</i> Administered by Department of State Parks and Cultural Resources	15.916	<u>491,854</u>
Total U.S. Department of the Interior		<u>107,820,812</u>
 U.S. DEPARTMENT OF JUSTICE:		
<i>Sexual Assault Services Formula Program</i> Administered by Attorney General	16.017	215,881
<i>Protection of Voting Rights</i> Administered by Secretary of State	16.104	88,675
<i>Juvenile Accountability Incentive Block Grant</i> Administered by Department of Family Services	16.523	128,065
<i>Juvenile Justice and Delinquency Prevention - Allocation to States</i> Administered by Department of Family Services	16.540	25,455
<i>Missing Children's Assistance</i> Administered by Attorney General	16.543	179,243
<i>National Criminal History Improvement Program (NCHIP)</i> Administered by Attorney General	16.554	68,990
<i>National Institute of Justice Research, Evaluation and Development Project Grants</i> Administered by Attorney General	16.560	11,158
<i>Crime Victim Assistance</i> Administered by Attorney General	16.575	1,285,569
<i>Crime Victim Compensation</i> Administered by Attorney General	16.576	154,247
<i>Violence Against Women Formula Grants</i> Administered by Attorney General	16.588	803,435

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Residential Substance Abuse Treatment for State Prisoners</i> Administered by Department of Corrections	16.593	\$ 69,803
<i>State Criminal Alien Assistance Program</i> Administered by Attorney General	16.606	138,716
<i>Edward Byrne Memorial Justice Assistance Grant Program</i> Administered by Attorney General	16.738	588,197
<i>DNA Backlog Reduction Program</i> Administered by Attorney General	16.741	182,334
<i>Paul Coverdell Forensic Sciences Improvement Grant Program</i> Administered by Attorney General	16.742	71,115
<i>Support for Adam Walsh Act Implementation Grant Program</i> Administered by Attorney General	16.750	181,095
<i>Edward Byrne Memorial Competitive Grant Program</i> Administered by Attorney General	16.751	17,698
<i>John R. Justice Prosecutors and Defenders Incentive Act</i> Administered by Attorney General	16.816	51,223
Total U.S. Department of Justice		4,260,899
U.S. DEPARTMENT OF LABOR:		
<i>Labor Force Statistics</i> Administered by Department of Workforce Services	17.002	715,738
<i>Compensation and Working Conditions</i> Administered by Department of Workforce Services	17.005	105,433
<i>Employment Service - Wagner-Peyser Funded Activities</i> Administered by Department of Workforce Services	17.207	3,842,860
<i>Unemployment Insurance</i> Administered by Department of Workforce Services	17.225	97,309,006
<i>Senior Community Service Employment Program</i> Administered by Department of Workforce Services	17.235	393,745
<i>Trade Adjustment Assistance</i> Administered by Department of Workforce Services	17.245	151,267

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>WIA/WIOA Adult Program</i> Administered by Department of Workforce Services	17.258	\$ 4,946,009
<i>WIA/WIOA Pilots, Demonstrations and Research Projects</i> Administered by Department of Workforce Services	17.261	341,711
<i>H-1B Job Training Grants</i> Administered by Department of Workforce Services	17.268	1,590,748
<i>Work Opportunity Tax Credit Program (WOTC)</i> Administered by Department of Workforce Services	17.271	29,261
<i>Temporary Labor Certification for Foreign Workers</i> Administered by Department of Workforce Services	17.273	15,917
<i>Occupational Safety and Health - State Program</i> Administered by Department of Workforce Services	17.503	541,219
<i>OSHA Data Initiative</i> Administered by Department of Workforce Services	17.505	445,368
<i>Disabled Veterans' Outreach Program (DVOP)</i> Administered by Department of Workforce Services	17.801	424,338
Total U.S. Department of Labor		110,852,620
U.S. DEPARTMENT OF TRANSPORTATION:		
<i>Recreational Trails Program</i> Administered by Department of State Parks and Cultural Resources	20.219	1,681,614
<i>Alcohol Open Container Requirements</i> Administered by Department of Homeland Security	20.607	100,999
<i>Pipeline Safety Program State Base Grant</i> Administered by Public Service Commission	20.700	172,543

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Interagency Hazardous Materials Public Sector Training and Planning Grants</i> Administered by Office of Homeland Security	20.703	\$ 52,098
<i>PHMSA Pipeline Safety Program One Call Center</i> Administered by Public Service Commission	20.721	<u>8,351</u>
Total U.S. Department of Transportation		<u>2,015,605</u>
NATIONAL ENDOWMENT FOR THE ARTS AND THE HUMANITIES:		
<i>Promotion of the Arts - Partnership Agreements</i> Administered by Department of State Parks and Cultural Resources	45.025	593,294
<i>Grants to States</i> Administered by Department of Administration and Information	45.310	<u>641,702</u>
Total National Endowment for the Arts and the Humanities		<u>1,234,996</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS:		
<i>All-Volunteer Force Educational Assistance</i> Administered by Adjutant General (Military Department)	64.124	94,493
<i>State Cemetery Grants</i> Administered by Adjutant General (Military Department)	64.203	<u>104,611</u>
Total U.S. Department of Veterans Affairs		<u>199,104</u>
ENVIRONMENTAL PROTECTION AGENCY:		
<i>State Indoor Radon Grants</i> Administered by Department of Health	66.032	105,243
<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	189,668
<i>Water Pollution Control State, Interstate, and Tribal Program Support</i> Administered by Department of Environmental Quality	66.419	272,227

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>State Underground Water Source Protection</i>		
Administered by Oil and Gas Conservation Commission	66.433	\$ 177,368
<i>Water Quality Management Planning</i>		
Administered by Department of Environmental Quality	66.454	87,231
<i>Capitalization Grants for Clean Water State Revolving Funds</i>		
Administered by Office of State Lands and Investments	66.458	7,877,982
Administered by Department of Environmental Quality	66.458	84,646
		<u>7,962,628</u>
<i>Nonpoint Source Implementation Grants</i>		
Administered by Department of Environmental Quality	66.460	1,201,513
<i>Regional Wetland Program Development Grants</i>		
Administered by Wyoming Game and Fish Department	66.461	114,833
<i>Capitalization Grants for Drinking Water State Revolving Funds</i>		
Administered by Office of State Lands and Investments	66.468	10,413,716
Administered by Department of Environmental Quality	66.468	76,748
Administered by Water Development Commission	66.468	46,994
		<u>10,537,458</u>
<i>Performance Partnership Grants</i>		
Administered by Department of Environmental Quality	66.605	3,041,829
<i>Consolidated Pesticide Enforcement Cooperative Agreements</i>		
Administered by Department of Agriculture	66.700	160,028
<i>Source Reduction Assistance</i>		
Administered by Department of Environmental Quality	66.717	11,356
<i>Underground Storage Tank Prevention, Detection and Compliance Program</i>		
Administered by Department of Environmental Quality	66.804	245,319
<i>Leaking Underground Storage Tank Trust Fund Corrective Action Program</i>		
Administered by Department of Environmental Quality	66.805	613,256
<i>State and Tribal Response Program Grants</i>		
Administered by Department of Environmental Quality	66.817	722,295
		<u>722,295</u>
Total Environmental Protection Agency		<u>25,442,252</u>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
U.S. DEPARTMENT OF ENERGY:		
<i>Weatherization Assistance for Low-Income Persons</i> Administered by Department of Family Services	81.042	\$ 939,106
<i>Fossil Energy Research and Development</i> Administered by Department of Environmental Quality	81.089	8,679
<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	<u>117,784</u>
Total U.S. Department of Energy		<u>1,065,569</u>
U.S. DEPARTMENT OF EDUCATION:		
<i>Adult Education - Basic Grants to States</i> Administered by Wyoming Community College Commission	84.002	758,159
<i>Title I Grants to Local Educational Agencies</i> Administered by Department of Education	84.010	36,789,988
<i>Migrant Education - State Grant Program</i> Administered by Department of Education	84.011	230,240
<i>Title I State Agency Program for Neglected and Delinquent Children and Youth</i> Administered by Department of Education	84.013	577,398
<i>Special Education - Grants to States</i> Administered by Department of Education	84.027	27,597,469
<i>Career and Technical Education - Basic Grants to States</i> Administered by Department of Education	84.048	4,352,997
<i>Rehabilitation Services - Vocational Rehabilitation Grants to States</i> Administered by Department of Workforce Services	84.126	8,926,128
<i>Independent Living - State Grants</i> Administered by Department of Workforce Services	84.169	191,248
<i>Special Education - Preschool Grants</i> Administered by Department of Education	84.173	552,442

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Rehabilitation Services - Independent Living Services for Older Individuals who are Blind</i> Administered by Department of Workforce Services	84.177	\$ 222,600
<i>Special Education - Grants for Infants and Families</i> Administered by Department of Health	84.181	2,339,681
<i>Safe and Drug-Free Schools and Communities National Programs</i> Administered by Department of Education	84.184	4,790
<i>Supported Employment Services for Individuals with the Most Significant Disabilities</i> Administered by Department of Workforce Services	84.187	204,550
<i>Education for Homeless Children and Youth</i> Administered by Department of Education	84.196	93,673
<i>Vocational Educational Leadership</i> Administered by Department of Education	84.243	261,143
<i>Twenty-First Century Community Learning Centers</i> Administered by Department of Education	84.287	5,992,349
<i>Special Education - State Personnel Development</i> Administered by Department of Education	84.323	468,178
<i>Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</i> Administered by Department of Education	84.326	43,568
<i>English Language Acquisition State Grants</i> Administered by Department of Education	84.365	479,788
<i>Mathematics and Science Partnerships</i> Administered by Department of Education	84.366	658,694
<i>Improving Teacher Quality State Grants</i> Administered by Department of Education	84.367	11,468,650
<i>Grants for State Assessments and Related Activities</i> Administered by Department of Education	84.369	4,108,562
<i>School Improvement Grants</i> Administered by Department of Education	84.377	1,434,601

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>School Improvement, Recovery Act</i>		
Administered by Department of Education	84.388 ARRA	\$ 125,152
Total U.S. Department of Education		107,882,048
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION:		
<i>National Historic Publications and Records Grants</i>		
Administered by Department of State Parks and Cultural Resources	89.003	14,406
Total National Archives and Records Administration		14,406
U.S. ELECTION ASSISTANCE COMMISSION:		
<i>Help America Vote Act Requirements Payments</i>		
Administered by Secretary of State	90.401	166,903
Total U.S. Election Assistance Commission		166,903
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	24,285
<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	71,093
<i>Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services</i>		
Administered by Department of Health	93.043	133,105
<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	1,743,452
<i>Special Programs for the Aging - Title III, Part C - Nutrition Services</i>		
Administered by Department of Health	93.045	2,943,099
<i>National Family Caregiver Support, Title III, Part E</i>		
Administered by Department of Health	93.052	697,289
<i>Nutrition Services Incentive Program</i>		
Administered by Department of Health	93.053	862,021

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Public Health Emergency Preparedness</i> Administered by Department of Health	93.069	\$ 4,071,982
<i>Medicare Enrollment Assistance Program</i> Administered by Department of Health	93.071	31,846
<i>Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance</i> Administered by Department of Education	93.079	10,539
<i>Affordable Care Act (ACA) Personal Responsibility Education Program</i> Administered by Department of Health	93.092	292,694
<i>Food and Drug Administration Research</i> Administered by Department of Agriculture	93.103	48,273
<i>Maternal and Child Health Federal Consolidated Programs</i> Administered by Department of Health	93.110	211,972
<i>Project Grants and Cooperative Agreements for Tuberculosis Control Programs</i> Administered by Department of Health	93.116	147,483
<i>Emergency Medical Services for Children</i> Administered by Department of Health	93.127	176,155
<i>Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices</i> Administered by Department of Health	93.130	141,894
<i>Injury Prevention and Control Research and State and Community Based Programs</i> Administered by Department of Health	93.136	171,477
<i>Projects for Assistance in Transition from Homelessness (PATH)</i> Administered by Department of Health	93.150	264,568
<i>Grants to States for Loan Repayment Program</i> Administered by Department of Health	93.165	40,000
<i>State Rural Hospital Flexibility Program</i> Administered by Department of Health	93.241	396,207
<i>Substance Abuse and Mental Health Services - Projects of Regional and National Significance</i> Administered by Department of Health	93.243	663,024

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Universal Newborn Hearing Screening</i> Administered by Department of Health	93.251	\$ 293,201
<i>Immunization Cooperative Agreements</i> Administered by Department of Health	93.268	1,507,994
<i>Adult Viral Hepatitis Prevention and Control</i> Administered by Department of Health	93.270	75,275
<i>Centers for Disease Control and Prevention - Investigations and Technical Assistance</i> Administered by Department of Health	93.283	1,970,720
<i>Small Rural Hospital Improvement Grants Program</i> Administered by Department of Health	93.301	70,699
<i>National State Based Tobacco Control Programs</i> Administered by Department of Health	93.305	51,785
<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i> Administered by Department of Health	93.323	524,574
<i>State Health Insurance Assistance Program</i> Administered by Department of Insurance	93.324	320,812
<i>Behavioral Risk Factor Surveillance System</i> Administered by Department of Health	93.336	3,917
<i>ACL Independent Living State Grants</i> Administered by Department of Workforce Services	93.369	103,679
<i>Wyoming Health Insurance Pool (WHIP)</i> Administered by Department of Insurance	93.478	219,060
<i>PPHF National Public Health Improvement Initiative</i> Administered by Department of Health	93.507	73,221
<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	372,020
<i>PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds</i> Administered by Department of Health	93.539	377,930

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<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	\$ 93,000
<i>Promoting Safe and Stable Families</i> Administered by Department of Family Services	93.556	169,956
<i>Temporary Assistance for Needy Families</i> Administered by Department of Family Services	93.558	15,702,330
<i>Child Support Enforcement</i> Administered by Department of Family Services	93.563	5,030,386
<i>Low-Income Home Energy Assistance</i> Administered by Department of Family Services	93.568	7,883,272
<i>Community Services Block Grant</i> Administered by Department of Health	93.569	3,294,602
<i>Child Care and Development Block Grant</i> Administered by Department of Family Services	93.575	2,196,879
<i>State Court Improvement Program</i> Administered by Supreme Court	93.586	248,709
<i>Community-Based Child Abuse Prevention Grants</i> Administered by Department of Family Services	93.590	180,956
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i> Administered by Department of Family Services	93.596	5,497,608
<i>Grants to States for Access and Visitation Programs</i> Administered by Department of Family Services	93.597	60,217
<i>Chafee Education and Training Vouchers Program (ETV)</i> Administered by Department of Family Services	93.599	62,500
<i>Head Start</i> Administered by Department of Workforce Services	93.600	95,698

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Adoption and Legal Guardianship Incentive Payments</i> Administered by Department of Family Services	93.603	\$ 41,758
<i>Voting Access for Individuals with Disabilities - Grants to States</i> Administered by Secretary of State	93.617	76,929
<i>Developmental Disabilities Basic Support and Advocacy Grants</i> Administered by Attorney General	93.630	496,553
<i>Children's Justice Grants to States</i> Administered by Department of Family Services	93.643	78,732
<i>Stephanie Tubbs Jones Child Welfare Services Program</i> Administered by Department of Family Services	93.645	428,781
<i>Foster Care - Title IV-E</i> Administered by Department of Family Services	93.658	4,327,554
<i>Social Services Block Grant</i> Administered by Department of Family Services	93.667	2,886,394
<i>Child Abuse and Neglect State Grants</i> Administered by Department of Family Services	93.669	113,523
<i>Family Violence Prevention and Services/Domestic Violence Shelter and Support Services</i> Administered by Attorney General	93.671	649,525
<i>Chafee Foster Care Independence Program</i> Administered by Department of Family Services	93.674	204,167
<i>Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance-Financed in Part by the Prevention and Public Health Fund (PPHF)</i> Administered by Department of Health	93.733	1,559
<i>Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations Financed in Part by Prevention and Public Health Funds</i> Administered by Department of Health	93.752	674,752
<i>State Public Health Actions to Prevent Diabetes, Heart Disease, and Stroke (PPHF)</i> Administered by Department of Health	93.757	295,885

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)</i> Administered by Department of Health	93.758	\$ 118,338
<i>Children's Health Insurance Program</i> Administered by Department of Health	93.767	7,364,076
<i>State Medicaid Fraud Control Units</i> Administered by Attorney General	93.775	317,273
<i>State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare</i> Administered by Department of Health	93.777	1,068,747
<i>Medical Assistance Program</i> Administered by Department of Family Services	93.778	82,561
Administered by Department of Health	93.778	325,718,274
		<u>325,800,835</u>
<i>Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations</i> Administered by Department of Insurance	93.779	11,156
<i>State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid</i> Administered by Department of Health	93.796	850,550
<i>Allergy and Infectious Disease Research</i> Administered by Department of Health	93.855	3,376
<i>National Bioterrorism Hospital Preparedness Program</i> Administered by Department of Health	93.889	914,002
<i>Grants to States for Operation of Offices of Rural Health</i> Administered by Department of Health	93.913	164,528
<i>HIV Care Formula Grants</i> Administered by Department of Health	93.917	514,385
<i>Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease</i> Administered by Department of Health	93.918	186,906
<i>HIV Prevention Activities - Health Department Based</i> Administered by Department of Health	93.940	599,109

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
 Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Human Immunodeficiency Virus (HIV) Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance</i> Administered by Department of Health	93.944	\$ 147,714
<i>Assistance Programs for Chronic Disease Prevention and Control</i> Administered by Department of Health	93.945	7,919
<i>Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs</i> Administered by Department of Health	93.946	125,395
<i>Block Grants for Community Mental Health Services</i> Administered by Department of Health	93.958	525,589
<i>Block Grants for Prevention and Treatment of Substance Abuse</i> Administered by Department of Health	93.959	2,893,445
<i>Preventive Health Services - Sexually Transmitted Diseases Control Grants</i> Administered by Department of Health	93.977	221,163
<i>Preventive Health and Health Services Block Grant</i> Administered by Department of Health	93.991	58,773
<i>Maternal and Child Health Services Block Grant to the States</i> Administered by Department of Health	93.994	<u>1,093,900</u>
Total U.S. Department of Health and Human Services		<u>412,886,749</u>
EXECUTIVE OFFICE OF THE PRESIDENT:		
<i>High Intensity Drug Trafficking Areas Program</i> Administered by Attorney General	95.001	<u>992,945</u>
Total Executive Office of the President		<u>992,945</u>
SOCIAL SECURITY ADMINISTRATION:		
<i>Social Security - Disability Insurance</i> Administered by Department of Workforce Services	96.001	2,886,619
Administered by Department of Family Services	96.001	<u>77,533</u>
		2,964,152
<i>Social Security - Survivors Insurance</i> Administered by Department of Family Services	96.004	<u>187,760</u>
Total Social Security Administration		<u>3,151,912</u>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY:		
<i>Boating Safety Financial Assistance</i>		
Administered by Wyoming Game and Fish Department	97.012	\$ 291,870
<i>Community Assistance Program State Support Services Element (CAP-SSSE)</i>		
Administered by Office of Homeland Security	97.023	41,780
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>		
Administered by Office of Homeland Security	97.036	434,579
<i>Hazard Mitigation Grant</i>		
Administered by Office of Homeland Security	97.039	5,569
<i>National Dam Safety Program</i>		
Administered by State Engineer	97.041	166,498
<i>Emergency Management Performance Grants</i>		
Administered by Office of Homeland Security	97.042	2,547,460
<i>State Fire Training Systems Grants</i>		
Administered by Fire Prevention and Electrical Safety	97.043	1,627
<i>Fire Management and Assistance Grant</i>		
Administered by Wyoming State Lands and Investments	97.046	1,804,930
<i>Pre-Disaster Mitigation</i>		
Administered by Office of Homeland Security	97.047	49,885
<i>Homeland Security Grant Program</i>		
Administered by Office of Homeland Security	97.067	3,990,944
Total U.S. Department of Homeland Security		9,335,142
OTHER FEDERAL FINANCIAL AWARDS:		
<i>NAEP State Coordinator</i>		
Administered by Department of Education	None	129,700
<i>Social Security Reimbursement Program</i>		
Administered by Department of Workforce Services	None	29,365
<i>Game and Fish, Various Programs</i>		
Administered by Wyoming Game and Fish Department	None	169,475

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2015

Federal Grantor/Administering State Agency	CFDA Number	Expenditures
<i>Improving Student Learning</i> Administered by Department of Education	None	\$ 29,964
<i>Vital Records</i> Administered by Department of Health	None	116,142
<i>Court Security Assessments</i> Administered by Supreme Court	None	50,000
<i>Court Security Team Buildings Regional Trainings</i> Administered by Supreme Court	None	30,000
<i>NCES Basic Participation</i> Administered by Department of Education	None	<u>15,008</u>
Total Other Federal Financial Awards		<u>569,654</u>
Total Direct Funding		<u>913,287,038</u>
<u>PASS-THROUGH FUNDING</u>		
UNIVERSITY OF WYOMING:		
<i>Gaining Early Awareness and Readiness for Undergraduate Programs</i> Administered by Department of Education	84.334	<u>53,863</u>
Total Pass-Through Funding		<u>53,863</u>
Total Federal Financial Assistance		<u><u>\$ 913,340,901</u></u>

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 (CFDA #10.568) of \$655,621; SNAP Benefits (CFDA #10.551) of \$46,480,371; and value of vaccines (CFDA #93.268) of \$159,272. 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 0.64% of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2014.

4. Unemployment Insurance Compensation

The Schedule of Expenditures of Federal Awards includes approximately \$69 million of State Unemployment Insurance Compensation Benefits (SUICB) (CFDA #17.225). 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, 2015

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, 2015 and have issued their report thereon dated December 18, 2015. They did not audit the financial statements of 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, 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 weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

B. Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major Federal 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, 2015

Identification of major Federal programs:

CFDA Number	Name of Federal Program
15.252	Abandoned Mine Land Reclamation (AMLR) Program
16.575	Crime Victim Assistance
16.588	Violence Against Women Formula Grants
17.002	Labor Force Statistics
17.225	Unemployment Insurance
17.235	Senior Community Service Employment Program
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.002	Adult Education - Basic Grants to States
84.010	Title 1 Grants to Local Educational Agencies
84.048	Career and Technical Education - Basic Grants to States
84.181	Special Education - Grants for Infants and Families
84.287	Twenty-First Century Community Learning Centers
84.367	Improving Teacher Quality State Grants
84.369	Grants for State Assessments and Related Activities
93.069	Public Health Emergency Preparedness
93.241	State Rural Hospital Flexibility Program
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.630	Developmental Disabilities Basic Support and Advocacy Grants
93.667	Social Services Block Grant
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Support Services
93.889	National Bioterrorism Hospital Preparedness Program
93.940	HIV Prevention Activities - Health Department Based
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Cluster	Employment Service Cluster
Cluster	Medicaid Cluster
Cluster	WIA Cluster
Cluster	Special Education Cluster (IDEA)
Cluster	Disability Insurance / SSI Cluster

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

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

II. FINANCIAL STATEMENT FINDINGS

2015-001: State Auditor's Office - Audit Adjustments

Condition – Several journal entries to the State's financial statements were posted incorrectly by the CAFR Division of the State Auditor's Office (the "CAFR Division"). As a result, adjusting journal entries 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 the CAFR Division personnel did not identify the adjusting journal entries. The CAFR Division has considerable operational experience, as well as experience in compiling the financial statements and related footnote disclosures in accordance with U.S. GAAP. 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, there are limited review processes in place within the CAFR Division related to the journal entries that are posted during the preparation of financial statement information.

Effect – The significant adjustments identified, proposed and/or recorded through the audit process in order to properly report the financial statements impacted the following account balances and funds:

- Posted adjustment to reduce inventory and increase the related expenses within the Liquor Commission Fund to correct a journal entry that had been inadvertently posted backwards.
- Posted adjustment to reduce benefits payable and decrease the related expenses within the Group Insurance Fund to correct a journal entry that incorrectly reversed a prior year entry.
- Proposed adjustment to reduce benefits payable and decrease the related expenses within the Wyoming Health Insurance Fund due to a failure to reverse a prior year payable.
- Posted adjustment to reduce the deferred inflows and related revenue from others, as well as correctly classify the associated receivable, within the General Fund to correct a journal entry that had been posted to incorrect accounts.
- Proposed adjustment to recognize deferred inflows and reduce revenue within the Common School Land Fund to correct a journal entry that improperly recognized revenue received after the modified accrual period.
- Posted adjustment to restate the fund balance / net position previously reported within the General Fund and the Board and Regulatory Fund to correct a journal entry that had recorded other tax revenue within the incorrect fund in the prior year.
- Posted adjustment to restate the fund balance / net position previously reported within the Foundation Program Fund and the Common School Land Fund to correct a journal entry that had recorded investment income within the incorrect fund in the prior year.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

Recommendation – We recommend that the CAFR Division continue with its implementation of an internal review process to assist in determining the propriety of the journal entries posted during 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, 2015. The State Auditor’s Office concurs with the recommendations on 2015-001. 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 with resources available.

2015-002: School Facilities Commission – Audit Adjustment

Condition – The School Facilities Commission (the “Commission”) processed the fiscal year 2016 major maintenance payments to all school districts on June 30, 2015, as opposed to July 1, 2015 as required by State Statute. As a result, an adjusting journal entry was proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with U.S. GAAP.

Criteria – As outlined in W.S. 21-15-109(b), “to the extent funds are available, on July 1 of each year, the school facilities commission shall based upon square footage computations computed on September 1 of the prior school year, distribute major building and facility repair and replacement payments to each school district from the capital construction account. If funds within the account are not sufficient for payments on July 1 of any school year, the Commission shall distribute payments from the account on or before September 30 and March 31 of that school year.” Under professional standards, a material adjustment to the financial statements is considered a control deficiency.

Cause – The Commission is aware State Statutes specify that payments should be made no earlier than July 1st and had intended to issue the payments in accordance with such. However, the Commission personnel were not aware of the related financial statement impact and, as such, did not inform the CAFR division of the State Auditor’s Office that the payments were processed early for purposes of ensuring proper accounting of the transactions.

Effect – The control deficiency resulted in a posted adjustment to recognize prepaid expenditures and reduce the related education expenditures.

Recommendation – We recommend that the Commission personnel review all payments mandated by State Statute and gain an understanding of the related requirements to ensure that State Statutes are not violated. In addition, we recommend the Commission inform the CAFR Division of any significant changes in the processing of the Commission’s transactions to ensure any resulting financial reporting implications are appropriately identified.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

Auditee Response – The Commission finalized the calculation for the fiscal year 2016 school district major maintenance payments on May 26, 2015. Forty-eight GAX (e.g. payment) documents were prepared in the WOLFS system on June 22, 2015, with the intention of them running in the July 7, 2015 WOLFS run. These documents were inadvertently approved due to vacation schedules and processed in the WOLFS run on June 30, 2015. The Commission is well aware and familiar with the requirements of W.S. 21-15-109(b) (funds available on July 1 of each year). As a result of this error, the agency has implemented the utilization of the WOLFS scheduled payment date option. The Commission will prepare the annual school district Major Maintenance payments ahead of time with a scheduled payment date of 07/01/XXXX. This way the GAX documents will run on or after 07/01/XXXX in WOLFS automatically.

2015-003: Department of Environmental Quality – Audit Adjustment

Condition – The Department of Environmental Quality (the “DEQ”) failed to identify an accounts payable to a component unit of the State for Abandoned Mined Lands (“AML”) grant funds, as well as the related Federal receivable. As a result, an adjusting journal entry was 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, a material adjustment to the financial statements is considered a control deficiency.

Cause – The DEQ did not have a control system in place to identify reimbursable expenses that had made by the component unit under the AML grant award prior to June 30, 2015 but not yet reported to the State for reimbursement.

Effect – The control deficiency resulted in a posted adjustment to recognize accounts payable and amounts due from other governments, as well as the related expenditures and revenues.

Recommendation – Due to the unique funding associated with these grant funds, we recommend that the DEQ establish a control system that would require the component unit to report to DEQ the amount of outstanding reimbursement expenses at the end of each quarter.

Auditee Response – The failure to identify the accounts payable was the result of University of Wyoming (UW) not identifying the corresponding accounts receivable to DEQ. Through investigation, DEQ has determined that there was a breakdown of coordination and communication between principal investigators and the UW Office of Sponsored Programs. That breakdown resulted in Federal costs being under-recorded within the State’s financial statements.

The absence of invoices would have alerted DEQ to a potential problem if we had been regularly tracking the billing dates for UW agreements.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

DEQ accepts the auditor's recommendation and will notify UW of the "billed through" date of every open AML agreement. Within 30 days of the letter's issuance, UW will be required to: 1) provide an invoice for, or 2) explain why an invoice has not been generated if the accrual date for the most recent reimbursement for a given project is older than 90 days. DEQ will implement this process for the quarter ending March 31, 2016.

2015-004: Department of Family Services – Audit Adjustment and Schedule of Expenditures of Federal Awards

Condition – The Department of Family Services (the "DFS") did not provide a Schedule of Expenditures of Federal Awards (SEFA) which properly identified all Federal funds expended. During the course of testing performed on the initial SEFA provided for audit, we noted that the cash basis expenditures were reported incorrectly. As a result, adjusting journal entries were proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with U.S. GAAP.

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

In addition, per 31 USC 7502 (Single Audit Act Amendments of 1996 (Pub. L. 104-156)), each non-Federal entity that expends a total amount of Federal awards equal to or in excess of \$500,000 shall provide its auditor a schedule of Federal expenditures that is presented fairly in all material respects in relation to the financial statements taken as a whole.

Cause – The DFS did not have a control system in place to ensure the agency originally prepared its SEFA based on when the underlying expenditures had been reimbursed by the Federal agency and not based on when the cash disbursements had been made.

Effect – The significant adjustments identified, proposed and recorded through the audit process in order to properly report the financial statements impacted the following account balances and funds:

- Posted adjustment to restate the fund balance / net position previously reported within the General Fund to recognize Federal revenue earned in the prior year.
- Posted adjustment to increase the Federal revenue earned in the current year, recognize the related amount due from other governments, and reduce the deferred revenue balance.

We noted that the improperly reported cash basis expenditures reported on the SEFA also impacted the original major program determination for fiscal year 2015. The Social Services Block Grant was initially identified as a Type A Program. After the expenditures were corrected, the Social Services Block Grant was subsequently identified as a Type B program. This error also could have resulted in an additional major program subject to audit in the prior year; however, we were able to determine that the expenditures that should have been reported in fiscal year 2014 did not impact that year's major program determination.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

Recommendation – We recommend that the DFS revise its control system in place over the preparation of the SEFA to ensure it is complete and accurate. The DFS should also determine if any additional review processes should be implemented to ensure that the propriety of the information reported on the SEFA.

Questioned Costs – None

Auditee Response – DFS is in the process of creating a new system to track grant revenue versus expenses. This process is almost complete and we are confident this will resolve the issue we have had in the past with inaccurate SEFA submissions.

2015-005: Wyoming Community College Commission – Audit Adjustment

Condition – The Wyoming Community College Commission (the “WCCC”) failed to identify accounts payable related to the fourth quarter health insurance and retirement reimbursements to the seven Wyoming community colleges. As a result, an adjusting journal entry was proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with U.S. GAAP.

Criteria – Under professional standards, a significant adjustment to the financial statements is considered a control deficiency.

Cause – The WCCC entered incorrect service dates for the transactions into the State’s accounting system. The WCCC did not have a control system in place to review service dates entered for accuracy.

Effect – The control deficiency resulted in a posted adjustment to recognize accounts payable and the related education expenditures.

Recommendation – We recommend that the WCCC implement a process to review service dates on transactions to ensure they are properly recorded in the correct fiscal period.

Auditee Response – One expenditure tested by the auditors showed an incorrect service date. As a result, WCCC staff reviewed similar transactions posted on the same day and found others that had also been coded incorrectly. WCCC brought this to the attention of the SAO and the auditors so the entire amount of payables could be corrected, not just the item selected for testing. As a result of this finding, a guide was created for fiscal division use which lists all types of payments the WCCC makes to the colleges along with the correct methodology for service dates on each type of payment. Fiscal staff are trained on the guide and all service dates are verified with this guide prior to submission in WOLFS.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

2015-006: State Treasurer's Office – Inter- and Intra-Fund Activity

Condition – Due to the unique nature of the transaction, the State Treasurer's Office (the "STO") could not utilize the proper accounting documents when processing an intra-fund disbursement. However, the STO did not notify the State Auditor's Office (SAO) of the intra-fund activity. As a result, an adjusting journal entry was proposed during the audit to report the government-wide and fund level financial statements in accordance with U.S. GAAP.

Criteria – All inter- and intra-fund activity should be eliminated from the government-wide and fund level financial statements in accordance with U.S. GAAP.

Cause – The STO did discuss the intra-fund borrowing with the SAO and provided the interest amount paid. However, as cited the STO was unable to utilize the WOLFS system for these types of transactions and, as a result, the SAO did not evaluate them for elimination from the fund level and government-wide financial statements. Although the transaction in question originated within the STO, in general State agency personnel are not well-educated as to the purpose and importance of using the proper accounting documents for inter- and intra-fund transactions. When the proper accounting documents are not used, the CAFR Division of the SAO cannot properly identify and eliminate inter- and intra-fund activity from the fund level and government-wide financial statements.

Effect – The control deficiency resulted in an improper gross-up of interest income and interest expense within the Foundation Program Fund.

Recommendation – We recommend that the SAO continue to work with the individual State agencies on developing and implementing effective financial reporting control systems at the agency level and educate them as to the importance of utilizing the proper accounting documents. If the situation does not allow for utilizing the proper accounting documents, a separate control should be implemented to communicate the inter- or intra-fund activity to the SAO. In addition, the SAO should determine if a compensating control could be implemented that would assist in identifying inter- and intra-fund transactions that have been processed improperly, such as identifying warrants that have been made payable to State agencies.

Auditee Response – The STO disbursed the intra-fund amounts and documented in-house for full transparency. As a result of this audit and following discussions, the STO will specifically call the SAO's attention to these transactions on whatever form or manner so prescribed. The SAO has agreed to make subsequent adjusting entries to better identify these transactions for the auditors.

The SAO concurs with the recommendations above. The SAO CAFR Division has been correcting similar issues as they come to light. The SAO Quality Assurance Division will prepare a mandatory training to address the GAX/CR document use that agencies will be asked to attend by June 30, 2016 and will continue to work on developing additional training for the agencies to educate them on the proper IET use, various event types and why each is important. The SAO will also consider whether or not a compensating control can be implemented to help identify inter- and intra-fund transactions. If there is an extenuating circumstance where the proper document cannot be used due to additional systems which are used to account for the transactions, the SAO CAFR Division will work with the agency and set up a manual process to eliminate the inter- and intra-fund activity.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

2015-007: Enterprise Technology Services

Condition – During the Information Systems General Controls Review, we noted three observations with respect to Enterprise Technology Services (“ETS”).

1. ETS has not performed firewall rule set reviews since the migration of the State’s agencies into the ETS environment. A firewall rule set review gives ETS an opportunity to clean up any unneeded, outdated, or incorrect rules, and makes certain that rules sets allow only authorized services and ports that match business justifications.
2. ETS’s telecommunications and networking group performs internal network scans; however, they do not perform external vulnerability scanning and penetration testing. In addition, they are not working with an Approved Scanning Vendor to perform external vulnerability scans for the State agencies that are in scope for a Payment Card Industry (PCI) Data Security Standard assessment.
3. The risk assessment for ETS was not provided during the on-site visit and has not been reviewed or updated on an annual basis.

Criteria – ETS was established in fiscal year 2012 by the Wyoming State Legislature to coordinate, consolidate and provide information technology (“IT”) services; to promote economy and efficiency in government use of IT; and to establish uniform standards of IT administration. Many of the IT systems previously housed by individual agencies have been brought under the purview of ETS over the past two years, which includes several IT systems that manage and report the State’s financial data. As a result, the controls in place at ETS have increased in their significance to the State and its financial and compliance reporting and data safeguarding responsibilities.

Cause – ETS is a relatively new agency within the State, as noted above. The first two observations were initially identified and communicated to ETS during the audit for fiscal year 2014. In discussions with ETS personnel, it had been their intent to implement new policies to address the observations during fiscal year 2015. However, the State underwent a large migration of its physical IT infrastructure to an outside third party during fiscal year 2015. This migration became the priority for ETS personnel, which ultimately delayed the implementation of policies to address the observations noted.

Effect – Cyber threats are increasing in complexity and intensity. The massive amount of valuable data housed by the State and its agencies is an attractive target for cybercriminals seeking financial gain. Hackers are relentless in their efforts to steal, then sell or leverage, sensitive data within the State’s IT systems, including Social Security and driver’s license numbers, credit card information, and health-care records, among other things.

ETS’ firewalls serve as one of the first lines of defense in protecting the State’s network infrastructure from an external attacker. If this defense is weak, the State could face considerable risk of being compromised. In addition, the lack of external testing could leave the ETS network vulnerable to external attacks and increase the risk of unauthorized access.

A risk assessment also enables an organization to identify threats and associated vulnerabilities with the potential to negatively impact their business. Resources can then be effectively allocated to implement controls that reduce the likelihood and/or the potential impact of the threat being realized. If risk assessments are not performed at least annually or upon significant changes, the State may not keep up-to-date with organizational changes and evolving threats, trends and technologies.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

Recommendation – ETS should develop IT control systems, policies, and procedures that enable the State to be more vigilant through the use of continuous monitoring and threat detection capabilities, and be resilient to better resist, respond to, and recover from cyber-attacks. With respect to each observation above, we recommend that:

1. ETS perform firewall rule set reviews at least every six months to make sure firewall configuration and rule sets align with predefined and approved configuration standards. If there are a high volume of changes to firewall rule sets, ETS should consider performing the reviews more frequently to make certain that the rule sets continue to meet the needs of the State.
2. ETS implement an external vulnerability and penetration testing process to periodically test the external network resources. The vulnerability assessment process should follow the high-level guidance provided in the vulnerability management policy published by the office of the chief information officer (CIO). In addition, the vulnerability scanning software should identify both network and application-layer vulnerabilities, especially when scanning Internet-facing systems, such as Web applications. In addition, as external networks are at greater risk of compromise, quarterly external vulnerability scanning must be performed by a PCI Security Standards Council Approved Scanning Vendor.
3. ETS perform a risk assessment on an annual basis in order to assess current risks and potential vulnerabilities. The State needs to be aware of the risks and vulnerabilities to determine if existing controls are in place to mitigate the threat. In addition, the State should add additional security measures where controls are identified as being “not in place” or lacking to protect against the threat.

Auditee Response –

1. Starting February 2016, ETS has begun review of the firewall rule set and will be parsing out the data to verify routes and ports are being utilized securely. Once this data has been parsed out, ETS plans to work with each State agency’s security liaison to verify rules and make recommendations for any changes deemed appropriate.
2. ETS has a contract with QUALYS to provide vulnerability scans and penetration testing at the request of any State agency.

ETS has not performed vulnerability tests on the ETS environment, but has contracted with a third-party vendor to do so in the near future. ETS has tools and has helped facilitate third-party testing on agency critical systems as requested. ETS does perform incident and event monitoring.

3. ETS is currently pursuing a Master Service Agreement (MSA) to have a third party perform risk assessment services in early 2016. After those results, ETS will determine if we will continue with a vendor or perform self-audits of ETS.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

2013-004: Subrecipient Monitoring

Title I Grants to Local Educational Agencies (CFDA #84.010)
Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173)
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 ten subrecipients to verify that an on-site assessment was performed within the last three years and findings were being followed up on. The results of our testing found that there were two school districts for which the WDE had a finding from an on-site assessment and no follow up occurred.

Criteria – The requirements for subrecipient monitoring are contained in the 31 USC 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 – By failing to maintain documentation of on-site assessments, the WDE is unable to substantiate that Local Educational Agencies (LEAs) were properly monitored during the life of the grant.

Recommendation – We recommend program personnel and department leadership ensure processes are put in place to ensure follow up and proper documentation of follow up when WDE notices issues during on-site assessments is maintained and a process is in place to ensure WDE follows up on compliance findings with the LEAs.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

2013-013: Subrecipient Monitoring

Temporary Assistance for Needy Families (CFDA #93.558)

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

Condition – Seven of the seven subrecipient monitoring files/contracts tested did not have the Program Name or 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, the Department of Family Services (DFS) does not have an effective system in place to follow up on findings included in the subrecipients' Single Audit Reports.

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. Among other things, a pass-through entity is responsible for: (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided by OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within six months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings.

Cause – DFS currently has no procedures in place to ensure compliance with the requirements to communicate the TANF program name and CFDA number. Additionally, there are no control procedures in place to ensure that follow up occurs related to findings included within subrecipient Single Audit Reports.

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 following up on findings included within subrecipient Single Audit Reports, the program is 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 following up on findings included within subrecipient Single Audit Reports.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2015

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 four instances where the recipient was not timely removed from the system at the time the recipient became ineligible to receive benefits.

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 annual reviews, and eligibility determinations.

Questioned Costs – \$4,459.79 / Projected \$1,676,837

Auditee Response – *See Corrective Action Plan*

2014-004: Allowable Cost/Cost Principles

Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173)

Federal Agency – U.S. Department of Education

Condition – The WDE purchased several vehicles using the Federal grant without prior authorization from the Federal oversight entity.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2015

Criteria – The grant requires the program to follow 20 USC 1404. 20 USC 1404 states that “if the Secretary determines that a program authorization under this chapter will be improved by permitting program funds to be used to acquire appropriate equipment, or to construct new facilities or alter existing facilities, the Secretary is authorized to allow the use of those funds for those purposes.” In addition under 2 CFR Part 225, equipment is defined as nonexpendable personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of capitalization level established by the governmental unit for financial reporting or \$5,000.

Cause – Human error.

Effect – The WDE purchased equipment under the grant which could potentially be considered an unallowable cost by the Federal awarding agency.

Recommendation – We recommend that the WDE obtain approval of all equipment purchases under this program which the individual cost of the item is in excess of \$5,000. In addition, we recommend the WDE follow its procedure written in the Corrective Action Plan developed after the purchase of these vehicles during fiscal year 2015.

Questioned Costs – \$58,434

Auditee Response – *See Corrective Action Plan*

2015-008: Earmarking

Title I Grants to Local Educational Agencies (CFDA #84.010)

Federal Agency – U.S. Department of Education

Condition – The WDE expensed \$422,389 for administrative activities under the Title I program for the 2011 award year. The program includes an earmarking requirement in which the WDE is only allowed to expend \$400,000 for administrative expenses between Title I, Parts A, C, and D.

Criteria – An SEA may reserve for the administration of Title I programs up to 1% 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. However, if the sum of the amounts appropriated for Parts, A, C, and D is equal to or greater than \$14 billion, which it is for fiscal year 2010, the amount an SEA may reserve for administration may not exceed 1% of the amount the State would receive if the Title I allocation were \$14,000,000,000 (20 USC 6304(b)).

Cause – Lack of communication between WDE staff and failure to ensure a proper tracking method is in place.

Effect – By over expending administrative expenses, WDE is not able to subaward as much grant funds to subrecipients.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2015

Recommendation – We recommend the WDE implement a tracking system which will allow personnel to monitor the administrative expenses under the Title I grants.

Questioned Costs – \$22,389

Auditee Response – *See Corrective Action Plan*

2015-009: Subrecipient Monitoring

Senior Community Service Employment Program (CFDA #17.235)

Federal Agency – U.S. Department of Labor

Condition – During the period under audit, the Senior Community Service Employment Program failed to obtain the subrecipients most recent audited financial statements.

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)), OMB Circular A-133 (Section .255 and .400(d)). Among other things, a pass-through entity is responsible for: (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided by OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within six months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate correct action on all audit findings.

Cause – The Senior Community Service Employment Program has no controls in place to ensure that they request subrecipient audit reports nor that communication was made with subrecipients regarding findings in their audit reports.

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. 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 reviews their internal control policies and develop an effective and efficient system to ensure appropriate communication occurs with subrecipients regarding obtaining copies of their annual audited financial statements and copies of their A-133 compliance report, if applicable.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2015**

2015-010: Maintenance of Effort

Block Grants for Prevention and Treatment of Substance Abuse (CFDA #93.959)

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

Condition – During the period under audit, the Program failed to maintain the maintenance of effort requirement set forth by the grant requirements. The Program identified the error and is working with the U.S. Department of Health and Human Services to correct.

Criteria – The State shall for each fiscal year maintain aggregate State expenditures for authorized activities by the principal agency at a level that is not less than the average level of such expenditures maintained by the State for the two State fiscal years preceding the fiscal year for which the State is applying for the grant. The “principal agency” is defined as the single State agency responsible for planning, carrying out and evaluating activities to prevent and treat substance abuse and related activities. The Secretary may exclude from the aggregate State expenditures funds appropriated to the principal agency for authorized activities which are of a non-recurring nature and for a specific purpose (42 USC 300x-30; 45 CFR, Sections 96.121 and 96.134; and Federal Register, July 6, 2001 (66 FR 35658) and November 23, 2001 (66 FR 58746-58747) as specified in II, “Program Procedures – Availability of Other Program Information”).

Cause – Human error; the program did not ensure the maintenance of effort was maintained but had a process in place to catch the error after the fact.

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.

Recommendation – We recommend that the agency reviews their internal control policies and develop an effective and efficient system to ensure appropriate procedures are in place to ensure the level of effort is maintained.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

2015-011: Schedule of Expenditures of Federal Awards

All Federal Programs Administered by the Wyoming Department of Family Services

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

See Finding 2015-004.

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2015

2015-012: Subrecipient Monitoring

Special Education - Grants for Infants and Families (CFDA #84.181)

Federal Agency – U.S. Department of Education

Condition – During the period under audit, the Program failed to review the subrecipients' most recent audited financial statements, and failed to communicate any audit findings with the subrecipient.

Criteria – The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(C) (Single Audit Act Amendments of 1996 (Pub.L 104-156)), OMB Circular A-133 (Section .255 and .400(d)). Among other things, a pass-through entity is responsible for: (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided by OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within six months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings.

Cause – The Program has no process in place to ensure Single Audit Reports are received or communication was made with subrecipients regarding any findings within their Single Audit Reports.

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. Additionally, by not obtaining and reviewing the Single Audit Report from the subrecipient, the programs are not effectively monitoring the activity of their subrecipients.

Recommendation – We recommend that the agency reviews their internal control policies and develop an effective and efficient system to ensure appropriate receipt of Single Audit Reports and communication of any audit findings with subrecipients, if applicable.

Questioned Costs – None

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2015**

2015-013: Allowable Costs / Cost Principles

Medical Assistance Program (CFDA #93.778)

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

Condition – Of the 60 recipients selected for testing compliance with expenditure requirements within the Medicaid Cluster, we noted two instances where the recipient’s claims did not meet the medically necessity requirement.

Criteria – 42 CFR Ch. IV part 440.230 the State plan must outline:

- (a) The plan must specify the amount, duration, and scope of each service that it provides for:
(1) The categorically needy; and (2) Each covered group of medically needy.
- (b) Each service must be sufficient in amount, duration, and scope to reasonably achieve its purpose.
- (c) The Medicaid agency may not arbitrarily deny or reduce the amount, duration, or scope of a required service under §§ 440.210 and 440.220 to an otherwise eligible recipient solely because of the diagnosis, type of illness, or condition.
- (d) The agency may place appropriate limits on a service based on such criteria as medical necessity or on utilization control procedures.

Cause – We noted that although there is a control system in place to ensure that claims paid by Medicaid are periodically reviewed to ensure they fulfill the medical necessity requirement on an on-going basis, due to the volume of recipients participating in the Medicaid Program, upon review a claim is paid that does not meet the medical necessity requirement.

Effect – Failure to comply with the medical necessity requirement 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 to review medical necessity of claims, and investigate into recovery efforts.

Questioned Costs – Known: \$172.50; Projected: \$603,871

Auditee Response – *See Corrective Action Plan*

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2015

Finding	Status
<p><u>2013-004:</u> Subrecipient Monitoring</p> <p>Title I Grants to Local Educational Agencies (CFDA #84.010) Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173) Career and Technical Education – Basic Grants to States (CFDA #84.048) Improving Teacher Quality State Grants (CFDA #84.367)</p>	<p>The finding in the prior year was due in part to staff turnover and the moving of offices. In fiscal year 2014, the amount of turnover was reduced and the movement of offices was not as significant. The Wyoming Department of Education Finance staff has reviewed and updated the internal controls surrounding the subrecipient monitoring process.</p>
<p>Federal Agency – U.S. Department of Education</p> <p>A component of the subrecipient monitoring compliance requirement is that a pass-through entity is responsible for <i>During-the-Award Monitoring</i> (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 <i>During-the-Award Monitoring</i> 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 five subrecipients to verify that an on-site assessment was performed within the last three years. The results of our testing found that there were two school districts for which no documentation of an on-site assessment could be provided.</p>	<p><i>Auditor’s Comment:</i> These four (4) programs were audited for fiscal year 2015, and the WDE was unable to locate the SEA’s response on findings during on-site visits for two subrecipients. This will be repeated (see 2013-004 in the Schedule of Findings and Questioned Costs).</p>
<p><u>2013-006:</u> Level of Effort</p> <p>Career and Technical Education – Basic Grants to States (CFDA #84.048)</p>	<p>The State administered spending decreased during the 2011 biennium, as such, the program failed to meet the required level of effort.</p>
<p>Federal Agency – U.S. Department of Education</p> <p>The WDE – Career and Technical Education program failed to meet the level of effort compliance requirement for this program for the 2011 grant year.</p>	<p><i>Auditor’s Comment:</i> The Career and Technical Education program was audited for fiscal year 2015 and the testing performed verified the program was in compliance, as such, this finding will not be repeated.</p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued) Year Ended June 30, 2015

Finding	Status
<p data-bbox="105 316 1092 349"><u>2013-009:</u> Lack of Supporting Documentation</p> <p data-bbox="105 381 1092 470">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, 84.287, 84.323, 84.334, 84.365, 84.367 and 84.369)</p> <p data-bbox="105 503 1092 535">Federal Agency – U.S. Department of Agriculture; U.S. Department of Education</p> <p data-bbox="105 560 1092 625">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.</p>	<p data-bbox="1092 381 2007 470">The Wyoming Department of Education developed a payroll cost allocation module for use by employees who are required to track their time and efforts. The module was in place for fiscal year 2015.</p> <p data-bbox="1092 503 2007 625"><i>Auditor's Comment:</i> Several of these programs (#s 84.010, 84.027, 84.048, 84.173, 84.287, 84.367 and 84.369) were audited for fiscal year 2015 and the new payroll cost allocation was in place and the Department was able to provide support for time and effort, as such, this finding will not be repeated.</p>
<p data-bbox="105 682 1092 714"><u>2013-011:</u> Suspension and Debarment</p> <p data-bbox="105 738 1092 771">Abandoned Mine Land Reclamation (AMLR) Program (CFDA #15.252)</p> <p data-bbox="105 795 1092 828">Federal Agency – U.S. Department of the Interior</p> <p data-bbox="105 860 1092 982">During the period under audit, the program entered into 45 new contracts; of the eight 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.</p>	<p data-bbox="1092 747 2007 836">The program reviewed all contract templates to ensure suspension and debarment language is included. The routing slips the Department uses to route contracts were updated to include a check of the www.sam.gov website.</p> <p data-bbox="1092 868 2007 958"><i>Auditor's Comment:</i> The AMLR program was audited for fiscal year 2015 and testing performed verified the program was in compliance, as such, this finding will not be repeated.</p>
<p data-bbox="105 1039 1092 1071"><u>2013-012:</u> Reporting</p> <p data-bbox="105 1096 1092 1177">Low-Income Home Energy Assistance (CFDA #93.568) Temporary Assistance for Needy Families (CFDA #93.558) Weatherization Assistance for Low-Income Persons (CFDA #81.042)</p> <p data-bbox="105 1209 1092 1274">Federal Agency – U.S. Department of Health and Human Services and U.S. Department of Energy</p> <p data-bbox="105 1307 1092 1396">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.</p>	<p data-bbox="1092 1104 2007 1161">The missing reports were filed and the program timely filed the reports as required.</p> <p data-bbox="1092 1193 2007 1347"><i>Auditor's Comment:</i> The 2015 OMB Compliance Supplement removed the “Subaward Reporting under the Transparency Act” compliance requirement, as such, auditors are no longer required to test these forms. Transparency reports are being submitted for these programs by the Wyoming Department of Family Services.</p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued) Year Ended June 30, 2015

Finding	Status
<p><u>2013-013:</u> Subrecipient Monitoring / Suspension and Debarment</p> <p>Temporary Assistance for Needy Families (CFDA #93.558)</p> <p>Federal Agency – U.S. Department of Health and Human Services</p> <p>Three of the five subrecipient monitoring files/contracts tested did not have the Program Name or 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, the Department of Family Services (DFS) does not have an effective system in place to obtain and review the subrecipients' Single Audit Reports.</p>	<p>The Department is working on implementing a new process to review all subrecipient arrangements.</p> <p><i>Auditor's Comment:</i> The program was selected for audit for fiscal year 2015; however, the program had not implemented a procedure to ensure the program name, award number, and OMB Circular A-133 compliance requirements were communicated. In addition, the program did not implement a procedure to follow up on audit findings included in subrecipient Single Audit Reports. (See repeat finding 2013-003 in the Schedule of Findings and Questioned Costs.)</p>
<p><u>2013-014:</u> Eligibility</p> <p>Medical Assistance Program (CFDA #93.778)</p> <p>Federal Agency – U.S. Department of Health and Human Services</p> <p>Of the 60 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. A review performed in December of 2013 should have removed the recipient from the system as the income would have precluded the recipient from being eligible.</p>	<p>In February 2014, the Medicaid eligibility function moved to the Department of Health and a new eligibility system was established.</p> <p><i>Auditor's Comment:</i> The program was audited in fiscal year 2015 and our testing identified four (4) individuals whose eligibility had expired but were not timely removed from the system. (See report finding 2013-004.)</p>
<p><u>2014-003:</u> Subrecipient Monitoring</p> <p>Non-Point Source Implementation Grants (CFDA #66.460)</p> <p>Federal Agency – Environmental Protection Agency</p> <p>During the period under audit, the Nonpoint Source Implementation Grants program failed to obtain an audited financial statement for three of the eight subrecipients tested.</p>	<p>The department included a true/false field in the database to track subrecipient audits.</p> <p><i>Auditor's Comment:</i> We reviewed the database and audit reports were received; therefore, this finding will not be repeated.</p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued) Year Ended June 30, 2015

Finding	Status
<p data-bbox="105 316 1092 349">2014-004: Allowable Cost/Cost Principles</p> <p data-bbox="105 381 1092 414">Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173)</p> <p data-bbox="105 438 1092 470">Federal Agency – U.S. Department of Education</p> <p data-bbox="105 503 1092 568">The WDE purchased three vehicles using the Federal grant without prior authorization from the Federal oversight entity.</p>	<p data-bbox="1092 381 2007 535">The department purchased vehicles without prior authorization in fiscal year 2015; however, the Wyoming Department of Education was not aware of the finding until the conclusion of the 2014 audit, which was issued in March 2015. A similar transaction occurred before the corrective action identified in the 2014 audit report could be implemented.</p> <p data-bbox="1092 560 2007 690"><i>Auditor's Comment:</i> The Department purchased additional vehicles under this grant prior to the issuance of the fiscal year 2014 Single Audit Report. As such, this finding will be repeated (see 2014-004 in the Schedule of Findings and Questioned Costs).</p>
<p data-bbox="105 743 1092 776">2014-005: Reporting</p> <p data-bbox="105 803 1092 836">Cooperative Forestry Assistance (CFDA #10.664)</p> <p data-bbox="105 868 1092 901">Federal Agency – U.S. Department of Agriculture</p> <p data-bbox="105 933 1092 1031">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.</p>	<p data-bbox="1092 803 2007 868">The missing reports were filed and the program timely filed the reports as required.</p> <p data-bbox="1092 901 2007 1047"><i>Auditor's Comment:</i> The 2015 OMB Compliance Supplement removed the “Subaward Reporting under the Transparency Act” compliance requirement, as such, auditors are no longer required to test these forms. Transparency reports are being submitted for these programs by the OSLI Administrative Services Division.</p>
<p data-bbox="105 1112 1092 1144">2014-006: Earmarking</p> <p data-bbox="105 1177 1092 1209">Employment Service/Wagner-Peyser Funded Activities (CFDA #17.207)</p> <p data-bbox="105 1242 1092 1274">Federal Agency – U.S. Department of Labor</p> <p data-bbox="105 1307 1092 1450">During testing of the Federal earmarking requirement, the Department expended only \$311,913 for services and activities authorized by Section 7(b) of the Wagner-Peyser Act. Based on the grant award of \$3,794,821, the minimum amount that should have been reserved for Section 7(b) activities amounted to \$379,482. As such, the 10% earmarking requirement was not met.</p>	<p data-bbox="1092 1177 2007 1242">The Department of Workforce Services is using the FARS GA-17 and the WOLFS grant module to track earmarking requirements.</p> <p data-bbox="1092 1274 2007 1356"><i>Auditor's Comment:</i> The Employment Service/Wagner-Peyser Funded Activities was audited for fiscal year 2015 and the program was in compliance, as such, this finding will not be repeated.</p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued) Year Ended June 30, 2015

Finding	Status
<p><u>2014-007:</u> Eligibility</p> <p>Supported Employment Services for Individuals with the Most Significant Disabilities (CFDA #84.187)</p> <p>Federal Agency – U.S. Department of Education</p> <p>During testing of eligibility, we noted that of the 25 case files tested, eligibility determination for one file was not made within the 60-day deadline, and there was no extension filed nor was the Department providing the participant trail work experiences in order to determine if the individual is incapable of benefiting from employment outcomes from Supported Employment services.</p>	<p>The program implemented training to field offices regarding the 60-day requirement and review weekly of the “50 Day” alert report.</p> <p><i>Auditor’s Comment:</i> We noted that the “50 Day” alert report for a DVR case was printed and reviewed to note that the eligibility determination must be completed in 10 days.</p>
<p><u>2014-008:</u> Internal Control</p> <p>Employment Service Cluster (CFDA #s 17.207, 17.801 and 17.804) WIA Adult Program (CFDA #17.258)</p> <p>Federal Agency – U.S. Department of Labor</p> <p>During the testing of various DWS grants, the Department was unable to provide reconciliations of the FARS accounting system to the WOLFS system.</p>	<p>The department has reconciled FARS with WOLFS for June 30, 2014, and balanced monthly through 2015.</p> <p><i>Auditor’s Comment:</i> The Employment Service Cluster was audited for fiscal year 2015 and the program was in compliance, as such, this finding will not be repeated.</p>
<p><u>2014-009:</u> Earmarking</p> <p>School Improvements Grant (CFDA #84.388A)</p> <p>Federal Agency – U.S. Department of Education</p> <p>The School Improvements Grant program is required to allocate 95% of funding received to LEA’s. For the 2009 grant year, the program expended \$1,302,766, of which \$1,072,356 was subawarded to LEA’s. Based on the program requirements, the program was required to subaward \$1,237,628.</p>	<p>The Program requested and obtained permission to combine the FY09 SIG 1003(g) [Award #S377A090051A] and the ARRA 1003(g) [Award #S388A0051A], to satisfy the subgranting earmarking requirement.</p> <p><i>Auditor’s Comment:</i> We reviewed the budget and noted that 95% of funding was allocated to LEA’s in 2015.</p>

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)
Year Ended June 30, 2015

	Finding	Status
2014-010:	Reporting	
Gaining Early Awareness and Readiness for Undergraduate Programs (CFDA #84.334)	Federal Agency – U.S. Department of Education Pass Through Agency – University of Wyoming The WDE failed to include the aforementioned program in its Schedule of Expenditures of Federal Awards.	The GEAR Up Program (CFDA #84.334) was included in the Schedule of Expenditures of Federal Awards (SEFA) for 2015. <i>Auditor's Comment:</i> The SEFA was audited for fiscal year 2015 and the program was included in the 2015 SEFA, as such, this finding will not be repeated.
2014-011:	Eligibility	
Temporary Assistance for Needy Families (CFDA #93.558)	Federal Agency – U.S. Department of Health and Human Services Two of the 25 eligibility files tested did not contain the narrative, which is used to document whether the agency confirmed that the child is within the household as well as to document that income and resource levels of the applicant are verified. The agency does not have an effective system in place to ensure that each eligibility file is complete with all necessary documentation to determine eligibility.	The supervisor has trained all staff on the requirement of including a narrative in the file. <i>Auditor's Comment:</i> The Temporary Assistance for Needy Families program was audited for fiscal year 2015 and a sample of 40 eligibility files were tested and contained all of the required information. As such, we consider the program was in compliance and this finding will not be repeated.

EXHIBIT I

CORRECTIVE ACTION PLAN

STATE OF WYOMING
CORRECTIVE ACTION PLAN
JUNE 30, 2015

The following are the corrective action plans for the *Findings and Questioned Costs for Federal Awards* reported in the June 30, 2015 Compliance Report for the State of Wyoming.

The following are the corrective action plans for the *Findings and Questioned Costs for Federal Awards* reported in the June 30, 2014 Compliance Report for the State of Wyoming.

2013-004: Subrecipient Monitoring

Title I Grants to Local Educational Agencies (CFDA #84.010)
Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173)
Career and Technical Education - Basic Grants to States (CFDA #84.048)
Improving Teacher Quality State Grants (CFDA #84.367)

Administered by Department of Education

Contact: Trent Carroll

Corrective Action Planned: To ensure that proper subrecipient monitoring, follow-up and proper documentation of LEAs receiving federal pass-through funds is occurring, the WDE Federal Program Supervisor has implemented a set of procedures for ensuring that timelines are maintained, and documentation is filed in accordance with the federal requirements.

Anticipated Completion Date: Corrective action has been implemented.

2013-013: Subrecipient Monitoring / Suspension and Debarment

Temporary Assistance for Needy Families (CFDA #93.558)

Administered by Department of Family Services

Contact: Nick Baird

Corrective Action Planned: This finding has already been taken care of with the new contracts for Federal fiscal year 2016. The contracts are being reviewed by more than one employee and the template document that the contracts are being created from has been corrected and reviewed by the recommendation of the audit findings.

Anticipated Completion Date: Corrective action has been implemented.

2013-014: Eligibility

Medical Assistance Program (CFDA #93.778)

Administered by Department of Health

Contact: Eric McVicker

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 launched a new rules based 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 including the income calculation and the eligibility decision. In addition, renewal dates will be populated based on program rules and application dates. Cases that are not renewed timely will be closed automatically by the system. These changes made by the Department will remove most of the opportunities for human error.

Anticipated Completion Date: Corrective action has been implemented.

2014-004: Allowable Costs/Cost Principles

Special Education Cluster (IDEA) (CFDA #s 84.027 and 84.173)

Administered by Department of Education

Contact: Trent Carroll

Corrective Action Planned: To prevent reoccurrence of this finding, the Division of Individual Learning has instructed program personnel that all equipment with a unit cost of \$5,000 or more purchased with IDEA Part B funds must have prior written approval from OSEP. A copy of the written OSEP approval will be submitted with the encumbrance and purchase order requests and will be verified by the division director, chief officer, and the WDE Finance Division.

The WDE's FY14 audit included a similar finding under 2014-004. However, the WDE was not aware of the issue until the conclusion of the FY14 audit in early 2015. The transaction referenced above occurred in October of 2014, prior to the final issuance of finding 2014-004.

The WDE has already implemented a corrective action in response to the earlier finding from the FY14 audit and does not anticipate additional issues going forward. The Office of Special Education and Rehabilitative Services issued a program determination letter on November 20, 2015 accepting the WDE's proposed corrective action plan related to finding 2014-004. The WDE was required to submit documentation demonstrating it has established a written procedure stating that authorization from OSEP is required prior to the purchase of equipment consistent with 34 C.F.R. 300.718 and 2 C. F. R. 200.439. The WDE has submitted the requested documentation.

Anticipated Completion Date: Corrective action has been implemented.

2015-008: Earmarking

Title I Grants to Local Educational Agencies (CFDA #84.010)

Administered by Department of Education

Contact: Trent Carroll

Corrective Action Planned: To prevent reoccurrence of this issue in the future, the WDE Federal Programs Supervisor has implemented a system for verifying that the administrative budget/ expenditures under the Title I program, Parts A, C, and D do not exceed the allowable SEA reservation of \$400,000 and remain in the proportions as required in the legislation. In addition, steps have been taken for the WDE Finance Division to review all Earmarking requirements of federal grants to ensure that the grants are in compliance with the awarding rules and regulations.

Anticipated Completion Date: Corrective action has been implemented.

2015-009: Subrecipient Monitoring

Senior Community Service Employment (CFDA #17.235)

Administered by Department of Workforce Services

Contact: R. J. Glanz

Corrective Action Planned: After reviewing internal controls and the SCSEP policy guide, the current policy of collecting an A-133 at the time of subrecipient grant application review has been modified to include annual collection of an A-133 before any contract renewal is considered.

Anticipated Completion Date: Corrective action has been implemented.

2015-010: Maintenance of Effort

Block Grants for Prevention and Treatment of Substance Abuse (CFDA #93.959)

Administered by Department of Health

Contact: Dania Ballard

Corrective Action Planned: A plan is currently underway to correct previous year's Maintenance of Effort amounts with the Department of Health and Human Services. Going forward we will set up phases that are associated with the grant funding in the WOLFS system to track Maintenance of Effort. In this way, both program managers and fiscal managers will be able to accurately track MOE.

Anticipated Completion Date: June 30, 2016

2015-011: Reporting

All Federal Programs Administered by the Wyoming Department of Family Services

Administered by Department of Family Services

Contact: Nick Baird

Corrective Action Planned: DFS is in the process of creating a new system to track revenue versus expenses. This process is almost complete and we are confident this will solve the issue we had in the past with inaccurate SEFA submissions.

Anticipated Completion Date: June 30, 2016

2015-012: Subrecipient Monitoring

Special Education Grants for Infants and Families (CFDA #84.181)

Administered by Department of Health

Contact: Kathy Escobedo

Corrective Action Planned: A copy of all Single Audit Reports for subrecipients will be obtained and reviewed. The program manager will ensure that a copy of each report is received, reviewed, and that any audit findings will be discussed with subrecipient and appropriate follow up actions taken.

Anticipated Completion Date: June 30, 2016

2015-013: Expenditure

Medical Assistance Program (Medicaid; Title XIX) (CFDA #93.778)

Administered by Department of Health

Contact: Eric McVicker

Corrective Action Planned: The Wyoming Department of Health, Division of Healthcare Financing, Program Integrity (PI) reviewed claims selected for audit by McGee, Hearne & Paiz, LLP. These claims were reviewed for medical necessity by Xerox, Care and Quality Solutions (CQS) and the Medicaid pharmacy team. Two claims were identified by CQS as not meeting the threshold for medical necessity and require additional review and potential corrective action. All pharmacy claims passed the medical review. The results of the CQS review have been returned to Program Integrity and will be examined in accordance with standard procedures. These procedures are described herein.

Program Integrity will review the medical records and CQS findings. If Program Integrity concurs with the CQS findings, several corrective actions will be considered as allowed in Wyoming Medicaid Rule, Chapter 16. § 9. Program Integrity is authorized to take any or none of the following actions after review of all the relevant facts:

- (i) Educational intervention;
- (ii) Recovery of overpayments;
- (iii) Postpayment review of claims;
- (iv) Prepayment review of claims;
- (v) Suspension of payments;

- (vi) Suspension of provider agreement;
- (vii) Termination of provider agreement;
- (viii) Conditional future provider agreement;
- (ix) Additional sanctions; or
- (x) Referral to appropriate State regulatory agency, licensing agency;
- (xi) or MFCU.

Medicaid Program Integrity will review the two claims identified by CQS as requiring additional analysis and will notice the provider in writing if any of the above corrective actions will be pursued.

These actions are defined as sanctions in Wyoming Medicaid Rule and initiate a due process procedure. This due process procedure includes an opportunity to reconsider the findings and facts surrounding the case. For example, the provider may present additional information that clarifies the findings. The provider may also choose to refile the claim correctly or return the overpayment. If the reconsideration process fails to resolve the discrepancy, the provider may choose to exercise their right to an administrative hearing. Most often, the finding of the administrative hearing officer is final; however, the single state agency head may overrule the administrative hearing officer. The provider may pursue other civil remedies if they do not agree with the conclusions of the administrative hearing officer and/or agency head.

The timeline for this process ranges from a few weeks to over one year depending upon schedules, complexity, and other variables that are internal and external to Program Integrity.

All adverse findings are reviewed by the Program Integrity Policy, Training & Credentialing Manager as part of our internal review/control process. If Program Integrity identifies policy gaps, inconsistencies or other processing, procedural or administrative issues that resulted in the identified error, a policy recommendation will be made to the appropriate authority.

Anticipated Completion Date: Corrective action has been implemented.