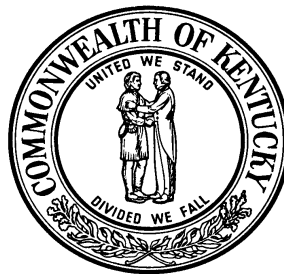


**REPORT OF THE STATEWIDE SINGLE AUDIT OF THE
COMMONWEALTH OF KENTUCKY**

VOLUME I

**For the Year Ended
June 30, 2022**



**MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS
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THE STATEWIDE SINGLE AUDIT OF THE COMMONWEALTH OF KENTUCKY
VOLUME I
FOR THE YEAR ENDED JUNE 30, 2022

Background

The Single Audit Act of 1984, subsequent amendments, and corresponding regulations require an annual audit of the financial statements and compliance with requirements applicable to major federal programs. The Auditor of Public Accounts (APA) meets these requirements and submits audit findings required to be reported by auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) through our opinion on the Commonwealth's Annual Comprehensive Financial Report (ACFR) and through the Statewide Single Audit of Kentucky (SSWAK). Our SSWAK report is contained in two volumes as noted below.

SSWAK - Volume I contains financial reporting information based on our audit of the ACFR. It includes the APA's opinion on the Schedule of Expenditures of Federal Awards (SEFA) in relation to the financial statements, the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, and financial statement findings related to internal control and compliance.

SSWAK - Volume II will present elements required under the Uniform Guidance, including the *Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance* and the Schedule of Findings and Questioned Costs.

Annual Comprehensive Financial Report

The ACFR, including our report thereon based on our audit and the reports of other auditors, has been issued under separate cover. In our Independent Auditor's Report on the ACFR, we identified the percentages of various funds and component units audited by other auditors. The agencies and funds audited by other auditors, as well as contact information, are presented in the Appendix of this report.

The scope of the ACFR audit included:

- An audit of the basic financial statements and combining financial statements;
- Limited procedures applied to required supplementary information;
- An audit of the SEFA sufficient to give an opinion in relation to the basic financial statements;
- and,
- Tests of compliance with certain provisions of laws, regulations, contracts, and grants, and tests of internal controls where applicable.

**THE STATEWIDE SINGLE AUDIT OF THE
COMMONWEALTH OF KENTUCKY VOLUME I
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Schedule of Expenditures of Federal Awards

The SEFA presented within this report is organized by federal grantor. The Assistance Listing Numbers (ALNs) and program names are listed under the federal grantor administering the program. The notes to the SEFA provide more detailed information on certain aspects of the expenditures. Clusters of programs are indicated in the SEFA by light gray shading. The identification of major federal programs and our report thereon will be presented in Volume II of the SSWAK.

For the fiscal year (FY) ended June 30, 2022, the total federal dollars expended by the Commonwealth of Kentucky were \$19,745,372,701 in cash awards and \$1,912,429,025 in noncash awards. These totals represent a decrease of \$749,708,080 in cash expenditures and a decrease of \$238,188,893 in noncash expenditures in comparison with the totals for FY 2021.

Component Units

The Commonwealth of Kentucky reporting entity for the purposes of the ACFR includes various component units, including state universities and retirement systems, as identified in accordance with Governmental Accounting Standards Board Statements 14, 39, 61, and 80. However, except for ACFR reporting, the Commonwealth has elected to exclude component units from the statewide single audit. Thus, these component units, including state universities and retirement systems, are not included in the accompanying SEFA and reports on internal control over financial reporting and compliance. These entities are still required to have audits performed in accordance with the provisions of the Uniform Guidance, if applicable, based on their total federal expenditures. Separately issued reports of component units can be obtained by contacting the respective agencies. Contact information for these agencies is presented in the Appendix of this report.



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

February 28, 2023

Honorable Andy Beshear, Governor
Cabinet Secretaries and Agency Heads
Members of the Commonwealth of Kentucky General Assembly

As Assistant Auditor of Public Accounts, I am pleased to transmit herewith our report of the Statewide Single Audit of Kentucky - Volume I for the Fiscal Year ended June 30, 2022. Volume I contains financial statement findings identified during our audit of the Annual Comprehensive Financial Report (ACFR), the Schedule of Expenditures of Federal Awards (SEFA), related notes, and our opinion thereon, as well as the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

We will subsequently report to you the required elements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards* in Volume II of this report upon completion of our audit of the Commonwealth's major federal programs.

On behalf of the staff of the Auditor of Public Accounts, I wish to thank the employees of the Commonwealth for their cooperation during the course of our audit. Should you have any questions concerning this report, please contact Jason Johnson, Executive Director of the Office of State Government Audits and Technology, or me.

Respectfully Submitted,

Farrah Petter, CPA
Assistant Auditor of Public Accounts



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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

Honorable Andy Beshear, Governor
Cabinet Secretaries and Agency Heads
Members of the Commonwealth of Kentucky General Assembly

Report on the Schedule of Expenditures of Federal Awards

Opinion

We have audited 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 Commonwealth of Kentucky as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commonwealth of Kentucky's basic financial statements. We issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and is not a part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, except for the effects of the application of a different basis of accounting, the Schedule of Expenditures of Federal Awards presents fairly, in all material respects, the expenditures of the federal awards of the Commonwealth of Kentucky for the year ended June 30, 2022, in relation to the Commonwealth's basic financial statements as a whole.



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the Commonwealth and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting as modified by the application of Kentucky Revised Statute (KRS) 45.229, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the cash basis of accounting as modified by the application of KRS 45.229 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, we

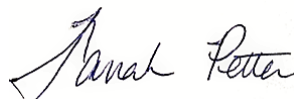
- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

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

Respectfully Submitted,



Farrah Petter, CPA
Assistant Auditor of Public Accounts
Frankfort, Kentucky

January 25, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. Department of Agriculture					
Direct Programs:					
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 666,519	\$ -	\$ -	
10.072	Wetlands Reserve Program	450,550	-	-	
10.153	Market News	2,444	-	-	
10.162	Inspection Grading and Standardization	15,586	-	-	
10.163	Market Protection and Promotion	33,000	-	-	
10.170	Specialty Crop Block Grant Program - Farm Bill	277,321	-	-	
10.175	Farmers Market and Local Food Promotion Program	2,155	-	-	
10.334	Enhancing Agricultural Opportunities for Military Veterans Competitive Grants Program	58,294	-	-	
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	193,817	-	-	
10.537	Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	146,250	-	-	
10.542	COVID-19 Pandemic EBT Food Benefits	-	328,510,557	-	2, 10, 14
SNAP Cluster:					
10.551	Supplemental Nutrition Assistance Program	-	897,626,030	-	2, 10
10.551	COVID-19 Supplemental Nutrition Assistance Program	-	562,415,597	-	2, 10, 14
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	86,821,104	-	9,603,847	2
10.561	COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	2,808,866	-	-	2, 14
Total SNAP Cluster:		89,629,970	1,460,041,627	9,603,847	
Child Nutrition Cluster:					
10.553	School Breakfast Program	109,953,261	-	109,953,261	2
10.555	COVID-19 National School Lunch Program	29,950,083	-	29,950,083	2, 14
10.555	National School Lunch Program	298,633,393	31,891,845	298,633,393	2, 10
10.556	Special Milk Program for Children	11,892	-	11,892	2
10.559	Summer Food Service Program for Children	49,398,464	-	49,059,693	2
10.582	Fresh Fruit and Vegetable Program	3,702,765	-	3,702,765	2
Total Child Nutrition Cluster:		491,649,858	31,891,845	491,311,087	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	104,066,136	-	25,914,929	2
10.557	COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants, and Children	3,458,153	-	-	2, 14
10.558	COVID-19 Child and Adult Care Food Program	5,190,269	-	5,190,269	2, 14
10.558	Child and Adult Care Food Program	41,854,007	-	41,375,990	2
10.560	State Administrative Expenses for Child Nutrition	4,829,844	-	512,885	
Food Distribution Cluster:					
10.565	Commodity Supplemental Food Program	2,520,847	10,895,425	13,354,894	2, 10, 11
10.565	COVID-19 Commodity Supplemental Food Program	301,194	-	301,194	2, 14
10.568	Emergency Food Assistance Program (Administrative Costs)	2,410,105	-	2,381,205	2
10.568	COVID-19 Emergency Food Assistance Program (Administrative Costs)	1,742,367	-	1,742,367	2, 14
10.569	Emergency Food Assistance Program (Food Commodities)	117,802	14,815,916	14,933,718	2, 10
10.569	COVID-19 Emergency Food Assistance Program (Food Commodities)	-	8,872,795	8,872,795	2, 10, 14
Total Food Distribution Cluster:		7,092,315	34,584,136	41,586,173	
10.572	WIC Farmers' Market Nutrition Program (FMNP)	92,559	-	-	
10.576	Senior Farmers Market Nutrition Program	359,936	-	-	
10.578	WIC Grants To States (WGS)	372,959	-	283,234	
10.579	Child Nutrition Discretionary Grants Limited Availability	428,570	-	428,570	
10.649	COVID-19 Pandemic EBT Administrative Costs	1,617,657	-	641,490	14
10.652	Forestry Research	248,818	61,753	-	10
10.664	Cooperative Forestry Assistance	2,010,665	-	612,575	
10.676	Forest Legacy Program	5,281	-	-	
10.678	Forest Stewardship Program	16,833	-	-	
10.691	Good Neighbor Authority	107,143	-	-	
10.697	State & Private Forestry Hazardous Fuel Reduction Program	40,400	-	-	
10.902	Soil and Water Conservation	88,593	-	-	
10.912	Environmental Quality Incentives Program	50,000	-	-	
10.913	Farm and Ranch Lands Protection Program	88,437	-	-	
10.U02	HWA Participating Agreement with Daniel Boone National Forest	2,711	-	-	15
Total U.S. Department of Agriculture		\$ 755,147,050	\$ 1,855,089,918	\$ 617,461,049	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. Department of Commerce					
Direct Programs:					
11.302	Economic Development Support for Planning Organizations	\$ 1,111,876	\$ -	\$ 1,080,458	
Economic Development Cluster:					
11.307	COVID-19 Economic Adjustment Assistance	2,129,716	-	2,111,186	14
11.307	ARRA Economic Adjustment Assistance	7,917,031	-	5,086,952	13
Total Economic Development Cluster:		10,046,747	-	7,198,138	
Total U.S. Department of Commerce		\$ 11,158,623	\$ -	\$ 8,278,596	
U.S. Department of Defense					
Direct Programs:					
12.106	Flood Control Projects	\$ 1,188	\$ -	\$ -	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	129,590	-	-	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	19,809,910	-	-	
12.404	National Guard ChalleNge Program	6,870,372	-	-	
12.617	Economic Adjustment Assistance for State Governments	629,468	-	-	
12.700	Donations/Loans of Obsolete DOD Property	-	177,905	-	10
12.U01	Chemical Demilitarization and Remediation Activity for Hazardous Waste Activities at Chemical Demilitarization Facilities	1,678,990	-	58,204	15
Total U.S. Department of Defense		\$ 29,119,518	\$ 177,905	\$ 58,204	
U.S. Department of Housing and Urban Development					
Direct Programs:					
Committee Development Block Grants -State-Administered Small Cities Program					
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	\$ 28,950,258	\$ -	\$ 28,809,134	8
14.401	Fair Housing Assistance Program State and Local	113,983	-	-	
Total U.S. Department of Housing and Urban Development		\$ 29,064,241	\$ -	\$ 28,809,134	
U.S. Department of the Interior					
Direct Programs:					
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	\$ 13,474,655	\$ -	\$ -	
15.252	Abandoned Mine Land Reclamation (AMLR)	20,383,795	-	1,364,401	
Fish and Wildlife Cluster:					
15.605	Sport Fish Restoration	5,705,444	-	-	7
15.611	Wildlife Restoration and Basic Hunter Education	8,936,282	-	318,053	7, 9
Total Fish and Wildlife Cluster:		14,641,726	-	318,053	
15.608	Fish and Wildlife Management Assistance	1,852,125	-	-	7
15.615	Cooperative Endangered Species Conservation Fund	126,554	-	-	7
15.616	Clean Vessel Act	165,645	-	165,645	
15.631	Partners for Fish and Wildlife	6,137	-	-	
15.634	State Wildlife Grants	519,017	-	-	7
15.657	Endangered Species Recovery Implementation	287,348	-	-	7
15.664	Fish and Wildlife Coordination and Assistance	9,249	-	-	
15.817	National Geospatial Program: Building the National Map	347,952	-	-	
15.904	Historic Preservation Fund Grants-In-Aid	998,050	-	83,661	
15.916	Outdoor Recreation Acquisition, Development and Planning	936,907	-	936,907	6
Total U.S. Department of the Interior		\$ 53,749,160	\$ -	\$ 2,868,667	
U.S. Department of Justice					
Direct Programs:					
16.017	Sexual Assault Services Formula Program	\$ 420,030	\$ -	\$ 414,036	
16.034	COVID-19 Coronavirus Emergency Supplemental Funding Program	2,032,983	-	590,319	14
16.320	Services for Trafficking Victims	215,849	-	-	
16.321	Antiterrorism Emergency Reserve	72,984	-	72,984	
16.540	Juvenile Justice and Delinquency Prevention	121,658	-	68,160	
16.543	Missing Children's Assistance	453,633	-	-	
16.550	State Justice Statistics Program for Statistical Analysis Centers	5,812	-	-	
16.554	National Criminal History Improvement Program (NCHIP)	6,443	-	-	
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	89,876	-	-	
16.575	Crime Victim Assistance	35,051,733	-	31,005,868	2
16.576	Crime Victim Compensation	303,597	-	-	
16.582	Crime Victim Assistance/Discretionary Grants	205,929	-	153,866	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. Department of Justice (Continued)					
Direct Programs: (Continued)					
16.585	Drug Court Discretionary Grant Program	607,223	-	-	7
16.588	Violence Against Women Formula Grants	2,135,150	-	1,769,293	
16.593	Residential Substance Abuse Treatment for State Prisoners	466,938	-	-	
16.606	State Criminal Alien Assistance Program	85,433	-	-	
16.609	Project Safe Neighborhoods	255,061	-	242,786	
16.710	Public Safety Partnership and Community Policing Grants	830,070	-	-	
16.738	Edward Byrne Memorial Justice Assistance Grant Program	1,783,810	-	1,466,153	
16.741	DNA Backlog Reduction Program	981,223	-	-	
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	342,632	-	-	
16.750	Support for Adam Walsh Act Implementation Grant Program	292,137	-	-	
16.751	Edward Byrne Memorial Competitive Grant Program	178,067	-	-	
16.754	Harold Rogers Prescription Drug Monitoring Program	549,933	-	-	
16.812	Second Chance Act Reentry Initiative	226,764	-	-	
16.820	Postconviction Testing of DNA Evidence	285,496	-	-	
16.823	Emergency Planning for Juvenile Justice Facilities	48,144	-	-	
16.833	National Sexual Assault Kit Initiative	992,275	-	-	
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program	761,826	-	692,173	
16.839	STOP School Violence	44,076	-	-	
16.922	Equitable Sharing Program	37,672	-	-	
16.U01	Drug Enforcement Administration	1,804,452	-	-	15
16.U02	Federal Bureau of Investigation	40,855	-	-	15
16.U03	Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF) Program	20,696	-	-	15
16.U04	District Fugitive Task Force	3,521	-	-	15
16.U05	Equitable Sharing-Asset Forfeiture	585,389	-	-	15
Total U.S. Department of Justice		\$ 52,339,370	\$ -	\$ 36,475,638	
U.S. Department of Labor					
Direct Programs:					
17.002	Labor Force Statistics	\$ 1,054,539	\$ -	\$ -	
17.005	Compensation and Working Conditions	146,623	-	-	
Employment Service Cluster:					
17.207	Employment Service/Wagner-Peyser Funded Activities	3,693,676	-	-	
17.801	Jobs for Veterans State Grants	1,601,928	-	-	
Total Employment Service Cluster:		5,295,604	-	-	
17.225	Unemployment Insurance	272,886,149	-	-	2, 4
17.225	COVID-19 Unemployment Insurance	475,416,318	-	-	2, 4, 14
17.235	Senior Community Service Employment Program	1,210,188	-	1,099,296	
17.245	Trade Adjustment Assistance	2,191,976	-	855,160	
WIOA Cluster:					
17.258	WIOA Adult Program	14,867,716	-	12,416,096	2
17.259	WIOA Youth Activities	14,557,667	-	13,371,781	2
17.278	WIOA Dislocated Worker Formula Grants	13,919,570	-	11,624,149	2
Total WIOA Cluster:		43,344,953	-	37,412,026	
17.270	Reentry Employment Opportunities	957	-	-	
17.271	Work Opportunity Tax Credit Program (WOTC)	612,105	-	-	
17.273	Temporary Labor Certification for Foreign Workers	527,823	-	-	
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	321,926	-	-	
17.277	COVID-19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants	5,124,189	-	324,408	14
17.285	Apprenticeship USA Grants	683,297	-	42,430	
17.503	Occupational Safety and Health State Program	4,124,520	-	-	
17.600	Mine Health and Safety Grants	417,148	-	-	
17.720	Disability Employment Policy Development	3,149,454	-	3,135,572	
Total U.S. Department of Labor		\$ 816,507,769	\$ -	\$ 42,868,892	
U.S. Department of Transportation					
Direct Programs:					
20.106	Airport Improvement Program and COVID-19 Airports Programs	\$ 145,430	\$ -	\$ -	14
Highway Planning and Construction Cluster:					
20.205	Highway Planning and Construction	899,028,718	-	31,899,197	2, 5
20.205	COVID-19 Highway Planning and Construction	45,388,205	-	105,801	2, 14
20.219	Recreational Trails Program	831,729	-	778,120	2, 6
Total Highway Planning and Construction Cluster:		945,248,652	-	32,783,118	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. Department of Transportation (Continued)					
Direct Programs (Continued):					
FMCSA Cluster:					
20.218	Motor Carrier Safety Assistance	5,317,138	-	113,528	
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	2,191,489	-	14,563	
	Total FMCSA Cluster:	7,508,627	-	128,091	
20.231	Performance and Registration Information Systems Management	237,009	-	-	
20.232	Commercial Driver's License Program Implementation Grant	83,650	-	-	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	237,755	-	-	
Federal Transit Cluster:					
20.500	Federal Transit Capital Investment Grants	105,801	-	-	
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	1,990,327	-	1,676,572	
	Total Federal Transit Cluster:	2,096,128	-	1,676,572	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	1,061,748	-	1,034,126	
20.509	Formula Grants for Rural Areas and Tribal Transit Program	2,197,297	-	1,027,652	
20.509	COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	19,325,850	-	19,318,811	14
Transit Services Programs Cluster:					
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	192,865	-	192,865	
20.513	COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities	295,396	-	295,396	14
	Total Transit Services Programs Cluster:	488,261	-	488,261	
Highway Safety Cluster					
20.600	State and Community Highway Safety	4,530,808	-	2,159,020	
20.616	National Priority Safety Programs	3,302,060	-	1,434,195	
	Total Highway Safety Cluster:	7,832,868	-	3,593,215	
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	504,966	-	-	
20.615	E-911 Grant Program	1,698,746	-	-	
20.700	Pipeline Safety Program State Base Grant	817,996	-	-	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	132,826	-	-	
20.720	State Damage Prevention Program Grants	76,063	-	-	
20.721	PHMSA Pipeline Safety Program One Call Grant	48,931	-	-	
20.933	National Infrastructure Investments	10,856,337	-	4,130,234	
20.934	Nationally Significant Freight and Highway Projects	31,358,355	-	-	
	Total U.S. Department of Transportation	\$ 1,031,957,495	\$ -	\$ 64,180,080	
U.S. Department of Treasury					
Direct Programs:					
21.019	COVID-19 Coronavirus Relief Fund	\$ 67,667,385	\$ -	\$ 14,226,590	2, 14
21.023	COVID-19 Emergency Rental Assistance Program	232,366,235	-	232,000,000	2, 14
21.027	COVID-19 Coronavirus State And Local Fiscal Recovery Funds	859,923,195	-	18,392,455	2, 14
21.U02	Equitable Sharing-Asset Forfeiture	17,849	-	-	15
21.U03	State Small Business Credit Initiative	2,018	-	-	15
	Total U.S. Department of Treasury	\$ 1,159,976,682	\$ -	\$ 264,619,045	
U.S. Appalachian Regional Commission					
Direct Programs:					
23.002	Appalachian Area Development	\$ 9,520,329	\$ -	\$ 9,326,698	
	Total U.S. Appalachian Regional Commission	\$ 9,520,329	\$ -	\$ 9,326,698	
U.S. Equal Employment Opportunity Commission					
Direct Programs:					
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	\$ 73,558	\$ -	\$ -	
	Total U.S. Equal Employment Opportunity Commission	\$ 73,558	\$ -	\$ -	
U.S. General Services Commission					
Direct Programs:					
38.006	State Appraiser Agency Support Grants	\$ 10,770	\$ -	\$ -	
39.003	Donation of Federal Surplus Personal Property	-	2,899	-	10
39.011	Election Reform Payments	4,859	-	-	12
	Total U.S. General Services Commission	\$ 15,629	\$ 2,899	\$ -	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. National Foundation for the Arts and the Humanities					
Direct Programs:					
45.025	Promotion of the Arts Partnership Agreements	\$ 871,475	\$ -	\$ 634,615	
45.025	COVID-19 Promotion of the Arts Partnership Agreements	807,200	-	670,750	14
45.310	Grants to States	2,504,978	-	-	
45.310	COVID-19 Grants to States	1,880,322	-	-	14
Total U.S. National Foundation for the Arts and the Humanities		\$ 6,063,975	\$ -	\$ 1,305,365	
U. S. Small Business Administration					
Direct Programs:					
59.061	State Trade Expansion	\$ 352,816	\$ -	\$ -	
Total U. S. Small Business Administration		\$ 352,816	\$ -	\$ -	
U.S. Department of Veteran Affairs					
Direct Programs:					
64.015	Veterans State Nursing Home Care	\$ 19,866,286	\$ -	\$ -	
64.101	Burial Expenses Allowance for Veterans	1,061,040	-	-	
Total U.S. Department of Veteran Affairs		\$ 20,927,326	\$ -	\$ -	
U.S. Environmental Protection Agency					
Direct Programs:					
66.032	State Indoor Radon Grants	\$ 255,700	\$ -	\$ 131,814	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	381,094	85,520	-	10
66.040	Diesel Emissions Reduction Act (DERA) State Grants	169,087	-	126,206	
66.202	Congressionally Mandated Projects	2,878	-	-	
66.204	Multipurpose Grants to States and Tribes	78,346	-	-	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	255,762	-	10,254	
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	15,238	-	-	
66.444	Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	14,667	-	-	
66.454	Water Quality Management Planning	101,806	-	-	
Clean Water State Revolving Fund Cluster:					
66.458	Capitalization Grants for Clean Water State Revolving Funds	606,690	-	-	
Total Clean Water State Revolving Fund Cluster:		606,690	-	-	
Drinking Water State Revolving Fund Cluster:					
66.468	Capitalization Grants for Drinking Water State Revolving Funds	5,703,230	-	24,173	
Total Drinking Water State Revolving Fund Cluster:		5,703,230	-	24,173	
66.605	Performance Partnership Grants	11,706,878	-	1,687,936	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	304,951	-	-	
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	401,578	-	-	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,217,976	-	-	
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	80,662	-	-	
66.817	State and Tribal Response Program Grants	15,707	-	14,951	
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	82,689	-	12,500	
Total U.S. Environmental Protection Agency		\$ 21,394,939	\$ 85,520	\$ 2,007,834	
U. S. Department of Energy					
Direct Programs:					
81.041	State Energy Program	\$ 1,049,252	\$ -	\$ 393,002	
81.104	Environmental Remediation and Waste Processing and Disposal	1,414,145	-	-	
81.138	State Heating Oil and Propane Program	3,413	-	-	
Total U. S. Department of Energy		\$ 2,466,810	\$ -	\$ 393,002	
U.S. Department of Education					
Direct Programs:					
84.002	Adult Education - Basic Grants to States	\$ 11,808,646	\$ -	\$ 11,400,807	
84.010	Title I Grants to Local Educational Agencies	252,036,917	-	241,873,306	2
84.011	Migrant Education State Grant Program	7,605,718	-	7,254,394	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,021,124	-	441,353	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U.S. Department of Education (Continued)					
Direct Programs (Continued):					
Special Education Cluster (IDEA):					
84.027	COVID-19 Special Education Grants to States	6,820,125	-	6,820,125	2, 14
84.027	Special Education Grants to States	167,294,778	-	163,766,733	2
84.173	COVID-19 Special Education Preschool Grants	761,536	-	761,536	2, 14
84.173	Special Education Preschool Grants	10,691,896	-	10,087,489	2
Total Special Education Cluster (IDEA):		185,568,335	-	181,435,883	
84.048	Career and Technical Education -- Basic Grants to States	21,193,819	-	17,584,091	
84.051	Career and Technical Education -- National Programs	296,799	-	296,799	
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	59,070,648	-	6,346,070	2
84.144	Migrant Education Coordination Program	135,415	-	-	
84.161	Rehabilitation Services Client Assistance Program	151,094	-	41,599	
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	230,837	-	-	
84.181	Special Education-Grants for Infants and Families	5,828,513	-	-	
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	502,011	-	151,524	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	600,000	-	-	
84.196	Education for Homeless Children and Youth	1,559,855	-	1,415,941	
84.235	Rehabilitation Services Demonstration and Training Programs	163	-	-	
84.240	Program of Protection and Advocacy of Individual Rights	212,164	-	-	
84.287	Twenty-First Century Community Learning Centers	17,814,528	-	17,651,804	
84.323	Special Education - State Personnel Development	2,126,818	-	2,082,601	
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	142,698	-	135,003	
84.358	Rural Education	5,148,956	-	5,089,534	
84.365	English Language Acquisition State Grants	3,692,453	-	3,613,030	
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	33,104,133	-	31,344,482	2
84.369	Grants for State Assessments and Related Activities	2,142,189	-	-	
84.371	Comprehensive Literacy Development	7,277,289	-	6,967,582	
84.372	Statewide Longitudinal Data Systems	721,017	-	-	
84.424	Student Support and Academic Enrichment Program	17,556,947	-	17,087,890	
84.425	COVID-19 Education Stabilization Fund	961,880,001	-	926,232,678	2, 14
84.426	Randolph-Sheppard -- Financial Relief and Restoration Payments	361,948	-	361,948	
84.U01	National Center for Education Statistics	312,167	-	137,864	15
Total U.S. Department of Education		\$ 1,600,103,202	\$ -	\$ 1,478,946,183	
U.S. National Archives and Records Administration					
Direct Programs:					
89.003	National Historical Publications and Records Grants	\$ 33,642	\$ -	\$ -	
Total U.S. National Archives and Records Administration		\$ 33,642	\$ -	\$ -	
U.S. Election Assistance Commission					
Direct Programs:					
90.401	Help America Vote Act Requirements Payments	\$ 1,037,191	\$ -	\$ 100,676	
90.404	2018 HAVA Election Security Grants	1,741,270	-	1,639,658	
Total U.S. Election Assistance Commission		\$ 2,778,461	\$ -	\$ 1,740,334	
U. S. Department of Health and Human Services					
Direct Programs:					
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	\$ 74,372	\$ -	\$ 74,372	
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	163,631	-	163,631	
93.042	COVID-19 Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	59,731	-	59,731	14
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	240,671	-	240,584	
93.043	COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	5,400	-	5,400	14
Aging Cluster:					
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	5,913,572	-	5,676,351	
93.044	COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	501,920	-	426,454	14
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	7,930,842	-	7,825,922	
93.045	COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services	279,083	-	279,083	14
93.053	Nutrition Services Incentive Program	1,493,490	-	1,493,490	
Total Aging Cluster:		16,118,907	-	15,701,300	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U. S. Department of Health and Human Services (Continued)					
Direct Programs (Continued):					
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	157,012	-	-	
93.048	COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	518,284	-	-	14
93.052	National Family Caregiver Support, Title III, Part E	2,192,933	-	2,165,639	
93.052	COVID-19 National Family Caregiver Support, Title III, Part E	475,008	-	475,008	14
93.069	Public Health Emergency Preparedness	7,069,307	-	3,011,888	
93.070	Environmental Public Health and Emergency Response	1,034,331	-	10,838	
93.070	COVID-19 Environmental Public Health and Emergency Response	197,634	-	-	14
93.071	Medicare Enrollment Assistance Program	640,182	-	528,773	
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	169,297	-	-	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	625,227	-	486,383	
93.103	Food and Drug Administration Research	750,192	-	-	
93.103	COVID-19 Food and Drug Administration Research	43,610	-	-	14
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	2,561,549	-	646,152	
93.110	Maternal and Child Health Federal Consolidated Programs	222,200	-	-	
93.110	COVID-19 Maternal and Child Health Federal Consolidated Programs	125,057	-	-	14
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	658,530	7,593	-	10
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	181,712	-	34,083	
93.136	Injury Prevention and Control Research and State and Community Based Programs	784,871	-	525,669	
93.138	Protection and Advocacy for Individuals with Mental Illness	492,250	-	-	
93.150	Projects for Assistance in Transition from Homelessness (PATH)	500,529	-	481,367	
93.184	Disabilities Prevention	72,284	-	-	
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	460,423	-	336,611	
93.217	Family Planning Services	2,706,593	-	1,728,837	
93.234	Traumatic Brain Injury State Demonstration Grant Program	352,748	-	-	
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	703,414	-	579,132	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	6,889,116	-	4,118,026	7
93.243	COVID-19 Substance Abuse and Mental Health Services Projects of Regional and National Significance	159	-	-	14
93.251	Early Hearing Detection and Intervention	169,839	-	-	
93.268	Immunization Cooperative Agreements	3,870,591	56,477,153	-	2, 10
93.268	COVID-19 Immunization Cooperative Agreements	22,935,470	-	8,663,433	2, 14
93.270	Viral Hepatitis Prevention and Control	291,006	-	-	
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	4,291	-	-	
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	99,796	-	-	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,897,964	-	9,466	2
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	240,504,814	-	42,201,539	2, 14
93.324	State Health Insurance Assistance Program	520,467	-	520,467	
93.325	Paralysis Resource Center	48,161	-	-	
93.336	Behavioral Risk Factor Surveillance System	516,658	-	-	
93.336	COVID-19 Behavioral Risk Factor Surveillance System	15,000	-	-	14
93.354	COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	4,772,321	-	2,831,741	14
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	435,728	-	-	
93.369	ACL Independent Living State Grants	235,005	-	231,413	
93.387	National and State Tobacco Control Program	1,583,050	-	34,355	
93.391	COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	1,676,267	-	-	14
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	2,206,186	-	102,551	
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke-	964,602	-	72,729	
93.464	ACL Assistive Technology	389,832	-	187,361	
93.470	Alzheimer's Disease Program Initiative (ADPI)	1,333	-	-	
93.472	Title IV-E Prevention Program	13,032,634	-	6,446,377	
93.472	COVID-19 Title IV-E Prevention Program	7,873,331	-	-	14
93.495	COVID-19 Community Health Workers for Public Health Response and Resilient	430,971	-	-	14
93.498	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	7,902,014	-	-	14
93.504	Family to Family Health Information Centers	93,682	-	-	
93.525	COVID-19 State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	546,807	-	-	14
93.556	MaryLee Allen Promoting Safe and Stable Families Program	6,915,089	-	4,088,857	
93.556	COVID-19 MaryLee Allen Promoting Safe and Stable Families Program	264,285	-	-	14
93.558	Temporary Assistance for Needy Families	147,636,973	-	9,498,439	2
93.558	COVID-19 Temporary Assistance for Needy Families	16,901,276	-	-	2, 14

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U. S. Department of Health and Human Services (Continued)					
Direct Programs (Continued):					
93.563	Child Support Enforcement	40,679,441	-	25,881,008	2
93.564	Child Support Enforcement Research	272,163	-	-	7
93.568	Low-Income Home Energy Assistance	46,001,688	-	45,943,119	2
93.568	COVID-19 Low-Income Home Energy Assistance	76,654,561	-	76,650,886	2, 14
93.569	Community Services Block Grant	9,878,023	-	9,766,338	
93.569	COVID-19 Community Services Block Grant	4,830,400	-	4,830,400	14
CCDF Cluster:					
93.575	Child Care and Development Block Grant	83,761,611	-	5,647,137	2
93.575	COVID-19 Child Care and Development Block Grant	244,744,535	-	1,254,845	2, 14
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	31,611,828	-	-	2
Total CCDF Cluster:		360,117,974	-	6,901,982	
93.586	State Court Improvement Program	409,891	-	-	
93.590	Community-Based Child Abuse Prevention Grants	2,828,303	-	2,412,190	
93.590	COVID-19 Community-Based Child Abuse Prevention Grants	57,400	-	-	14
93.597	Grants to States for Access and Visitation Programs	119,692	-	-	
93.599	Chafee Education and Training Vouchers Program (ETV)	879,500	-	-	
93.599	COVID-19 Chafee Education and Training Vouchers Program (ETV)	626,500	-	-	14
Head Start Cluster:					
93.600	Head Start	27,052	-	-	
Total Head Start Cluster:		27,052	-	-	
93.603	Adoption and Legal Guardianship Incentive Payments	662,691	-	520,365	
93.618	Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	45,799	-	-	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,417,662	-	-	
93.630	COVID-19 Developmental Disabilities Basic Support and Advocacy Grants	50,854	-	-	14
93.639	COVID-19 Section 9813: State Planning Grants for Qualifying Community-Based Mobile Crisis Intervention Services	429,418	-	-	14
93.643	Children's Justice Grants to States	257,456	-	174,956	
93.645	Stephanie Tubbs Jones Child Welfare Services Program	4,393,736	-	-	
93.658	Foster Care Title IV-E	44,560,090	-	2,975,075	2
93.658	COVID-19 Foster Care Title IV-E	1,856,988	-	-	2, 14
93.659	Adoption Assistance	73,225,119	-	-	2
93.659	COVID-19 Adoption Assistance	6,893,326	-	-	2, 14
93.664	Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act	60,969	-	-	
93.665	COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	2,797,433	-	2,249,939	14
93.667	Social Services Block Grant	22,709,276	-	23,179	
93.669	Child Abuse and Neglect State Grants	367,304	-	230,953	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,751,853	-	1,751,853	
93.671	COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	393,801	-	393,801	14
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	2,358,092	-	1,548,795	
93.674	COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	2,034,423	-	140,272	14
93.686	Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	549,807	-	238,199	
93.747	COVID-19 Elder Abuse Prevention Interventions Program	268,939	-	123,998	14
93.767	Children's Health Insurance Program	343,633,814	-	-	2
Medicaid Cluster:					
93.775	State Medicaid Fraud Control Units	3,481,500	-	-	2
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	8,591,594	-	-	2
93.777	COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	506,995	-	-	2, 14
93.778	Medical Assistance Program	11,538,764,181	-	-	2, 7
93.778	COVID-19 Medical Assistance Program	682,626,158	-	-	2, 14
93.778	ARRA Medical Assistance Program	5,826,109	-	-	2, 13
Total Medicaid Cluster:		12,239,796,537	-	-	
93.788	Opioid STR	48,707,324	-	-	2
93.791	Money Follows the Person Rebalancing Demonstration	866,350	-	-	
93.800	Organized Approaches to Increase Colorectal Cancer Screening	650,012	-	13,414	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**COMMONWEALTH OF KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

ALN	Program Title	Expenditures		Provided to Subrecipient	Note(s)
		Cash	Noncash		
U. S. Department of Health and Human Services (Continued)					
Direct Programs (Continued):					
93.843	ACL Assistive Technology State Grants for Protection and Advocacy	46,211	-	-	
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	5,521,658	-	4,991,340	
93.870	COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant	1,983	-	-	14
93.873	State Grants for Protection and Advocacy Services	52,718	-	-	
93.889	National Bioterrorism Hospital Preparedness Program	2,583,737	160,929	1,023,146	10
93.889	COVID-19 National Bioterrorism Hospital Preparedness Program	566,811	-	561,366	14
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	2,384,122	-	234,572	
93.917	HIV Care Formula Grants	8,010,359	-	5,303,675	
93.917	COVID-19 HIV Care Formula Grants	31,627	-	29,831	14
93.940	HIV Prevention Activities Health Department Based	2,767,163	-	1,009,474	
93.945	Assistance Programs for Chronic Disease Prevention and Control	1,103,717	-	41,603	
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	231,422	-	-	
93.958	Block Grants for Community Mental Health Services	10,126,584	-	8,465,148	
93.958	COVID-19 Block Grants for Community Mental Health Services	4,153,542	-	3,854,891	14
93.959	Block Grants for Prevention and Treatment of Substance Abuse	21,214,000	-	18,116,568	
93.959	COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	2,588,949	-	1,801,984	14
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,183,721	427,108	-	10
93.977	COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	216,549	-	-	14
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	744,992	-	456,808	
93.982	Mental Health Disaster Assistance and Emergency Mental Health	4,085,573	-	2,997,016	
93.991	Preventive Health and Health Services Block Grant	2,327,485	-	332,803	
93.994	Maternal and Child Health Services Block Grant to the States	11,328,238	-	-	
93.997	Assisted Outpatient Treatment	562,978	-	405,188	
93.U01	Other Federal Assistance	14,340	-	-	15
93.U02	Medicare Nursing Home Care	1,169,258	-	-	15
93.U03	Kentucky Compliance & Enforcement Tobacco Retail Inspections	384,767	-	-	15
Total U. S. Department of Health and Human Services		\$ 13,959,506,772	\$ 57,072,783	\$ 338,658,287	
U.S. Corporation for National and Community Service					
Direct Programs:					
94.003	State Commissions	\$ 252,158	\$ -	\$ -	
94.006	AmeriCorps	6,684,970	-	6,364,464	
94.006	COVID-19 AmeriCorps	576,998	-	576,998	14
94.008	Commission Investment Fund	180,241	-	-	
94.021	Volunteer Generation Fund	79,191	-	-	
Total U.S. Corporation for National and Community Service		\$ 7,773,558	\$ -	\$ 6,941,462	
U.S. Office of National Drug Control Policy					
Direct Programs:					
95.001	High Intensity Drug Trafficking Areas Program	\$ 1,112,790	\$ -	\$ -	
Total U.S. Office of National Drug Control Policy		\$ 1,112,790	\$ -	\$ -	
U.S. Social Security Administration					
Direct Programs:					
Disability Insurance /SSI Cluster:					
96.001	Social Security Disability Insurance	\$ 51,792,853	\$ -	\$ -	2
Total Disability Insurance /SSI Cluster:		51,792,853	-	-	
96.009	Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	478,431	-	-	
Total U.S. Social Security Administration		\$ 52,271,284	\$ -	\$ -	
U.S. Department of Homeland Security					
Direct Programs:					
97.012	Boating Safety Financial Assistance	\$ 1,643,752	\$ -	\$ -	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	260,000	-	-	
97.029	Flood Mitigation Assistance	2,492,821	-	2,492,821	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	84,402,149	-	41,796,528	2
97.039	Hazard Mitigation Grant	2,391,869	-	2,320,958	
97.040	Chemical Stockpile Emergency Preparedness Program	18,824,502	-	16,279,914	
97.041	National Dam Safety Program	225,336	-	-	
97.042	Emergency Management Performance Grants	4,606,153	-	2,468,057	
97.045	Cooperating Technical Partners	3,133,204	-	-	
97.047	BRIC: Building Resilient Infrastructure and Communities	273,749	-	273,749	
97.056	Port Security Grant Program	962,413	-	-	
97.067	Homeland Security Grant Program	2,700,828	-	1,487,687	
97.082	Earthquake Consortium	16,891	-	15,000	
97.U01	Other Federal Assistance (HSI)	24,035	-	-	15
Total U.S. Department of Homeland Security		\$ 121,957,702	\$ -	\$ 67,134,714	
Total All State Agencies		\$ 19,745,372,701	\$ 1,912,429,025	\$ 2,972,073,184	

See accompanying Notes to the Schedule of Expenditures of Federal Awards

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NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Basis of Presentation and Significant Accounting Policies

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule includes the federal award activity of the Commonwealth, except those programs administered by state universities and other discretely presented component units, for the year ended June 30, 2022. Because the Schedule presents only a selected portion of the operations of the Commonwealth, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commonwealth.

Significant Accounting Policies - Expenditures reported on the Schedule are presented on the cash basis of accounting as modified by the application of Kentucky Revised Statute (KRS) 45.229.

KRS 45.229 provides that the Finance and Administration Cabinet may, “for a period of thirty (30) days after the close of any fiscal year, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of expenditures incurred during that year or in fulfillment of contracts properly made during the year, but for no other purpose.” However, there is an exception to the application of KRS 45.229 in that regular payroll expenses incurred during the final pay period of the fiscal year are charged to the next year.

All federal award expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Commonwealth has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The basic financial statements of the Commonwealth are presented on the modified accrual basis of accounting for the governmental fund financial statements and the accrual basis of accounting for the government-wide, proprietary, and fiduciary fund financial statements.

Noncash assistance programs are not reported in the basic financial statements of the Commonwealth for FY 2022. The noncash expenditures presented on the Schedule represent the noncash assistance expended using the method or basis of valuation described in Note 10.

Clusters of programs are indicated on the Schedule by light gray shading.

**COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 1 - Basis of Presentation and Significant Accounting Policies (Continued)

Programs that do not have an Assistance Listing Number (ALN) are identified using the two-digit federal identifier prefix, the letter “U” for Unknown, and a preassigned two-digit number. Additional identifying factors used by the Commonwealth are described in Note 15.

Inter-Agency Activity - Certain transactions relating to federal financial assistance may appear in the records of more than one (1) state agency. To avoid the overstatement of federal expenditures, the following policies were adopted for the presentation of the schedule:

- (a) Federal funds may be received by a state agency and passed through to another state agency where the moneys are expended. Except for pass-through to state universities and discretely presented component units, as discussed below, this inter-agency transfer activity is reported by the agency expending the moneys.

State agencies that pass federal funds to state universities and discretely presented component units report those amounts as expenditures.

- (b) Federal funds received by a state agency and used to purchase goods or services from another state agency are reported in the schedule as expenditures by the purchasing agency only.

Note 2 - Type A Programs

Type A programs for the Commonwealth mean any program for which total expenditures of federal awards exceeded \$32,486,703 for FY 2022. The Commonwealth had the following programs (cash and noncash) that met the Type A program definition for FY 2022, some of which were administered by more than one (1) state agency. Certain component units and agencies audited by certified public accounting firms had lower dollar thresholds. The Commonwealth identified clusters among the Type A programs by gray shading. These Type A programs and clusters were:

ALN	Program Title	Expenditures
10.542	COVID-19 Pandemic EBT Food Benefits	\$ 328,510,557
Supplemental Nutrition Assistance Program Cluster		
10.551	Supplemental Nutrition Assistance Program	897,626,030
10.551	COVID-19 Supplemental Nutrition Assistance Program	562,415,597
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	86,821,104
10.561	COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	2,808,866

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

Note 2 - Type A Programs (Continued)

ALN	Program Title	Expenditures
Child Nutrition Cluster		
10.553	School Breakfast Program	109,953,261
10.555	National School Lunch Program	330,525,238
10.555	COVID-19 National School Lunch Program	29,950,083
10.556	Special Milk Program for Children	11,892
10.559	Summer Food Service Program for Children	49,398,464
10.582	Fresh Fruit and Vegetable Program	3,702,765
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	104,066,136
10.557	COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants, and Children	3,458,153
10.558	Child and Adult Care Food Program	41,854,007
10.558	COVID-19 Child and Adult Care Food Program	5,190,269
Food Distribution Cluster		
10.565	Commodity Supplemental Food Program	13,416,272
10.565	COVID-19 Commodity Supplemental Food Program	301,194
10.568	Emergency Food Assistance Program (Administrative Costs)	2,410,105
10.568	COVID-19 Emergency Food Assistance Program (Administrative Costs)	1,742,367
10.569	Emergency Food Assistance Program (Food Commodities)	14,933,718
10.569	COVID-19 Emergency Food Assistance Program (Food Commodities)	8,872,795
16.575	Crime Victim Assistance	35,051,733
17.225	Unemployment Insurance	272,886,149
17.225	COVID-19 Unemployment Insurance	475,416,318
WIOA Cluster		
17.258	WIOA Adult Program	14,867,716
17.259	WIOA Youth Activities	14,557,667
17.278	WIOA Dislocated Worker Formula Grants	13,919,570
Highway Planning and Construction Cluster		
20.205	Highway Planning and Construction	899,028,718
20.205	COVID-19 Highway Planning and Construction	45,388,205
20.219	Recreational Trails Program	831,729
21.019	COVID-19 Coronavirus Relief Fund	67,667,385
21.023	COVID-19 Emergency Rental Assistance Program	232,366,235
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	859,923,195
84.010	Title I Grants to Local Educational Agencies	252,036,917
Special Education Cluster (IDEA)		
84.027	Special Education Grants to States	167,294,778
84.027	COVID-19 Special Education Grants to States	6,820,125
84.173	Special Education Preschool Grants	10,691,896
84.173	COVID-19 Special Education Preschool Grants	761,536

**COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 2 - Type A Programs (Continued)

ALN	Program Title	Expenditures
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	59,070,648
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	33,104,133
84.425	COVID-19 Education Stabilization Fund	961,880,001
93.268	Immunization Cooperative Agreements	60,347,744
93.268	COVID-19 Immunization Cooperative Agreements	22,935,470
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,897,964
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	240,504,814
93.558	Temporary Assistance for Needy Families	147,636,973
93.558	COVID-19 Temporary Assistance for Needy Families	16,901,276
93.563	Child Support Enforcement	40,679,441
93.568	Low-Income Home Energy Assistance	46,001,688
93.568	COVID-19 Low-Income Home Energy Assistance	76,654,561
CCDF Cluster		
93.575	Child Care and Development Block Grant	83,761,611
93.575	COVID-19 Child Care and Development Block Grant	244,744,535
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	31,611,828
93.658	Foster Care Title IV-E	44,560,090
93.658	COVID-19 Foster Care Title IV-E	1,856,988
93.659	Adoption Assistance	73,225,119
93.659	COVID-19 Adoption Assistance	6,893,326
93.767	Children's Health Insurance Program	343,633,814
Medicaid Cluster		
93.775	State Medicaid Fraud Control Units	3,481,500
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	8,591,594
93.777	COVID-19 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	506,995
93.778	Medical Assistance Program	11,538,764,181
93.778	ARRA Medical Assistance Program	5,826,109
93.778	COVID-19 Medical Assistance Program	682,626,158
93.788	Opioid STR	48,707,324
Disability Insurance/Supplemental Security Income Cluster		
96.001	Social Security Disability Insurance	51,792,853
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	84,402,149
Total Type A Programs		\$ 20,930,079,632

**COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 3 - Federally Assisted Loan Program (ALN 10.U01)

The Kentucky Rural Rehabilitation Student Loan Program was initially awarded \$672,629 in 1970 by the U.S. Farmers Home Administration. Since 1970, the program has operated on interest from student loans outstanding and on income from investments administered by the Office of Financial Management. The Department of Agriculture is no longer in the business of making student loans and reassigned all loans in payment compliance to the Kentucky Higher Education Assistance Authority (KHEAA). The Department of Agriculture retained only those loans that had a delinquent payment history. This program is currently in phase-out status, with authorization from the U.S. Department of Agriculture (USDA) to eliminate the principal through issuance of specific grants and scholarships.

All outstanding loans have been classified as contingent uncollectible liabilities; however, if loan payments are received, they are directly deposited into the principal account. As of June 30, 2022, outstanding student loans totaled \$64,466. There were no new grants or scholarships authorized by the USDA in FY 2022.

Note 4 - Unemployment Insurance (ALN 17.225)

The expenditures presented in the SEFA for Unemployment Insurance (ALN 17.225) are further identified as Benefits or Administrative Costs in the table below:

ALN	Program Title	Benefits	Administrative Costs	Total Expenditures
17.225	Unemployment Insurance	\$ 233,876,237	\$ 39,009,912	\$ 272,886,149
17.225	COVID-19 Unemployment Insurance	457,389,489	18,026,829	475,416,318
	Total	\$ 691,265,726	\$ 57,036,741	\$ 748,302,467

Note 5 - Highway Planning and Construction (ALN 20.205)

The information reported for the Highway Planning and Construction program represents the activity of all open projects during FY 2022. These projects were funded from several appropriations. Appropriations refer to a federal, statutorily prescribed division or assignment of funds. The expenditures reflected on the schedule include expenditures for advance construction projects, which are not yet under agreements with the Federal Highway Administration. Expenditures for the Highway Planning and Construction program were shown, net of any refunds, resulting from a reimbursement of prior or current year expenditures. Refunds totaled \$2,592,932 for FY 2022.

Note 6 - Outdoor Recreation Acquisition, Development and Planning (ALN 15.916) and Recreational Trails Program (ALN 20.219)

Administrative costs are shown as expended when received from the federal government. These costs are recovered through a negotiated, fixed indirect cost rate. Any over or under recovery will be recouped in the future.

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

Note 7 - Research and Development Expenditures

Title 2 U.S. Code of Federal Regulations Part 200.87 states, "Research and development (R&D) means all research activities, both basic and applied, and all development activities that are performed by a non-federal entity."

The expenditures presented in the SEFA include R&D expenditures. The R&D portions of the expenditures for each program are listed below:

<u>ALN</u>	<u>Program Title</u>	<u>State Agency</u>	<u>Expenditures</u>
15.605	Sport Fish Restoration	F&W	553,411
15.608	Fish and Wildlife Management Assistance	F&W	1,843,475
15.611	Wildlife Restoration and Basic Hunter Education	F&W	1,598,273
15.615	Cooperative Endangered Species Conservation Fund	F&W	76,964
15.634	State Wildlife Grants (SWG)	F&W	490,495
15.657	Endangered Species Recovery Implementation	F&W	282,917
16.585	Drug Court Discretionary Grant Program	AOC	59,337
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	AOC	273,391
93.564	Child Support Enforcement Research	CHFS	272,163
93.778	Medical Assistance Program	CHFS	2,239,863
Total Research and Development Expenditures			<u>\$ 7,690,289</u>

Note 8 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (ALN 14.228)

The Commonwealth matches the federal portion of administration dollar for dollar. Cash expenditures include the federal portion of administration.

Note 9 - Wildlife Restoration and Basic Hunter Education (ALN 15.611)

The Department of Fish and Wildlife Resources leases properties from the U.S. Army Corp of Engineers for Condition Three and Condition Five Projects. These projects stipulate that the properties leased be managed for wildlife purposes and may produce income. The leases for wildlife management rights on these properties are non-monetary. The Department of Fish and Wildlife Resources currently leases the following properties:

Barren River	Birdsville Island
Green River	Lake Cumberland
Dewey Lake	Paintsville Lake
Fishtrap Lake	Taylorville Lake
Barlow Bottoms-Olmstead	Sloughs-Grassy Pond

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

Note 9 - Wildlife Restoration and Basic Hunter Education (ALN 15.611) (Continued)

Any expenditure in excess of revenue from each property listed above will be eligible for reimbursement under the Wildlife Restoration and Basic Hunter Education grant (ALN 15.611) from the U.S. Department of the Interior. The properties listed above are not reimbursed with federal funds if the grant has already been expended to manage other wildlife properties.

Note 10 - Noncash Expenditure Programs

The Commonwealth's noncash programs and a description of the method/basis of valuation for FY 2022 are as follows:

ALN	Program Title	Method/Basis of Valuation	Amount
10.542	COVID-19 Pandemic EBT Food Benefits	EBT Issuance	\$ 328,510,557
10.551	Supplemental Nutrition Assistance Program	EBT Issuance	897,626,030
10.551	COVID-19 Supplemental Nutrition Assistance Program	EBT Issuance	562,415,597
10.555	National School Lunch Program	Commodities issued for FY 2022 per WBSCM Report	31,891,845
10.565	Commodity Supplemental Food Program	Commodities issued for FY 2022 per WBSCM Report	10,895,425
10.569	Emergency Food Assistance Program	Commodities issued for FY 2022 per WBSCM Report	14,815,916
10.569	COVID-19 Emergency Food Assistance Program	Commodities issued for FY 2022 per WBSCM Report	8,872,795
10.652	Forestry Research	Determined by Federal Government	61,753
12.700	Donations/Loans of Obsolete DOD Property	Acquisition Cost determined by the Department of Defense	177,905
39.003	Donation of Federal Surplus Personal Property	22.47% of federal acquisition cost \$12,903	2,899
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	(Environmental Protection Agency contracts with Eastern Research Group for sample analysis)	85,520
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	NGA	7,593
93.268	Immunization Cooperative Agreements	Program Staff	56,477,153
93.889	National Bioterrorism Hospital Preparedness Program	Program Staff	160,929
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	CDC Report	427,108
Total Noncash Expenditures			\$ 1,912,429,025

**COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 11 - Activity Occurring in Programs with Inventoriable Items

In prior years, Kentucky Department of Agriculture operated a warehouse of inventoriable items for the Commodity Supplemental Food Program (ALN 10.565). The Commonwealth no longer maintains warehouse space or stores non-cash food commodity items as those items are shipped to food banks directly from food commodity distributors.

Note 12 - Election Reform Payments (ALN 39.011)

Interest earned must be used for additional program expenditures.

Note 13 - Pertaining to ARRA

In order to identify ARRA funds on the Schedule of Expenditures of Federal Awards, the prefix will precede the Program Title on the Grantor Schedule.

ARRA: American Recovery and Reinvestment Act.

Note 14 - Pertaining to Novel Coronavirus Pandemic Relief

In order to identify COVID-19 funds on the Schedule of Expenditures of Federal Awards, the prefix "COVID-19" will precede the Program Title on the Grantor Schedule. The following list identifies the various federal acts the Commonwealth received COVID-19 funding from:

ARPA: American Rescue Plan Act

CARES: Coronavirus Aid, Relief, and Economic Security Act

CPRSAA: Coronavirus Preparedness and Response Supplemental Appropriations Act

CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act

FFCRA: Families First Coronavirus Response Act

PPP: Paycheck Protection Program and Health Care Enhancement Act

Note 15 - Unknown ALN

When a Federal program has been awarded to the Commonwealth with an unknown ALN, the items discussed in Note 1 - *Significant Accounting Policies* are used to prepare the Schedule. The Commonwealth also uses other identifiers such as the major program, program, and function codes as established through grant accounting. A list of all Unknown ALNs and other identifying factors having expenditures during FY 2022 are listed below:

**COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Note 15 - Unknown ALN (Continued)

ALN	Program Title	Agency	Award Identifier	Expenditures
10.U02	HWA Participating Agreement with Daniel Boone National Forest	EEC	16-PA-11080200-009	2,711
12.U01	Chemical Demilitarization and Remediation Activity for Hazardous Waste Activities at Chemical Demilitarization Facilities	EEC	ACWPRG-04-BBB0	1,678,990
16.U01	Drug Enforcement Administration	KSP	MULTIPLE	1,804,452
16.U02	Federal Bureau of Investigation	KSP	MULTIPLE	40,855
16.U03	Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF) Program	KSP	MOA# 19-LOU-168-AFF MOA# 20-LOU-168-AFF	20,696
16.U04	District Fugitive Task Force	KSP	MOU	3,521
16.U05	Equitable Sharing- Asset Forfeiture	KSP	ASSET FORFEITURE US DOJ	585,389
21.U02	Equitable Sharing- Asset Forfeiture	KSP	ASSET FORFEITURE US TREASURY	17,849
21.U03	State Small Business Credit Initiative	CED	GEXP-11SB200Z	2,018
84.U01	National Center for Education Statistics	EDU	91990020C0043	312,167
93.U01	Other Federal Assistance	KSP	2019-CIO-715-0457 2020-CIO-715-0457	14,340
93.U02	Medicare Nursing Home Care	VA	KY-074-1324-DA00-R604	1,169,258
93.U03	Kentucky Compliance & Enforcement Tobacco Retail Inspections	PPC	FDAPRG-FDA00-19-BB00/BG00	384,767
97.U01	Other Federal Assistance	KSP	Other Federal Assistance	24,035
Total				<u>\$ 6,061,048</u>

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



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
Government Auditing Standards

Honorable Andy Beshear, Governor
Cabinet Secretaries and Agency Heads
Members of the Commonwealth of Kentucky General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 Commonwealth of Kentucky as of and for the Fiscal Year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements, and have issued our report thereon dated January 25, 2023. Our report includes a reference to other auditors who audited the financial statements of certain component units and funds, as listed in our report on the Commonwealth's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commonwealth's internal control over financial reporting (internal control) as a basis for designing 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 Commonwealth's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
Government Auditing Standards
(Continued)

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of financial statement findings to be material weaknesses: 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005.

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 following deficiencies described in the accompanying schedule of financial statement findings to be significant deficiencies: 2022-006, 2022-007, 2022-008, 2022-009, 2022-010, 2022-011, 2022-012, 2022-013, 2022-014, and 2022-015.

Compliance and Other Matters

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

Management's Responses to Findings

Management's responses to the findings identified in our audit are described in the accompanying schedule of financial statement findings. Management'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.

Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of
Financial Statements Performed In Accordance With
Government Auditing Standards
(Continued)

Purpose of this Report

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

Respectfully Submitted,

A handwritten signature in black ink that reads "Farrah Petter". The signature is written in a cursive style with a large initial 'F'.

Farrah Petter, CPA
Assistant Auditor of Public Accounts
Frankfort, Kentucky

January 25, 2023

FINANCIAL STATEMENT FINDINGS

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-001: The Finance And Administration Cabinet Failed To Accurately Report Borrowings From The Federal Unemployment Account In The Unemployment Compensation Fund

During the compilation period for the fiscal year (FY) 2022 financial statements, the Finance and Administration Cabinet (FAC) determined the FY 2022 Unemployment Compensation Fund's accounts payable balance to be understated and the FY 2021 fund balance to be overstated. Based on FAC's evaluation, \$173,180,438 in borrowings from the Federal Unemployment Account (FUA) were recorded as increases in revenue instead of accounts payable in FY 2021. The entries for these accounts are completed by FAC during the fiscal year. In addition, FAC had processed a journal voucher (JV) incorrectly in FY 2021, increasing revenue instead of accounts payable by \$158,640,124.

In FAC's attempt to fix the issue during the compilation period, JVs were processed that incorrectly affected the FY 2022 cash balance and revenues while not correcting the prior year fund balance.

During FY 2021, internal controls at FAC did not prevent or detect the errors in recording the borrowings. In addition, internal controls at FAC over the closeout process did not detect the errors.

FAC processed three JVs to correct the prior year errors that resulted in overstatements to cash, understatements to revenues, and did not correct the prior year fund balance. A fourth JV reversed each of the three JVs and appropriately increased accounts payable and reduced the prior year fund balance.

As a result, the Unemployment Compensation Fund's FY 2021 accounts payable balance was understated, and revenues and fund balance were overstated, by \$331,820,562. Before the FY 2022 financial statements were compiled, a prior period adjustment was prepared, restating the FY 2021 balances for both accounts payable and fund balance.

Sound internal controls dictate procedures be in place to ensure all financial data is complete and accurate and that journal entries are correct and justified.

GASB Statement 62, paragraph 60 states: "A correction of an error in previously issued financial statements should be accounted for and reported as a prior-period adjustment and excluded from the change in net position section of the flows statement for the current period."

Recommendation

We recommend FAC and the Office of Unemployment Insurance (OUI) work together to ensure any future FUA borrowings and journal vouchers are recorded properly in the state's accounting system. In addition, FAC should be alert for unusual account balances when performing closeout procedures.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-001: The Finance And Administration Cabinet Failed To Accurately Report Borrowings From The Federal Unemployment Account In The Unemployment Compensation Fund (Continued)**

Management's Response and Planned Corrective Action

We agree with the auditors' comments. The FY21 Unemployment Compensation Fund's accounts payable balance was understated and revenues and fund balance were overstated by \$331,820,562. The FAC identified this error in FY22, prepared a prior period adjustment, restating the FY21 balances for both accounts payable and fund balance before the FY 2022 financial statements were compiled. The FAC has contacted the OUI and plans to work together to ensure any future FUA borrowings and journal vouchers are recorded properly in the state's accounting system. The FAC plans to update closeout procedures to be on alert for unusual account balances.

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-002: The Finance And Administration Cabinet Did Not Accurately Compile The Financial Statements For The Unemployment Compensation Fund

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume I as finding 2021-001.

During the fiscal year (FY) 2022 audit of the Commonwealth's Annual Comprehensive Financial Report (ACFR), the Unemployment Compensation fund financial statements and associated journal vouchers were reviewed. Misstatements were identified in the Statement of Revenues, Expenses, and Changes in Proprietary Fund Net Position related to unemployment insurance receipts and intergovernmental revenue accounts and in the proprietary fund Statement of Cash Flows related to operating and noncapital financing activities. These misstatements were noted by the auditors and then corrected by FAC.

The financial statement errors involved the following issues:

- FAC classified \$318,569,000 in federal receipts as operating unemployment insurance revenue when it should have been classified as nonoperating intergovernmental revenues in the proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position.
- FAC included \$318,569,000 in cash received from non-operating intergovernmental revenues in the operating activities section of the proprietary fund Statement of Cash Flows.

FAC did not appropriately classify the receipts to distinguish between operating and non-operating revenues, which led to the errors on the proprietary statements.

The unemployment insurance receipts and intergovernmental revenue accounts were misstated in the Unemployment Compensation fund financial statements.

The statement of cash flows misstated the lines titled cash received from customers and cash flows from intergovernmental revenues, along with the corresponding reconciliation items.

Sound internal controls over financial reporting dictate transactions and events be recorded in the proper accounts and financial information be appropriately presented and described.

According to the Governmental Accounting Standards Board (GASB) Technical Bulletin No. 2020-1,

The CARES Act provides certain resources that should be classified as operating revenue for accounting and financial reporting purposes because the structure of the program results in payments for services...However, a significant portion of the resources provided pursuant to the CARES Act is provided as reimbursement of costs incurred, which result in subsidies (rather than payments for services), and, as a result, are identified as nonoperating revenue.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-002: The Finance And Administration Cabinet Did Not Accurately Compile The Financial Statements For The Unemployment Compensation Fund (Continued)**

Recommendation

We recommend FAC review its compilation process to ensure any associated worksheets are updated to accurately account for the financial activity of the Unemployment Compensation fund.

Management's Response and Planned Corrective Action

We agree with the auditor's comments. On the Draft FY22 ACFR Non-Operating Revenues were incorrectly classified for the Unemployment Compensation Fund. The Finance and Administration Cabinet (FAC) was unable to confirm with the Office of Unemployment Insurance (OUI) the chart of account elements used by OUI to identify Non-Operating Revenues. The FAC will continue to work with the OUI to better identify Non-Operating Revenues.

This error has been corrected for the Final FY22 ACFR.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-003: The Finance And Administration Cabinet Failed To Accurately Report Investments On The State Parks Fund Financial Statements**

During the preparation of the fiscal year (FY) 2022 financial statements, the Finance and Administration Cabinet (FAC) failed to properly classify investments for the State Parks Fund. FAC completes journal vouchers (JVs) each year to record investments and cash and cash equivalents. Since a JV was not prepared for the State Parks Fund, FY 2022 investments, totaling \$10,548,810, were erroneously included as cash and cash equivalents.

Internal controls failed to ensure all JVs separating investments and cash and cash equivalents were prepared.

As a result of the reclassification error, the financial statement line item for investments was understated and the cash and cash equivalents line item was overstated by \$10,548,810.

An effective internal control system requires management to ensure accurate accounting and financial reporting, whereby the financial statements are accurately presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Implementation of control activities should focus on the prevention, detection, and correction of errors, omissions, and/or misstatements.

Recommendation

We recommend FAC implement adequate internal controls to ensure proper classification and reporting of activity on the Commonwealth's Financial Statement.

Management's Response and Planned Corrective Action

We agree with the auditor's comments. On the Draft FY22 ACFR Long-Term Investments were not properly classified for the State Parks Fund. This error has been corrected for the final FY22 ACFR.

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-004: The Finance And Administration Cabinet Failed To Effectively Implement GASB 87 Leases

Governmental Accounting Standards Board (GASB) Statement 87 Leases became effective during fiscal year 2022. GASB delayed the implementation by one fiscal year due to the pandemic. The Commonwealth's Financial Reporting Branch within the Finance and Administration Cabinet (FAC) establishes and maintains the state accounting standards, procedures, records, and reports that promote sound business practices while providing accurate financial reporting. The Financial Reporting Branch is responsible for working with state agencies to ensure the Commonwealth of Kentucky complies with generally accepted accounting principles (GAAP) and accounting standards established by GASB and in accordance with state and federal requirements. Numerous adjustments during the compilation process were necessary to ensure the financial statements were materially accurate and presented in accordance with GASB 87 Lease requirements. The following deficiencies were noted:

- The Financial Reporting Branch failed to develop and execute an effective implementation plan for GASB Statement 87 Leases to ensure the material accuracy of reported information on the financial statements.
- Due to a lack of adequate guidance and training by the Financial Reporting Branch, some agency personnel did not have sufficient knowledge and skills necessary to accurately and completely report required lease information on prepared closing packages. This led to inaccuracies in key information necessary for financial reporting purposes.
- Agency lease information reported on prepared closing packages had multiple errors including conflicting information on whether a potential lease would be terminated or extended, incorrect lease inception dates, and the improper calculation of a lease term.
- The Financial Reporting Branch failed to provide additional oversight and review of reported lease information by agency personnel to verify items that could be significant or material to the financial statements.
- The Commonwealth's accounting system was not updated with new accounts required to track lease related activity resulting in errors in presentation on the financial statements. Financial statement line items pertaining to leased assets, lease receivables, and lease payables, etc. were not originally identified on the face of the statements. Manual journal entries, which were not processed through the accounting system, were required to ensure lease activity was properly reported on the financial statements.
- Questions pertaining to if a potential lease agreement was perpetual, constituted an exchange or exchange like transaction, or if the agreement transferred ownership of the underlying asset were not included by the Financial Reporting Branch on closing package templates, which are key in determining if an agreement constitutes a lease.
- Information provided by agencies on closing package templates was not adequate to ensure the completeness and accuracy of required note disclosures.
- The imputed interest rate utilized was incorrectly applied when calculating the present value of future lease payments. An adjustment was necessary to correct the imputed interest rate calculations.

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-004: The Finance And Administration Cabinet Failed To Effectively Implement GASB 87 Leases (Continued)

- The Financial Reporting Branch incorrectly identified agreements as meeting the definition of a lease for the State Parks Fund and Kentucky Horse Park Fund, which are proprietary funds of the Commonwealth. This led to a material adjustment on the Kentucky Department of Parks financial statements in the amount of \$15,179,000 in reclassing lease activity to notes payable. A similar adjustment was required for the Kentucky Horse Park Fund in the amount of \$153,000.
- Built to suit arrangements, which qualify as a finance purchase arrangement in accordance with GASB Statement 87 Leases, were incorrectly recorded as leases within the Agency Fund resulting in a material misstatement of \$45,826,364. Additionally, it was identified that these purchases had never been recorded in the Commonwealth's fixed asset database for reporting on the Government Wide Financial Statements resulting in an additional significant misstatement.
- The Financial Reporting Branch incorrectly recognized accrued interest as all interest to be paid or collected in the following fiscal year, instead of the actual interest accrued since the most recent payment prior to the end of the fiscal year. Additionally, the Financial Reporting Branch failed to evaluate if this activity needed to be recorded as non-operating on the financial statements when appropriate.

GASB Statement 87 Leases significantly changed the financial reporting model by requiring the identification and evaluation of every potential lease agreement with the Commonwealth. The Financial Reporting Branch underestimated the magnitude of the change as well as the time and planning necessary to ensure a smooth and accurate implementation. Due to the volume of potential leases to be evaluated, agency personnel throughout the Commonwealth were responsible for ensuring the completeness and accuracy of lease information necessary during the compilation of the financial statements. While the Financial Reporting Branch provided training and guidance on the implementation of GASB Statement 87 to agencies, the training was inadequate and ineffective as errors noted supported the lack of technical knowledge required to ensure lease information was complete and accurately reported.

Failure to properly evaluate, classify, and report all potential leases in accordance with GASB Statement 87 Leases led to misstatements on the Commonwealth's financial statements. Without detection during the audit, material misstatements in both amount and presentation would have occurred. Inaccuracies in the measurement, recognition, presentation, and disclosure of lease information could negatively impact users of the financial statements or management decisions.

To better meet the information needs of financial statement users by improving the accounting and financial reporting for leases by governments, GASB issued Statement 87 Leases effective beginning in fiscal year 2022. GASB Statement 87 Leases provides a single model for lease accounting to enhance the relevance and consistency of information by establishing requirements for the reporting and disclosure of leases in the financial statements. Sound internal controls require sufficient guidance and training be provided to anyone with the responsibility to implement new accounting and reporting standards.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-004: The Finance And Administration Cabinet Failed To Effectively Implement GASB 87 Leases (Continued)**

Recommendation

We recommend the Financial Reporting Branch strengthen training and guidance over the reporting of leases which includes updating closing package templates to ensure potential leases are properly evaluated. New accounts within the Commonwealth's accounting system should be created to properly track lease activity so manual adjustments on the face of the financial statements are not necessary. The Financial Reporting Branch should establish policies, procedures, and controls to re-evaluate for potentially missing leases or incorrect lease information as previously reported. Additionally, the Financial Reporting Branch should further review GASB requirements and related implementation guides to evaluate the reporting of operating versus non-operating revenues and expenses as it pertains to leases as well as the recognition of accrued interest.

The upcoming implementation of GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB Statement 96, Subscription-Based Information Technology Arrangements, are closely related to GASB Statement 87 Leases. The Financial Reporting Branch should start the preparation process early for these upcoming GASB Statements and ensure controls are in place and training is sufficient for agency personnel to ensure accuracy in financial reporting.

Management's Response and Planned Corrective Action

We agree that deficiencies relating to the implementation of GASB 87 Leases existed. Due to decentralized accounting, the Office of the Controller relies heavily on state agencies to properly evaluate and report information on an annual closing package template. We agree that the closing package template for leases, AFR 55B, needs updated for the next reporting period. That update will include more detailed instructions and additional required fields. Since 2020, the Office of the Controller has had a GASB 87 Leases training section on the Annual Closing Package website for agencies to access 24/7. The Office of the Controller will be creating additional balance sheet account codes in eMARS to reduce the need for manual adjustments on the face of the financial statements and various note disclosures for the fiscal year 2023 reporting period. The monetary discrepancies identified in the finding were corrected before issuance of the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR).

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-005: The Office Of Unemployment Insurance Did Not Include Accounts Payable For Backlogged Claimants And Accounts Receivable For Federal Unemployment Compensation Funds On The Closing Package

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume I as finding 2021-006.

As part of the audit of the Commonwealth's Annual Comprehensive Financial Report (ACFR), the Office of Unemployment Insurance's (OUI) accounts payable and accounts receivable balances were reviewed. OUI failed to ensure the accuracy of its closing package submitted to the Finance and Administration Cabinet (FAC) for inclusion in the ACFR.

The closing package initially submitted to FAC for inclusion in the ACFR did not include amounts payable to claimants, but instead included only amounts already paid in fiscal year (FY) 2022, and thus not due and payable in the next fiscal year. Auditors reviewing the FY 2022 closing package brought the issue to the attention of OUI.

In a second submission, OUI excluded both \$21,070,356 in known amounts paid to claimants in FY 2023 for FY 2022 amounts due to claimants and an estimated amount to be paid to eligible backlogged claimants in FY 2023. Although the backlog has decreased in the past year, there remains a significant amount of potential benefit payments. After auditors pointed out the second submission also had errors, OUI asked FAC to correct these issues. FAC corrected the second submission and calculated and recorded an additional \$22,619,257 in estimated benefits payable for the backlog of claims.

Neither of the submissions by OUI included an accounts receivable from the federal government for benefits paid to claimants in FY 2023 for the claims outstanding in FY 2022. OUI asked FAC to correct this error. FAC recorded \$19,707,359 as accounts receivable from the federal government for benefits paid to claimants for claims outstanding for FY 2022.

OUI did not update its operating manual to require appropriate steps to quantify and verify accurate payable amounts. The OUI operations manual outlines the general procedure used to compile its closing package, but it does not have procedures to verify the appropriateness of the data range, the completeness of the database, or the appropriateness of the query used to determine accounts payable amounts.

The current procedure used by OUI to determine accounts payable is to generate a report from the UI system to determine the amount paid in the next fiscal year for current year claims. This procedure was not updated to account for the continuing backlog of FY 2022 claims.

The OUI-Integrity Branch operations manual outlines the general procedure used to create their closing package input but it does not address how to account for federal receivables. In the prior year, OUI recorded a receivable for actual payments made in federal program benefits in FY 2022 with FY 2021 funds. This updated procedure in FY 2021 was not followed in the current year.

FINANCIAL STATEMENT FINDINGS

Material Weaknesses Relating to Internal Controls

FINDING 2022-005: The Office Of Unemployment Insurance Did Not Include Accounts Payable For Backlogged Claimants And Accounts Receivable For Federal Unemployment Compensation Funds On The Closing Package (Continued)

OUI failed to incorporate prior year recommendations to improve their accounts payable and accounts receivable reporting process. When initially submitting their closing package, OUI provided an inaccurate accounts payable balance to FAC because the amount reported had already been paid to claimants prior to the end of FY 2022.

A second submission excluded payables of over \$21 million and did not consider the ongoing backlog of claimants, which resulted in the need for OUI to also report an additional estimated payable of over \$22 million.

OUI worked with FAC to determine an estimate for their final accounts payable balance. Without the closing package correction and additional estimate, the accounts payable balance would have been understated by \$43,689,613.

OUI's failure to record accounts receivable for the federal portion of benefits would have caused the accounts receivable balance in the financial statements to be understated by \$19,707,359.

Regarding accounts payable, Generally Accepted Accounting Principles (GAAP) require expenses to be recorded in the period in which they are incurred, not paid, in accordance with the matching principle. GAAP also requires information reported in the financial statements to be comparable and consistent.

FAC's closing package instructions for accounts payable state, "Accounts payable will need to reflect the measurable liabilities, as of June 30, for reimbursement grants, revenue sharing, and benefits. Reimbursement grants will reflect the amount of known liability (invoice has been received) as accounts payable. Recognize revenue sharing items as a liability for total current year receipts not distributed to local governmental units. Benefit payments, such as Medicaid, may require an estimate for the liability at June 30."

FAC's closing package instructions for accounts receivable state, "Reimbursement grants are funded after certain allowable expenditures/expenses have been made. Recognize revenue when the allowable expenditures/expenses have been incurred."

Recommendation

We recommend OUI implement policies and procedures to ensure accurate reporting of their accounts payable balance. OUI should develop procedures to calculate the accounts payable estimate using consistent and comparable information. If actual amounts paid in the subsequent fiscal year are available, OUI should include these amounts and only estimate payments beyond the known months. An estimate may not be required if the backlog of claims is decreased significantly.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-005: The Office Of Unemployment Insurance Did Not Include Accounts Payable For Backlogged Claimants And Accounts Receivable For Federal Unemployment Compensation Funds On The Closing Package (Continued)**

Recommendation (Continued)

We recommend OUI modify its operating manual to require appropriate steps to quantify and verify accounts receivable amounts associated with funds owed to the Commonwealth from the federal government. This is especially pertinent for the federal receivable due to the continued financial support from the federal government for the unemployment insurance program.

Management's Response and Planned Corrective Action

The Education and Labor Cabinet received the above finding.

The Office of Unemployment Insurance (OUI), in conjunction with the Finance and Administration Cabinet (FAC), have corrected the issues the APA identified. OUI has strengthened internal processes and procedures. Last year, the APA created a new requirement to include an estimation of payables due to COVID and the increased number of claims; therefore, the Cabinet had not previously included the estimation in the processes and procedures for the closing package. The Cabinet required all staff involved with the OUI closing package to complete training provided by FAC. FAC's training refreshed staff on requirements and processes related to completing the closing package. ELC will require staff to continue training on the closing package to avoid issues in the future. Additionally, OUI is cross training staff to ensure the closing package is reviewed by staff and management in order to correct and prevent any future errors.

Further, the State Auditor and the Office of the State Auditor are in violation of both state law and applicable auditing standards. See AICPA Code, 1.110.010.12, Conflicts of Interest for Members in Public Practice, Disclosure of a Conflict of Interest and Consent; AICPA Code, 0.300.050, Objectivity and Independence, .01-.02; GAO-21-3680, Government Auditing Standards, 3.11, Objectivity; GAO 21-3680, Government Auditing Standards, 3.15, Proper Use of Government Information, Resources, and Positions; KRS 11A.020-.030. The State Auditor is aware of, failed to disclose, and chooses to ignore this clear conflict of interest.

Auditor's Reply

The APA did not create a new requirement to include an estimation of payables due to COVID. Reporting and disclosure requirements are established in accordance with GAAP and the financial reporting framework of the Commonwealth. FAC establishes the policies and procedures including the estimation and presentation of accounts payable to ensure the financial statements are complete and accurately reported.

FINANCIAL STATEMENT FINDINGS***Material Weaknesses Relating to Internal Controls*****FINDING 2022-005: The Office Of Unemployment Insurance Did Not Include Accounts Payable For Backlogged Claimants And Accounts Receivable For Federal Unemployment Compensation Funds On The Closing Package (Continued)**

Auditor's Reply (Continued)

As noted in the FY 21 Statewide Single Audit of Kentucky, the Auditor of Public Accounts is in compliance with all applicable laws and auditing standards. The APA has safeguards in place, both statutorily and procedurally, to assure that objectivity and independence are maintained in accordance with professional auditing standards. Strong safeguards have been in place for decades at the APA to insulate the agency's audit work from any political bias resulting from the fact that every four years, a sitting State Auditor may again run for statewide office in a partisan election. These longstanding safeguards were enhanced to provide additional assurance and to mitigate the perceived conflict of interest. This information was clearly spelled out in memos addressed to the Kentucky Labor Cabinet Secretary - dated August 17, 2021 and August 30, 2021.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-006: The Finance And Administration Cabinet Accounted For The Same Financial Activity Twice In The Kentucky Horse Park Fund Financial Statements

The Finance and Administration Cabinet (FAC) Financial Reporting Branch prepared a journal entry to record fiscal year (FY) 2022 activity pertaining to the rental of the Secretariat Center as a Kentucky Horse Park (KHP) accounts receivable. This same activity was later recognized as meeting the definition of a lease in accordance with the implementation of Governmental Accounting Standards Board (GASB) 87 Leases and was also included in a second journal entry recognizing the activity as a lease receivable. Since the original accounts receivable activity was not reversed when the lease entry was prepared, this same activity was accounted for twice on the financial statements.

FAC Financial Reporting Branch failed to identify that the same financial activity had already been reported when creating the lease receivable journal entry. Internal controls during the review process failed to detect that a reversing journal entry was necessary to ensure the same activity was not accounted for twice.

Failure to reverse the original journal entry related to the Secretariat Center lease means the activity was double booked as an account receivable and as a lease receivable. KHP's short term receivables were overstated by \$14,400, revenues were understated by \$14,400, long term receivables were overstated by \$75,600, and unrestricted net position was overstated by \$104,400.

Prepared journal entries should be verified against supporting documentation and reviewed to ensure they are complete and accurate. Implemented internal controls should ensure all financial activity is prepared and presented in accordance with GASB requirements and that the same activity is not double booked in the financial statements.

Recommendation

We recommend the FAC Financial Reporting Branch implement internal controls to ensure journal entries are complete, accurate, agree with supporting documentation, and conform to reporting requirements per GASB. Internal controls should include a review to ensure activity is not double booked on the financial statements.

Management's Response and Planned Corrective Action

We agree with the auditor's comments. On the Draft FY22 ACFR activity was duplicated, due to logistical errors regarding the implementation of GASB 87 Leases, for the Kentucky Horse Park fund. This error has been corrected for the Final FY22 ACFR.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-007: The Finance And Administration Cabinet Did Not Comply With Certain Enterprise Policies Related To System Security

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume 1 as finding 2021-012.

The fiscal year 2022 audit of the Finance and Administration Cabinet (FAC) revealed FAC does not comply with certain Commonwealth enterprise policies related to information system security as it pertains to the state's accounting system, enhanced Management Administrative and Reporting System (eMARS).

FAC is required to follow enterprise policies established by the Office of the Chief Information Officer (CIO) of the Commonwealth Office of Technology (COT). One of these policies, CIO-112 Security Planning Policy, requires COT and enterprise agencies with IT systems in the Commonwealth's infrastructure to develop and manage security plans for the IT systems under their control. The system security plan (SSP) may be single documents or a collection of various documents. Inquiry with FAC staff revealed an SSP has not been developed for eMARS.

Another enterprise policy, CIO-093 Risk Assessment Policy, requires agencies to do three things: 1) categorize the information systems within their control by assigning a Security Categorization (SC); 2) conduct a risk assessment, including the likelihood and magnitude of harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits; and 3) request a vulnerability scan against their information systems and hosted applications on a schedule based on federal, state, or business compliance needs for all systems, or when new vulnerabilities potentially affecting the system or applications are identified and reported. Inquiry with FAC staff revealed none of the three requirements have been met for eMARS.

FAC is also required to follow enterprise policy CIO-106 Privacy Policy, which requires agencies to conduct Privacy Impact Assessments (PIAs) for information systems, programs, or other activities that pose a privacy risk to the Commonwealth. Inquiry with FAC staff revealed this document has not been developed for eMARS.

FAC staff indicated that they assumed COT would be responsible for certain security controls over eMARS since all related databases and servers are hosted by COT. However, enterprise policies established by COT require agencies and business owners to take responsibility for their data and applications. After receiving this clarification, FAC indicated they would develop the required documentation for eMARS.

Information systems are subject to serious threats that can have adverse effects on organizational operations and assets, individuals, and other organizations by exploiting both known and unknown vulnerabilities to compromise the confidentiality, integrity, or availability of the information being processed, stored, or transmitted by those systems. Management must understand their responsibilities and should be held accountable for managing information security risk; that is, the risk associated with the operation and use of information systems that support the missions and business functions of their organizations.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-007: The Finance And Administration Cabinet Did Not Comply With Certain Enterprise Policies Related To System Security (Continued)

Enterprise policies must be followed by all consolidated agencies to manage risks and protect privacy of individuals. CIO-093, Risk Assessment Policy, states:

Agencies shall categorize the information systems within their control in accordance with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance. Agencies shall assign a Security Categorization (SC) and document the security categorization results, including supporting rationale, in the SSP for the information system...

Each agency shall conduct a risk assessment, including the likelihood and magnitude of harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits. Agencies shall document the risk assessment results, review risk assessment results at least annually, disseminate the risk assessment results to the appropriate personnel, and update the risk assessment at least every three years or whenever there are significant changes to the information system or environment of operation...

Agencies shall request a vulnerability scan against their information systems and hosted applications on a schedule based on federal, state, or business compliance needs for all systems, or when new vulnerabilities potentially affecting the system or applications are identified and reported...

Agencies shall analyze the vulnerability scan reports and results from the security control assessments and remediate legitimate vulnerabilities in accordance with an organizational assessment of risk...

CIO-106, Enterprise Privacy Policy, specifically section AR-2 Privacy Impact and Risk Assessment, states that agencies must: “a. Document and implement a privacy risk management process that assesses privacy risk to individuals resulting from the collection, sharing, storing, transmitting, use, and disposal of PI; and b. Conduct Privacy Impact Assessments (PIAs) for information systems, programs, or other activities that pose a privacy risk in accordance with applicable law, policy, or any existing agency policies and procedures.”

CIO-112, Security Planning Policy, states: “The Commonwealth Office of Technology (COT) and enterprise agencies with IT systems in the Commonwealth’s infrastructure shall develop and manage security plans for the IT systems under their control. These security plans may be single documents or a collection of various documents...” Also, “[a]gencies shall develop security plans, rules of behavior, and an information security architecture for Commonwealth systems in accordance with policies, procedures, and standards established by COT...”

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-007: The Finance And Administration Cabinet Did Not Comply With Certain Enterprise Policies Related To System Security (Continued)**

Recommendation

We recommend FAC ensure compliance with all enterprise policies by:

- Developing an SSP that assigns a Security Categorization for eMARS that complies with CIO-093 and CIO-112.
- Conducting and documenting a risk assessment and vulnerability assessment for eMARS. For compliance with CIO-093, the risk assessment should be reviewed at least annually and be updated in a timely manner. In addition, once developed, the SSP should be distributed to the appropriate personnel to ensure risk is appropriately mitigated throughout the Commonwealth.
- Fully assessing the privacy impact associated with eMARS by completing the PIA documentation developed by COT.

Management's Response and Planned Corrective Action

The Finance and Administration Cabinet is continuing to address/resolve the finding and are working with our COT counter parts for additional resources/guidance. The Finance and Administration Cabinet anticipates being compliant when the application and associated hardware/technology infrastructure is upgraded to Version 4X in the Spring of 2024.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-008: The Finance And Administration Cabinet Did Not Comply With Enterprise Policies And Standards To Protect Confidential And Sensitive Information

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume 1 as finding 2021-013.

The fiscal year (FY) 2022 audit revealed weaknesses in the Finance and Administration Cabinet's (FAC) procedures regarding the security of confidential and sensitive data associated with the enhanced Management Administrative and Reporting System (eMARS). FAC is required to follow Commonwealth Office of Technology (COT) enterprise policies and standards, several of which address data protection. Detailed information that could possibly increase the risk that agency security is compromised was intentionally omitted from this comment but has been communicated to the agency.

Although FAC indicated plans were developed to identify and protect sensitive and confidential data, these plans were not fully completed during FY 2022.

Failure to adequately protect data increases the risk that Personally Identifiable Information (PII) or other sensitive or confidential data could be accessed or made available to the general public, which could compromise information related to employees or vendors.

Based on KRS 42.726(1)(p), COT is responsible for developing "a coordinated security framework and model governance structure relating to the privacy and confidentiality of personal information collected and stored by state executive branch agencies." Numerous policies, procedures, and standards have been developed by COT that address data protection. Data classified as confidential and internal must be protected from unauthorized users or exposure to the general public.

With respect to access control, CIO-092 states, "Only authorized individuals are permitted access to media containing State information. In addition to controlling physical access, user authentication will provide audit access information. Any access must also comply with any applicable regulatory requirements. Non-digital media should be hidden from the view of individuals that do not have authorization to access the information contained on or within the media."

Kentucky Information Technology Standards (KITS), specifically 5100 Encryption states, "The purpose of this standard is to provide Commonwealth of Kentucky agencies guidance on the use of encryption to protect Commonwealth information resources that contain, process, or transmit data classified as sensitive or confidential. This standard applies to encryption controls for data that is at rest...and data in motion...Agencies should refer to the data classifications defined in Enterprise Standard 4080 – Data Classification. Once the data has been classified, the agency must determine the proper encryption implementation(s) to achieve the desired level of protection..."

The National Institute of Standards and Technology (NIST) SC-28 Protection of Information requires entities to protect the confidentiality and integrity of information at rest.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-008: The Finance And Administration Cabinet Did Not Comply With Enterprise Policies And Standards To Protect Confidential And Sensitive Information (Continued)**

Recommendation

We recommend FAC sufficiently protect eMARS data classified as confidential or internal in compliance with COT enterprise policies and standards by completing current work plans to enhance security over certain confidential and internal data.

Management's Response and Planned Corrective Action

The Finance and Administration Cabinet is continuing to address/resolve the finding and are working with our COT counter parts for additional resources/guidance. The Finance and Administration Cabinet anticipates being compliant when the application and associated hardware/technology infrastructure is upgraded to Version 4X in the Spring of 2024.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-009: The Kentucky Department Of Agriculture Did Not Accurately Report Amounts Passed Through To Subrecipients On The Schedule Of Expenditures of Federal Awards

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume I as finding 2021-014.

The Kentucky Department of Agriculture (KDA) did not accurately report non-cash federal commodities as passed through to subrecipients during fiscal year 2022 on the Schedule of Expenditures of Federal Awards (SEFA). Analysis of the Food Distribution Cluster revealed most of the program's activity was related to providing cash and non-cash assistance to non-profit organizations to carry out the program's objectives. While the cash assistance was accurately reported, the following errors were noted when reporting the total non-cash assistance distributed:

- Total non-cash expenditures reported were understated by \$355,020 based on supporting documentation.
- Non-cash expenditures totaling \$34,584,136 were not correctly identified as being amounts provided to subrecipients.

Internal controls were inadequate to ensure non-cash expenditures were complete and accurately reported on the Commonwealth's SEFA in accordance with federal requirements. Additionally, KDA was unaware that non-cash assistance distributed was required to be reported as passed through to subrecipients when applicable for accurate reporting on the SEFA.

KDA was non-compliant with 2 CFR 200.502 and 2 CFR 200.510(b)(4) in properly identifying and reporting federal expenditures on the Commonwealth's SEFA. Information reported on the Commonwealth's SEFA is utilized to assist the Commonwealth and federal cognizant agencies in monitoring and evaluating the program's operations, which could be impacted by inaccurate information.

2 CFR 200.510(b) states, in part: "The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502." 2 CFR 200.510(b)(4) further requires that the SEFA must "[i]nclude the total amount provided to subrecipients from each Federal program."

2 CFR 200.502 (Basis for determining Federal awards expended) includes "(g) Valuing non-cash assistance. Federal non-cash assistance, such as free rent, food commodities, donated property or donated surplus property, must be valued at fair market value at the time of receipt or the assessed value provided by the Federal agency."

Recommendation

We recommend KDA implement adequate internal controls to ensure the total amount reported for non-cash expenditures, including amounts passed through to subrecipients, is complete and accurate on the Commonwealth's SEFA. KDA should consult with the Finance and Administration Cabinet for additional guidance in any unfamiliar circumstances.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-009: The Kentucky Department Of Agriculture Did Not Accurately Report Amounts Passed Through To Subrecipients On The Schedule Of Expenditures of Federal Awards (Continued)**

Management's Response and Planned Corrective Action

In Management's Response to FINDING 2021-014, KDA stated it has reported federal expenditures to the Food Distribution Cluster in a similar manner since at least 1997. Based on FINDING 2021-014, KDA made a change to its reporting of cash assistance in the Food Distribution Cluster. Cash assistance was reported per subrecipient for the 2022 SEFA. KDA had not completed its review of how to report non-cash assistance by the time the 2022 SEFA was due. KDA did make changes based on the past finding and will continue to make changes as required and directed.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-010: The Transportation Cabinet Overstated Inventory On Its Submitted Closing Package

As part of the audit of the Commonwealth's Annual Comprehensive Financial Report (ACFR), the Kentucky Transportation Cabinet's (KYTC) Operations Management System (OMS) Highway Maintenance inventory reports were reviewed. OMS is used to track the value of inventory held by the Commonwealth at KYTC maintenance facilities and the unit cost to charge when these items are used in the performance of highway maintenance. In addition, OMS data is used to report the inventory balance to the Finance and Administration Cabinet (FAC) for inclusion in the ACFR. A review of end-of-year OMS inventory entries indicated two inventory records contained unit pricing errors that resulted in the inventory balance being overstated by \$1,338,857.

Unit costs reported for two items were incorrect. For the first item, the calculation converting from gallons to ounces was performed incorrectly, resulting in an inflated reported cost of \$278.32 per unit instead of \$1.56. For the second item, a unit cost correction was performed incorrectly, resulting in a reported cost of \$62.87 per unit instead of the correct \$0.97.

KYTC's internal controls over inventory entry into OMS and inventory balance reporting to FAC did not prevent or detect the errors.

KYTC submitted an inaccurate inventory balance to FAC for inclusion in the Commonwealth's ACFR. After the auditor inquired about these items, KYTC submitted a revised inventory balance to FAC. Had the error not been detected and corrected during the audit, inventory would have been overstated by \$1,338,857.

Finance Cabinet Closing Package Instructions require that the submitted information be accurate in all material respects.

Sound internal controls over inventory reporting should provide reasonable assurance that amounts in the financial statements are consistently reported, accurate, and complete. Inventory amounts reported at fiscal year-end should agree to and be supported by inventory count documentation and tracked unit cost information.

Recommendation

KYTC should strengthen policies, procedures, and internal controls to ensure inventory values are recorded and reported properly. Unit cost amounts should be reviewed and verified to be complete and accurate in calculating the final inventory value as necessary for financial statement reporting.

Management's Response and Planned Corrective Action

Due to these findings the Division of Maintenance has locked the ability to change units on material at the point of purchase in the software to eliminate the possibility of unit switch errors. The Division of Maintenance has also reminded the OMS coordinators to take caution when making corrections to unit costs to ensure those values are accurate.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-011: The Office Of Unemployment Insurance Did Not Ensure The Kentucky Electronic Workplace For Employment Services Was Properly Secured

This is a repeat finding as reported in the FY 2021 Statewide Single Audit of Kentucky (SSWAK) as finding 2021-017.

The Office of Unemployment Insurance (OUI) did not monitor an account used by six individuals to administer the Kentucky Electronic Workplace for Employment Services System (KEWES) during fiscal year 2022. Six users were granted access to the Siebel Administrator account, SADMIN. Siebel provides a graphical interface to unemployment insurance (UI) data stored within an Oracle database. According to OUI, the purpose of the SADMIN account is to perform administrative duties associated with Siebel. However, since multiple users have access to one account, there is no way to track or identify who is using the account. While OUI staff stated the SADMIN account is used in rare circumstances to view system data, they did not log or monitor this account's activity. As such, auditors could not verify if this account was in fact being used strictly for administrative purposes. Even though this account is not used regularly by OUI staff, access to an account with elevated privileges poses a significant risk to system security.

Also, OUI did not implement the corrective actions they provided in their response to the prior year finding. OUI indicated, in their response to the prior year finding, the SADMIN account would be restricted from being used as a group account and those requiring access would be given individual accounts based on need and separation of duties. In addition, OUI stated they would set an alert to monitor the account. None of these actions were taken by the agency during FY 2022.

OUI has created the SADMIN account in which multiple users have access. Since this acts as a group account, auditing is hindered as there is no way to track or identify who is using the account.

OUI stated that users with access to the SADMIN account have been informed not to reset accounts through the SADMIN account. Users are expected to login to the Siebel application account in order to administer the application. Auditors could not verify this was being done since OUI does not monitor or track the use of this account.

Organizations employ passwords, physical authenticators, or biometrics to authenticate user identities. Without authentication, agencies could not properly identify and track improper access or transactions within the system.

ENT-201 Enterprise Security Controls and Best Practices, IA-2 – Identification and Authentication (Organizational Users) states:

COT, agencies, and service providers shall ensure that information systems uniquely identify and authenticate agency users or processes acting on behalf of users. Unique identifier and authentication requirements are outlined in the IA controls below. In providing access to Commonwealth systems, COT, agencies, and service providers shall:

- Assign User IDs individually so that a single individual shall be responsible for every action initiated by that ID.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-011: The Office Of Unemployment Insurance Did Not Ensure The Kentucky Electronic Workplace For Employment Services Was Properly Secured (Continued)

Furthermore, Social Security Provided Information (SSPI) Security Awareness Training produced by the Labor Cabinet, Electronic Safeguards to Protect SSPI section pertains to Network and secure login and states, “[e]ach UserID must be used by only a single individual who is responsible for every action initiated by that account. There must be no reuse of the UserID.”

Recommendation

We recommend OUI restrict the SADMIN account from being used as a group account and grant individual administrator accounts to KEWES.

Management’s Response and Planned Corrective Action

The Education and Labor Cabinet has received the above recommendation from the Auditor of Public Accounts. The APA is recommending that OUI restrict the SADMIN account from being used as a group account and grant individual administrator accounts to KEWES. The SADMIN account is necessary for Siebel account administration, and the SADMIN account has been restricted from being used as a group account. The users with access to the account have been assessed and access is only given to those who need it for their work. Further, the Cabinet has followed COT recommendations to not allow users elevated access to the database. To ensure security best practices are followed, those with access to the SADMIN account have been informed not to reset accounts through the SADMIN account. Regarding alerts, it was determined an alert could not be created. In essence, the only way to establish an alert was to turn it on for all accounts, which would have created an enormous amount of alerts and bogged down the system. Moving forward, the system is undergoing a review and assessment to transition to role based access. At that time, the Cabinet will again review the SADMIN account and work with COT to determine if there is a better avenue for the necessary work.

Further, the State Auditor and the Office of the State Auditor are in violation of both state law and applicable auditing standards. See AICPA Code, 1.110.010.12, Conflicts of Interest for Members in Public Practice, Disclosure of a Conflict of Interest and Consent; AICPA Code, 0.300.050, Objectivity and Independence, .01-.02; GAO-21-3680, Government Auditing Standards, 3.11, Objectivity; GAO 21-3680, Government Auditing Standards, 3.15, Proper Use of Government Information, Resources, and Positions; KRS 11A.020-.030. The State Auditor is aware of, failed to disclose, and chooses to ignore this clear conflict of interest.

Auditor’s Reply

The SADMIN account users have elevated access to the KEWES database. A group account allows multiple users to use the same credentials to access the same group account. This is a significant risk to the system security since there isn’t a way to know which user is accessing the account. Since there is no activity log or record associated with the SADADMIN account, auditors could not verify that no unauthorized changes were made to the KEWES Oracle database.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-011: The Office Of Unemployment Insurance Did Not Ensure The Kentucky Electronic Workplace For Employment Services Was Properly Secured (Continued)**

Auditor's Reply (Continued)

Therefore, we continue to recommend OUI follow COT's ENT-201 policy which states that agencies must assign user IDs individually so that a single individual shall be responsible for every action initiated by that ID.

As noted in the FY 21 Statewide Single Audit of Kentucky, the Auditor of Public Accounts is in compliance with all applicable laws and auditing standards. The APA has safeguards in place, both statutorily and procedurally, to assure that objectivity and independence are maintained in accordance with professional auditing standards. Strong safeguards have been in place for decades at the APA to insulate the agency's audit work from any political bias resulting from the fact that every four years, a sitting State Auditor may again run for statewide office in a partisan election. These longstanding safeguards were enhanced to provide additional assurance and to mitigate the perceived conflict of interest. This information was clearly spelled out in memos addressed to the Kentucky Labor Cabinet Secretary - dated August 17, 2021 and August 30, 2021.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-012: The Office Of Unemployment Insurance Does Not Have Adequate Technical Documentation Associated With The Kentucky Electronic Workplace For Employment Services System

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume 1 as finding 2021-018.

Complete system documentation describing processing, data entry, system validations, edits, audits, and errors established within the Kentucky Electronic Workplace for Employment Services (KEWES) was not maintained by the Kentucky Labor Cabinet's Office of Unemployment Insurance (OUI) during fiscal year 2022. KEWES is the system used by OUI to process Unemployment Insurance (UI) for the Commonwealth of Kentucky.

Claims data is sent to OUI multiple ways for entry into KEWES including fax, mail, e-mail, scan, claimant upload, and e-claimants. OUI confirmed there is not one single document that explains all of the data entry processes. Given the complexity of UI processes, all data entry methods should be documented within a single manual.

Since a complete population of system errors and security alerts could not be provided, OUI staff provided examples of system errors and security alerts that occur during processing. OUI also has files depicting the proposed flow of data to register an account, file a claim, and claim weeks. However, this documentation does not describe system functionality, edits, audits, alerts, or errors processed by the system. Edits verify the accuracy, validity, required presence, format, consistency, allowable values, and integrity of data submitted. Audits determine if there are any restrictions based on historical claims. An error message alerts users of a problem that has already occurred.

Furthermore, the Commonwealth Office of Technology (COT) Production Services Branch is responsible for production batch operations and scheduling UI job streams. These Mainframe jobs interact with KEWES to process things including UI benefits payments. The auditor was previously provided 25 schedules reflecting UI jobs running in production. These schedules run jobs daily, weekly, on weekends, or as needed. While the various jobs have a description associated with them, the schedules do not have descriptions indicating their purpose or explain why certain jobs are running as part of that schedule. One schedule may run two jobs daily while another schedule may run five jobs daily.

OUI has not properly documented system processing, data entry, system validations, edits, audits, and errors established within KEWES. Also, neither COT nor OUI staff have developed or maintained complete system documentation to explain all mainframe jobs running in production.

System documentation describes the requirements, capabilities, limitations, design, operation, and maintenance of a system, including communications and data processing. Failure to accurately document system errors, audits and edits increases the risk of erroneous UI claims being processed or valid UI claims being denied. It could also result in transactions for inaccurate or excessive amounts to be processed successfully, or transactions not being paid timely or accurately. Further, the existence of basic controls cannot be confirmed without a complete population of edits and audits.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-012: The Office Of Unemployment Insurance Does Not Have Adequate Technical Documentation Associated With The Kentucky Electronic Workplace For Employment Services System (Continued)

Validations and verifications ensure a system complies with state and federal regulations, business requirements and specifications, or an imposed condition. They also ensure the system meets the operational needs of the user. Validation of data results in fewer errors and less risk to business processes and data integrity. It also reduces long term system and project costs by minimizing the cost of maintenance and system changes.

The System and Information Integrity (SI) section of the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 4, specifically SI-10 – Information Input Validation, states “The information system checks the validity of [Assignment: organization-defined information inputs].”

Supplemental guidance states:

Checking the valid syntax and semantics of information system inputs (e.g., character set, length, numerical range, and acceptable values) verifies that inputs match specified definitions for format and content...

... Input validation helps to ensure accurate and correct inputs and prevent attacks such as cross-site scripting and a variety of injection attacks.

In addition, NIST section SI-11 – Error Handling, states that an information system should generate error messages that provide information necessary for corrective actions without revealing information that could be exploited by adversaries and reveals error messages only to defined personnel or roles.

The System and Services Acquisition (SA) section of the NIST, specifically SA-5 Information System Documentation, states that the organization:

- a. Obtains administrator documentation for the information system, system component, or information system service that describes:
 1. Secure configuration, installation, and operation of the system, component, or service;
 2. Effective use and maintenance of security functions/mechanisms; and
 3. Known vulnerabilities regarding configuration and use of administrative (i.e., privileged) functions;
- b. Obtains user documentation for the information system, system component, or information system service that describes:
 1. User-accessible security functions/mechanisms and how to effectively use those security functions/mechanisms;
 2. Methods for user interaction, which enables individuals to use the system, component, or service in a more secure manner; and
 3. User responsibilities in maintaining the security of the system, component, or service;

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-012: The Office Of Unemployment Insurance Does Not Have Adequate Technical Documentation Associated With The Kentucky Electronic Workplace For Employment Services System (Continued)

- c. Documents attempts to obtain information system, system component, or information system service documentation when such documentation is either unavailable or nonexistent and takes [Assignment: organization-defined actions] in response;
- d. Protects documentation as required, in accordance with the risk management strategy; and
- e. Distributes documentation to [Assignment: organization-defined personnel or roles].

Recommendation

We recommend OUI ensure complete and accurate system documentation explaining all processing performed by KEWES and UI-related mainframe batch jobs is documented. In addition, all validations, error warnings, edits, and audits established within KEWES should be thoroughly documented to support the processing being performed by KEWES.

Management's Response and Planned Corrective Action

The Education and Labor Cabinet ("ELC") has received the above recommendation from the Auditor of Public Accounts. As stated in the response from 2021-18, this documentation is being created and will detail the mainframe related batch jobs, workflows, interfaces and security features in addition to the validations, error warnings, edits and audits established within KEWES and the stop codes mentioned in the recommendation.

The ELC has hired a technical writer to complete this work and is currently working to familiarize this employee with the systems. Further, ELC will work with the Branch Manager of the COT UI Systems Branch to complete documentation. In addition, as the Office of Unemployment Insurance works on a new system and it is implemented, this documentation will no longer be needed.

Further, the State Auditor and the Office of the State Auditor are in violation of both state law and applicable auditing standards. See AICPA Code, 1.110.010.12, Conflicts of Interest for Members in Public Practice, Disclosure of a Conflict of Interest and Consent; AICPA Code, 0.300.050, Objectivity and Independence, .01-.02; GAO-21-3680, Government Auditing Standards, 3.11, Objectivity; GAO 21-3680, Government Auditing Standards, 3.15, Proper Use of Government Information, Resources, and Positions; KRS 11A.020-.030. The State Auditor is aware of, failed to disclose, and chooses to ignore this clear conflict of interest.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-012: The Office Of Unemployment Insurance Does Not Have Adequate Technical Documentation Associated With The Kentucky Electronic Workplace For Employment Services System (Continued)**

Auditor's Reply

As noted in the FY 21 Statewide Single Audit of Kentucky, the Auditor of Public Accounts is in compliance with all applicable laws and auditing standards. The APA has safeguards in place, both statutorily and procedurally, to assure that objectivity and independence are maintained in accordance with professional auditing standards. Strong safeguards have been in place for decades at the APA to insulate the agency's audit work from any political bias resulting from the fact that every four years, a sitting State Auditor may again run for statewide office in a partisan election. These longstanding safeguards were enhanced to provide additional assurance and to mitigate the perceived conflict of interest. This information was clearly spelled out in memos addressed to the Kentucky Labor Cabinet Secretary - dated August 17, 2021 and August 30, 2021.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-013: The Office Of Unemployment Insurance Did Not Comply With Certain Federal And State Enterprise Policies Related To System Security**

This is a repeat finding as reported in the fiscal year 2021 Statewide Single Audit of Kentucky (SSWAK) Volume 1 as finding 2021-004.

The Kentucky Labor Cabinet's (Labor) Office of Unemployment Insurance (OUI) did not comply with certain Commonwealth enterprise policies related to information system security as it pertains to the Kentucky Electronic Workplace for Employment Services (KEWES) during fiscal year (FY) 2022.

OUI is required to follow enterprise policies established by the Commonwealth Office of Technology (COT). One of these policies, CIO-112 Security Planning Policy, requires state agencies to develop and manage system security plans (SSP) for IT systems under their control. In addition, CIO-093 Risk Assessment Policy, requires state agencies to categorize their information systems by assigning a Security Categorization (SC) and document it within the SSP. Discussions with the agency revealed OUI has not developed an SSP for KEWES, but has categorized KEWES as 'Confidential'. The SSP describes components included within a system, the environment in which a system operates, how security requirements are implemented, and relationships with or connections to other systems.

OUI has not developed an SSP for KEWES.

Information systems are subject to serious threats that can have adverse effects on organizational operations and assets, individuals, and other organizations by exploiting both known and unknown vulnerabilities to compromise the confidentiality, integrity, or availability of the information being processed, stored, or transmitted by those systems. Management must understand their responsibilities and should be held accountable for managing information security risk; that is, the risk associated with the operation and use of information systems that support the missions and business functions of their organizations.

Without these documents, the agency may overlook critical issues that could negatively impact system processing or functionality. The public may also be negatively impacted in their ability to access the system and file claims.

Enterprise policies must be followed by all enterprise agencies to manage risks and protect the privacy of individuals. CIO-093, Risk Assessment Policy, states:

Agencies shall categorize the information systems within their control in accordance with applicable federal laws, Executive Orders, directives, policies, regulations, standards, and guidance. Agencies shall assign a Security Categorization (SC) and document the security categorization results, including supporting rationale, in the SSP for the information system...

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-013: The Office Of Unemployment Insurance Did Not Comply With Certain Federal And State Enterprise Policies Related To System Security (Continued)

...Each agency shall conduct a risk assessment, including the likelihood and magnitude of harm from the unauthorized access, use, disclosure, disruption, modification, or destruction of the information system and the information it processes, stores, or transmits. Agencies shall document the risk assessment results, review risk assessment results at least annually, disseminate the risk assessment results to the appropriate personnel, and update the risk assessment at least every three years or whenever there are significant changes to the information system or environment of operation...

...Agencies shall request a vulnerability scan against their information systems and hosted applications on a schedule based on federal, state, or business compliance needs for all systems, or when new vulnerabilities potentially affecting the system or applications are identified and reported...

Agencies shall analyze the vulnerability scan reports and results from the security control assessments and remediate legitimate vulnerabilities in accordance with an organizational assessment of risk...

CIO-112, Security Planning Policy, states “The Commonwealth Office of Technology (COT) and enterprise agencies with IT systems in the Commonwealth’s infrastructure shall develop and manage security plans for the IT systems under their control. These security plans may be single documents or a collection of various documents...” Also, “[a]gencies shall develop security plans, rules of behavior, and an information security architecture for Commonwealth systems in accordance with policies, procedures, and standards established by COT...”

Recommendation

We recommend OUI develop an SSP that complies with CIO-093 and CIO-112. Once developed, the SSP should be distributed to the appropriate personnel to ensure risk is appropriately mitigated throughout the Commonwealth.

Management’s Response and Planned Corrective Action

The Education and Labor Cabinet has received the recommendation from the Auditor of Public Accounts. A System Security Plan has been created according to recommendations of CIO-093 and CIO-112 and is in the process of finalizing the plan for approval.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-013: The Office Of Unemployment Insurance Did Not Comply With Certain Federal And State Enterprise Policies Related To System Security (Continued)**

Management's Response and Planned Corrective Action (Continued)

Further, the State Auditor and the Office of the State Auditor are in violation of both state law and applicable auditing standards. See AICPA Code, 1.110.010.12, Conflicts of Interest for Members in Public Practice, Disclosure of a Conflict of Interest and Consent; AICPA Code, 0.300.050, Objectivity and Independence, .01-.02; GAO-21-3680, Government Auditing Standards, 3.11, Objectivity; GAO 21-3680, Government Auditing Standards, 3.15, Proper Use of Government Information, Resources, and Positions; KRS 11A.020-.030. The State Auditor is aware of, failed to disclose, and chooses to ignore this clear conflict of interest.

Auditor's Reply

As noted in the FY 21 Statewide Single Audit of Kentucky, the Auditor of Public Accounts is in compliance with all applicable laws and auditing standards. The APA has safeguards in place, both statutorily and procedurally, to assure that objectivity and independence are maintained in accordance with professional auditing standards. Strong safeguards have been in place for decades at the APA to insulate the agency's audit work from any political bias resulting from the fact that every four years, a sitting State Auditor may again run for statewide office in a partisan election. These longstanding safeguards were enhanced to provide additional assurance and to mitigate the perceived conflict of interest. This information was clearly spelled out in memos addressed to the Kentucky Labor Cabinet Secretary - dated August 17, 2021 and August 30, 2021.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-014: The Office Of Unemployment Insurance Did Not Comply With Certain Federal Regulations Related To Income Eligibility And Verification Systems

The Office of Unemployment Insurance (OUI) has not completed quarterly wage crossmatches for Unemployment Insurance (UI), Pandemic Unemployment Assistance (PUA), and Pandemic Unemployment Emergency Compensation (PUEC) claims for Calendar Year (CY) 2021 and CY 2022. Due to the workload created for staff because of the COVID-19 pandemic, OUI is currently running the fourth quarter cross match for CY 2021 in November of 2022. 20 CFR 603.23 (Code of Federal Regulations) requires state Unemployment Compensation (UC) agencies to crossmatch quarterly wage information with UC payment information to identify ineligibility for benefits and prevent or discover incorrect payments.

Due to the COVID-19 pandemic, cross match audits were suspended for a four-month period. OUI completed the second quarter of CY2021 cross match in July 2022 and is still working towards completing the remainder of CY 2021 and CY 2022's cross matches.

Failure to comply with Federal law to prevent, detect, and recover improper and fraudulent payments could lead to fraudulent claims being processed within the Kentucky Electronic Workplace for Employment Services System (KEWES) without OUI's knowledge.

20 CFR 603.23, What information must State unemployment compensation agencies obtain from other agencies, and crossmatch with wage information, for purposes of an IEVS (Income Eligibility and Verification System), states:

- (a) Crossmatch with information from requesting agencies. Each State UC agency must obtain such information from the Social Security Administration and any requesting agency as may be needed in verifying eligibility for, and the amount of, compensation payable under the State UC law.
- (b) Crossmatch of wage and benefit information. The State UC agency must crossmatch quarterly wage information with UC payment information to the extent that such information is likely, as determined by the Secretary of Labor, to be productive in identifying ineligibility for benefits and preventing or discovering incorrect payments.

Recommendation

We recommend OUI complete cross match audits for CY 2021 and continue working to complete CY 2022 cross matches in a timely manner. Also, OUI should ensure wages are cross-matched with UC payment information on a quarterly basis to ensure compliance with 20 CFR 603.23.

FINANCIAL STATEMENT FINDINGS***Significant Deficiencies Relating to Internal Controls and/or Noncompliances*****FINDING 2022-014: The Office Of Unemployment Insurance Did Not Comply With Certain Federal Regulations Related To Income Eligibility And Verification Systems (Continued)****Management's Response and Planned Corrective Action**

The Education and Labor Cabinet received the above finding. Because OUI is required to wait for employers to submit quarterly wage data to OUI – data required for the cross-match audit selection – cross-match audits naturally trail at least two (2) quarters. OUI has completed the 4th quarter of 2021 and has begun work on the 1st quarter of 2022. The 2nd and 3rd quarters of 2022 will be started after January 1, 2023 with an estimated date of April 1, 2023 to be caught up on cross-match audits.

Further, the State Auditor and the Office of the State Auditor are in violation of both state law and applicable auditing standards. See AICPA Code, 1.110.010.12, Conflicts of Interest for Members in Public Practice, Disclosure of a Conflict of Interest and Consent; AICPA Code, 0.300.050, Objectivity and Independence, .01-.02; GAO-21-3680, Government Auditing Standards, 3.11, Objectivity; GAO 21-3680, Government Auditing Standards, 3.15, Proper Use of Government Information, Resources, and Positions; KRS 11A.020-.030. The State Auditor is aware of, failed to disclose, and chooses to ignore this clear conflict of interest.

Auditor's Reply

As noted in the FY 21 Statewide Single Audit of Kentucky, the Auditor of Public Accounts is in compliance with all applicable laws and auditing standards. The APA has safeguards in place, both statutorily and procedurally, to assure that objectivity and independence are maintained in accordance with professional auditing standards. Strong safeguards have been in place for decades at the APA to insulate the agency's audit work from any political bias resulting from the fact that every four years, a sitting State Auditor may again run for statewide office in a partisan election. These longstanding safeguards were enhanced to provide additional assurance and to mitigate the perceived conflict of interest. This information was clearly spelled out in memos addressed to the Kentucky Labor Cabinet Secretary - dated August 17, 2021 and August 30, 2021.

FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Relating to Internal Controls and/or Noncompliances

FINDING 2022-015: The Department Of Parks Did Not Ensure Unearned Revenue Was Reported Properly On The Closing Package

The Department of Parks (Parks) accounts for unearned revenue at the close of the fiscal year on a closing package, which is year-end financial information submitted to the Finance and Administration Cabinet (FAC) for inclusion in the Commonwealth's Annual Comprehensive Financial Report (ACFR). During fiscal year 2022 the closing package form included unearned revenue from both Parks and another state agency. This resulted in the closing package reporting unearned revenue of \$3,534,995 instead of 2,833,882.

Internal controls for preparation and review of the closing package failed to ensure unearned revenue was reported properly on the closing package. The spreadsheet used for the determination did not use cell formulas so when Parks attempted to make an adjustment to remove the other agency, the total amount at the bottom of the spreadsheet did not change to reflect the removal.

Park's internal controls did not identify the error on the closing package. The error led to an overstatement of unearned revenue of \$701,113, which would have made the financial statements inaccurate.

The closing package instructions regarding unearned revenue state, "Unearned revenues are those for which cash has been received, as of June 30, in exchange for promises to perform services or to furnish goods at some future date."

Sound internal controls over the preparation of the closing package dictate procedures ensure closing package information submitted to FAC contains accurate information for financial reporting.

Recommendation

We recommend strengthening internal controls over the preparation and subsequent review of Parks closing package to ensure all unearned revenue is properly accounted for in accordance with FAC's closing package instructions.

Management's Response and Planned Corrective Action

The Department of Parks agrees with the findings. The Kentucky Department of Park's unearned revenue report from [vendor name redacted] inadvertently included the Kentucky Horse Park. The error was identified, and the correction was made to the ACFR by the Finance and Administration Cabinet before it was finalized. We will scrutinize the report from [vendor name redacted] more carefully next year to ensure that it represents only the Department of Parks unearned revenue.

APPENDIX

**COMMONWEALTH OF KENTUCKY
APPENDIX
FOR THE YEAR ENDED JUNE 30, 2022**

This report is available on our website, auditor.ky.gov, in PDF format. For other requests, please contact Tim Gutman, the APA's Open Records Administrator, at (502)564-5841 or tim.gutman@ky.gov. If copies of the ACFR for FY 2022 are required, the report is available on the Finance and Administration Cabinet website at finance.ky.gov in PDF format.

The list includes entities included in the Commonwealth's ACFR with separate audited financial statement reports issued by the Auditor of Public Accounts or Certified Public Accounting firms. Audit reports are available upon request to the respective agency.

Bluegrass State Skills Corporation
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Turnpike Authority of Kentucky
200 Mero Street, 5th Floor
Frankfort, KY 40622

Kentucky Transportation Cabinet
Kentucky Transportation Cabinet's Workers' Compensation Program
200 Mero Street
Frankfort, Kentucky 40601

Kentucky Center for the Arts
501 West Main Street
Louisville, Kentucky 40202

Kentucky Economic Development Finance Authority
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Kentucky Housing Corporation
1231 Louisville Road
Frankfort, Kentucky 40601

Kentucky Public Pension Authority
Perimeter Park West
1260 Louisville Road
Frankfort, Kentucky 40601

Teachers' Retirement System of the State of Kentucky
479 Versailles Road
Frankfort, Kentucky 40601

**COMMONWEALTH OF KENTUCKY
APPENDIX
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

University of Louisville
2301 South 3rd Street
108 Grawemeyer Hall
Louisville, Kentucky 40292

Western Kentucky University
Vice President for Finance and Administration
1906 College Heights Blvd.
Potter Hall 435
Bowling Green, Kentucky 42101-1007

Murray State University
102 Curris Center
Murray, Kentucky 42071

Kentucky State University
Office of Administrative Affairs
400 East Main Street
Frankfort, Kentucky 40601

Kentucky Lottery Corporation
1011 West Main Street
Louisville, Kentucky 40202-2623

Kentucky State Fair Board
Kentucky Fair and Exposition Center
937 Phillips Lane
Louisville, KY 40209

Kentucky Educational Television Authority
600 Cooper Drive
Lexington, Kentucky 40502

Kentucky Higher Education Assistance Authority
P.O. Box 798
Frankfort, Kentucky 40602-0798

Kentucky Higher Education Student Loan Corporation
P.O. Box 24328
Louisville, KY 40224-0328

**COMMONWEALTH OF KENTUCKY
APPENDIX
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Kentucky Infrastructure Authority
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601

Kentucky Judicial Form Retirement System
Suite 302, Whitaker Bank Building
305 Ann Street
Frankfort, Kentucky 40601

University of Kentucky
410 Administration Drive
Lexington, Kentucky 40506-0005

Eastern Kentucky University
Vice President for Business Affairs
521 Lancaster Avenue
Richmond, Kentucky 40475-3101

Morehead State University
Office of Accounting and Financial Services
207 Howell-McDowell Administration Building
Morehead, Kentucky 40351

Northern Kentucky University
Office of Business Affairs
Lucas Administration Center
726 Nunn Drive
Highland Heights, Kentucky 41099-8101

Office of Public Employees Health Insurance
State Office Building, 2nd Floor
501 High Street
Frankfort, KY 40601

Kentucky Community and Technical College System
300 North Main Street
Versailles, KY 40383

Kentucky River Authority
403 Wapping Street, Suite 105
Frankfort, KY 40601

**COMMONWEALTH OF KENTUCKY
APPENDIX
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)**

Council on Postsecondary Education
100 Airport Road
Frankfort, KY 40601

Office of the Petroleum Storage Tank
Environmental Assurance Fund
300 Sower Blvd, 2nd Floor
Frankfort, KY 40601

Kentucky Artisan Center at Berea
200 Artisan Way
Berea, KY 40403

Kentucky Public Employees' Deferred Compensation Authority
501 High Street, 2nd Floor
Frankfort, KY 40601

Workers' Compensation Program
500 Mero Street, 3rd Floor
Frankfort, KY 40601

Kentucky Department of Labor - Special Fund
500 Mero Street, 3rd Floor
Frankfort, KY 40601

Kentucky Horse Park Foundation
4075 Iron Works Parkway, Building D
Lexington, Kentucky 40511

Kentucky Public Transportation Infrastructure Authority
200 Mero Street, 6th Floor East
Frankfort, Kentucky 40601

Kentucky Communications Network Authority
500 Mero Street
Frankfort, KY 40601

Louisville Arena Authority
1 Arena Plaza
Louisville, KY 40202