

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT

STEARNS COUNTY
ST. CLOUD, MINNESOTA

YEAR ENDED DECEMBER 31, 2017

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 150 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 650 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

Year Ended December 31, 2017



Management and Compliance Report

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

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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*

Independent Auditor's Report

Board of County Commissioners
Stearns County
St. Cloud, Minnesota

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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stearns County, Minnesota, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 7, 2018. Our report includes a reference to other auditors who audited the financial statements of the Housing and Redevelopment Authority (HRA) of Stearns County, the discretely presented component unit, for the year ended June 30, 2017, as described in our report on the County'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 Stearns County's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested in connection with the audit of the County's financial statements: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing as the cities administer the tax increment financing in Stearns County.

In connection with our audit, nothing came to our attention that caused us to believe that Stearns County failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above referenced provisions.

Purpose of This Report

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

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

September 7, 2018

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

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

Independent Auditor's Report

Board of County Commissioners
Stearns County
St. Cloud, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Stearns County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. Stearns County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Stearns County's basic financial statements include the operations of the Housing and Redevelopment Authority (HRA) of Stearns County component unit, which expended \$1,525,820 in federal awards during the year ended June 30, 2017, which are not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the HRA of Stearns County because other auditors were engaged to perform a single audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Stearns County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted

in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Stearns County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Stearns County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001. Our opinion on each major federal program is not modified with respect to this matter.

Stearns County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Stearns County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Stearns County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001, that we consider to be a significant deficiency.

Stearns County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Stearns County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stearns County, Minnesota, as of and for the year ended December 31, 2017, including the Housing and Redevelopment Authority of Stearns County component unit as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated September 7, 2018, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the HRA of Stearns County, which was audited by other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stearns County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The SEFA 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. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of This Report

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

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

September 7, 2018

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over major programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **Yes**

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

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

The major federal programs are:

Special Supplemental Nutrition Program for Women, Infants, and Children	CFDA No. 10.557
SNAP Cluster	CFDA No. 10.561
Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
Recreational Trails Program	CFDA No. 20.219
Medicaid Cluster	CFDA No. 93.778

The threshold for distinguishing between Types A and B programs was \$750,000.

Stearns County qualified as a low-risk auditee? **No**

II. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding Number 2013-001

Eligibility

Program: U.S. Department of Health and Human Services' Medicaid Cluster (CFDA No. 93.778), Award Nos. 05-1705MN5ADM and 1805MN5ADM, 2017

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. In the case files tested for compliance with eligibility requirements, not all documentation was available, updated, or input correctly to support participant eligibility. The following exceptions were noted in the sample of 40 cases tested:

- One case file had the incorrect health insurance information in MAXIS.
- One case file had an asset listed in MAXIS that was no longer listed in the combined application form.
- One case file had income that was incorrectly recorded in MAXIS and health insurance coverage listed in MAXIS that was not supported in the case file.

Questioned Costs: Not applicable. The County administers the program, but benefits to participants in this program are paid by the State of Minnesota.

Context: The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

The State of Minnesota contracts with the County's Human Services Department to perform the "intake function" (meeting with the social services client to determine income and categorical eligibility), while the Minnesota DHS maintains MAXIS, which supports the eligibility determination process and actually pays the benefits to the participants.

Effect: Inadequate documentation and the improper input of information into MAXIS increases the risk that participants will receive benefits when they are not eligible.

Cause: County program personnel gathering and entering case information into MAXIS did not ensure all required information was input correctly.

Recommendation: We recommend the County implement additional procedures to provide reasonable assurance that all necessary documentation to support eligibility determinations is properly input into MAXIS and maintained in the case files. Consideration should be given to providing additional training to County program personnel.

View of Responsible Official: Acknowledged

IV. PREVIOUSLY REPORTED ITEMS RESOLVED

1996-006 Segregation of Duties
2014-003 Contract Compliance
2015-001 Eligibility (CFDA No. 93.558)

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Randy R. Schreifels, County Auditor-Treasurer

**REPRESENTATION OF STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2017**

Finding Number: 2013-001
Finding Title: Eligibility
Program: Medicaid Cluster (CFDA No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Janet Goligowski, Division Director

Corrective Action Planned:

Healthcare (MA) Supervisors and Financial Program Specialists perform 10 random quality assurance (QA) checks for compliance: income matches, asset verifications, and application completion until 95 percent accuracy is met. This will begin immediately with weekly QA's. Ten random QA's will continue monthly once 95 percent accuracy is achieved for at least 4 weeks.

September 2017, review form and spreadsheet created to monitor and track errors, measure error percentage and assure corrections made by staff.

September 2018, 0.5 FTE position added to QA to conduct reviews and provide identified training for staff on an ongoing basis.

Anticipated Completion Date:

Effective 9/13/2017; Effective 0.5 FTE 9/04/2018

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**REPRESENTATION OF STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Finding Number: 1996-006

Finding Title: Segregation of Duties

Summary of Condition: The County Parks Department, which collects fees, lacks proper segregation of duties. One individual within the Parks Department has access to cash and is responsible for administering the collections and reconciling and depositing the fees collected.

Summary of Corrective Action Previously Reported: The Parks Department issue was that one individual was entering the receipts and also had custody of the cash. Beginning in March 2017, the Parks Operation Coordinator began reviewing the cash count and initialing the related worksheet (added a “review process”). The added layer of review should resolve this issue.

Status: Fully Corrected. Corrective action was taken.

Was corrective action taken significantly different than the action previously reported?

Yes _____ No X

Finding Number: 2015-001

Finding Title: Eligibility

Program: Temporary Assistance for Needy Families (CFDA No. 93.558)

Summary of Condition: A sample of 40 Temporary Assistance for Needy Families case files was tested for controls over, and compliance with, the eligibility requirements of the program. Of the case files selected, one had support for income that did not match what was input into MAXIS, and one did not have the disqualification questions on the combined application form fully certified by the participant.

Summary of Corrective Action Previously Reported: The County will implement program integrity checks on a random basis to assure staff are following the processes. Additional training on processes for financial workers may be conducted in each unit as needed.

Status: Fully Corrected. Corrective action was taken.
Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2014-003
Finding Title: Contract Compliance

Summary of Condition: Final payment was made on three contracts involving the employment of individuals for wages before the Affidavit of Withholding Form (IC-134) required by the Minnesota Department of Revenue was received from the contractors.

Summary of Corrective Action Previously Reported: Administration, Purchasing, and the County Auditor's Office will be adding a workflow to the financial system to track the receipt of IC-134 forms and communicate sign-offs for final payment.

Status: Fully Corrected. Corrective action was taken.
Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2013-001
Finding Title: Eligibility
Program: Medicaid Cluster (CFDA No. 93.778)

Summary of Condition: A sample of 15 Medical Assistance Program case files was tested for controls over, and compliance with, the eligibility requirements of the program. Of the case files selected, three instances were noted where asset or income documentation did not adequately support all participant eligibility requirements and/or match the information in MAXIS.

Summary of Corrective Action Previously Reported: Healthcare (MA) Supervisors will perform 10 random quality assurance (QA) checks for compliance in the areas of note: income matches, asset verifications, and application completion until 95 percent accuracy is achieved. This will begin immediately with daily, weekly, and then monthly QA's. Ten random QA's will continue monthly once 95 percent accuracy is achieved. Data will be tracked, measured, corrected, and used to train staff on policy issues. Review form and tracking spreadsheet created.

Status: Not Corrected.
2015 findings - Random case sampling case reviews were conducted. Errors that required action were corrected and training provided both to the individual as well as at unit meetings.

2016 findings - Two errors cited by the State Auditor were done correctly per DHS policy at the time of the benefit issuance; therefore should not be errors. Two errors are errors in which workers applied wrong eligibility rules; METS and MAXIS cases have since been assigned to separate workers.

In April 2017, the Human Services' Gateway Services Division created an additional healthcare programs unit to specifically separate METS and MAXIS healthcare programs. METS healthcare workers are assigned specifically METS and MAXIS healthcare workers for non-MAGI work specifically within MAXIS. This separation allows eligibility specialization and training to occur within the two different (MAGI and non-MAGI) programs.

As is indicated in the 2016 Corrective Action Plan, random regular case actions conducted on a daily basis began September 14, 2017, to date.

Was corrective action taken significantly different than the action previously reported?

Yes _____ No X

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**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	172MN004W1003	\$ 791,332	\$ -
Passed through Minnesota Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	172MN101S2514	<u>1,114,345</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 1,905,677</u>	<u>\$ -</u>
U.S. Department of Commerce				
Passed through Central Minnesota Emergency Services Board State and Local Implementation Grant Program	11.549	Not provided	<u>\$ 300</u>	<u>\$ -</u>
U.S. Department of Justice				
Direct				
Justice Systems Response to Families	16.021		\$ 22,578	\$ -
State Criminal Alien Assistance Program	16.606		2,107	-
Passed through Minnesota Department of Public Safety				
Juvenile Accountability Block Grants	16.523	A-JABGSP-2017- STEARNAO-00005	63,748	-
Crime Victim Assistance	16.575	A-CVSP-2017- STEARNAO-00032	<u>90,935</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 179,368</u>	<u>\$ -</u>
U.S. Department of Transportation				
Passed through Minnesota Department of Transportation Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	27-7317203	\$ 24,077	\$ -
Highway Planning and Construction	20.205	27-7317201	383,114	-
Highway Planning and Construction	20.205	27-7317236	901,102	-
(Total Highway Planning and Construction 20.205 \$1,308,293)				
Passed through Minnesota Department of Natural Resources Highway Planning and Construction Cluster Recreational Trails Program	20.219	TRAL020	25,000	-
Passed through City of Saint Cloud, Minnesota Highway Safety Cluster				
State and Community Highway Safety	20.600	Not Provided	12,402	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	30,831	-
Highway Safety Cluster National Priority Safety Program	20.616	Not Provided	<u>7,154</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 1,383,680</u>	<u>\$ -</u>

**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	6 U90TP000529	\$ 30,830	\$ -
Public Health Emergency Preparedness (Total Public Health Emergency Preparedness 93.069 \$99,403)	93.069	NU90TP921911-01-00	68,573	-
Universal Newborn Hearing Screening	93.251	H61MC00351-16-02	2,775	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	6 NUR3DD000842-06-02	1,850	-
Maternal, Infant, and Early Childhood Home Visiting Cluster Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	1D89MC28263-01-01	172,160	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	93.539	1H23IP000737	52,078	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds (Total PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds 93.539 \$58,403)	93.539	41-600-7162	6,325	-
TANF Cluster				
Temporary Assistance for Needy Families	93.558	20159946115	14,353	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$1,943,803)	93.558	2017G996115	191,464	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by the Prevention and Public Health Fund (PPHF)	93.733	NH23IP922564	8,871	-
Medicaid Cluster				
Medical Assistance Program (Total Medical Assistance Program 93.778 \$3,549,323)	93.778	Not Provided	20,749	-
Maternal, Infant, and Early Childhood Home Visiting Cluster Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	D89MC28263X10MC29483	455,133	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MB28107	134,602	-
Passed through Minnesota Department of Human Services				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	SM016024-17	62,399	-
Projects for Assistance in Transition from Homelessness (PATH) (Total Projects for Assistance in Transition from Homelessness (PATH) 93.150 \$64,636)	93.150	2X06SM016024-17	2,237	-
Promoting Safe and Stable Families	93.556	G-1601MNF PSS	74,132	-
Promoting Safe and Stable Families (Total Promoting Safe and Stable Families 93.556 \$81,010)	93.556	G-1701MNF PSS	6,878	-
TANF Cluster				
Temporary Assistance for Needy Families	93.558	1601MNTANF	1,735,095	1,349,413
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$1,943,803)	93.558	1801MNTANF	2,891	-

**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through Minnesota Department of Human Services (Continued)				
Child Support Enforcement	93.563	1704MNCSES	2,330,397	-
Refugee and Entrant Assistance - State Administered Programs CCDF Cluster	93.566	1701MNRCA	15,335	-
Child Care and Development Block Grant	93.575	G1701MNCCDF	87,602	-
Child Care and Development Block Grant (Total Child Care and Development Block Grant 93.575 \$95,578)	93.575	G1801MNCCDF	7,976	-
Community-Based Child Abuse Prevention Grants	93.590	G-1502MNFPRG	8,253	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1601MNCWSS	22,831	-
Foster Care - Title IV-E	93.658	1701MNFOST	739,934	-
Foster Care - Title IV-E (Total Foster Care - Title IV-E 93.658 \$896,313)	93.658	1801MNFOST	156,379	-
Social Services Block Grant	93.667	G-1701MNSOSR	637,577	-
Chafee Foster Care Independence Program Medicaid Cluster	93.674	G-1601MNCILP	7,161	-
Medical Assistance Program	93.778	05-1705MN5ADM	2,863,061	-
Medical Assistance Program	93.778	1805MN5ADM	630,635	-
Medical Assistance Program	93.778	05-1705MN5MAP	32,646	-
Medical Assistance Program (Total Medical Assistance Program 93.778 \$3,549,323)	93.778	1805MN5MAP	2,232	-
Total U.S. Department of Health and Human Services			\$ 10,585,414	\$ 1,349,413
U.S. Department of Homeland Security				
Passed through Minnesota Department of Natural Resources				
Boating Safety Financial Assistance	97.012	Not Provided	\$ 4,123	\$ -
Passed through Minnesota Department of Public Safety				
Hazard Mitigation Grant	97.039	Not Provided	57,675	-
Emergency Management Performance Grants	97.042	F-EMPG-2016-HSEM4SC-2315	8,346	-
Emergency Management Performance Grants (Total Emergency Management Performance Grants 97.042 \$72,934)	97.042	A-EMPG-2017-STEARNCO-077	64,588	-
Passed through Central Minnesota Emergency Services Board				
Homeland Security Grant Program	97.067	Not Provided	125,939	-
Total U.S. Department of Homeland Security			\$ 260,671	\$ -
Total Federal Awards			\$ 14,315,110	\$ 1,349,413
Totals by Cluster				
Total expenditures for SNAP Cluster			\$ 1,114,345	
Total expenditures for Highway Planning and Construction Cluster			1,333,293	
Total expenditures for Highway Safety Cluster			19,556	
Total expenditures for Maternal, Infant, and Early Childhood Home Visiting Cluster			627,293	
Total expenditures for TANF Cluster			1,943,803	
Total expenditures for CCDF Cluster			95,578	
Total expenditures for Medicaid Cluster			3,549,323	

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**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Stearns County. The County's reporting entity is defined in Note 1 to the financial statements. Stearns County's financial statements include the operations of the Housing and Redevelopment Authority (HRA) of Stearns County component unit, which expended \$1,525,820 in federal awards during the year ended June 30, 2017. Those expenditures are not included in the County's Schedule of Expenditures of Federal Awards because the HRA of Stearns County had a separate single audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Stearns County under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented 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). Because the schedule presents only a selected portion of the operations of Stearns County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Stearns County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Stearns County has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**STEARNS COUNTY
ST. CLOUD, MINNESOTA**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 13,808,971
Grants received more than 60 days after year-end, unavailable in 2017	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	163,627
Stephanie Tubbs Jones Child Welfare Services Program	6,031
Child Support Enforcement	286,091
Temporary Assistance for Needy Families	659,169
Promoting Safe and Stable Families	16,027
Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health	3,225
Unavailable in 2016, recognized as revenue in 2017	
Temporary Assistance for Needy Families	(416,437)
Recreational Trails Program	(150,000)
Maternal and Child Health Services Block Grant to the States	(49,863)
Projects for Assistance in Transition from Homelessness (PATH)	(11,319)
Hazard Mitigation Grant	(412)
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Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 14,315,110</u>