

State of Minnesota



**Office of the State Auditor**

Julie Blaha  
State Auditor

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**Clay County  
Moorhead, Minnesota**

Management and Compliance Report

Year Ended December 31, 2020

## **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 100 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 Minnesota’s local 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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# **Clay County Moorhead, Minnesota**

Year Ended December 31, 2020



**Office of the State Auditor**

Management and Compliance Report

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

**CLAY COUNTY  
MOORHEAD, 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  
Clay County  
Moorhead, 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 business-type activities, each major fund, and the aggregate remaining fund information of Clay County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 12, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clay County's internal control over financial reporting as a basis for designing 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Clay 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 financial statements. 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**

In connection with our audit, nothing came to our attention that caused us to believe that Clay County failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. 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, insofar as they relate to accounting matters.

### **Clay County's Response to Finding**

Clay County's response to the internal control finding identified in our audit is described in the Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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/Julie Blaha*

JULIE BLAHA  
STATE AUDITOR

*/s/Dianne Syverson*

DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR

January 12, 2022



**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  
Clay County  
Moorhead, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited Clay 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, 2020. Clay County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***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 Clay 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 Clay 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.

### ***Opinion on Each Major Federal Program***

In our opinion, Clay 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, 2020.

### **Report on Internal Control Over Compliance**

Management of Clay 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clay County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated January 12, 2022, 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 Clay County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by the 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.

*/s/Julie Blaha*

JULIE BLAHA  
STATE AUDITOR

January 12, 2022

*/s/Dianne Syverson*

DIANNE SYVERSON, CPA  
DEPUTY STATE AUDITOR

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED December 31, 2020

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

Internal control over financial reporting:

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

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

**Federal Awards**

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **No**

The major federal programs are:

Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
COVID-19 – Coronavirus Relief Funds	CFDA No. 21.019
Medicaid Cluster	
Medical Assistance Program	CFDA No. 93.778

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

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

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

INTERNAL CONTROL

Finding Number: 2020-001

Prior Year Finding Number: 2019-001

Repeat Finding Since: 1996

Segregation of Duties

**Criteria:** Management is responsible for establishing and maintaining internal control. Adequate segregation of duties is a key internal control in preventing and detecting errors or irregularities. To protect County assets, proper segregation of the record-keeping, custody, and authorization functions should be in place, and where management decides segregation of duties may not be cost effective, compensating controls should be in place.

**Condition:** Due to the limited number of personnel within several Clay County offices, segregation of accounting duties necessary to ensure adequate internal accounting control is not possible. The smaller fee offices generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts.

**Context:** This is not unusual in operations the size of Clay County; however, the County's management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an internal control point of view.

**Effect:** Inadequate segregation of duties could adversely affect the County's ability to detect misstatements in a timely period by employees in the normal course of performing their assigned functions.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Cause:** The County informed us that collecting fees for services at a department level provides a convenience for their customers. Fee services are provided in several locations, so having customers paying at a single point of collection, such as the Treasurer's Office, would be very inconvenient. The staffing available in several of these smaller offices limits the potential for complete segregation of duties.

**Recommendation:** We recommend Clay County's officials and management be mindful that limited staffing increases the risks in safeguarding the County's assets and the proper recording of its financial activity and, where possible, implement oversight procedures to ensure that internal control policies and procedures are being followed by staff.

**View of Responsible Official:** Concur

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS**

None

**IV. PREVIOUSLY REPORTED ITEMS RESOLVED**

2019-002 Eligibility Testing  
2019-003 Electronic Funds Transfer Policy  
2019-004 Publication of Board Minutes

**COUNTY AUDITOR**

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**REPRESENTATION OF CLAY COUNTY  
MOORHEAD, MINNESOTA**

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Finding Number: 2020-001**

**Finding Title: Segregation of Duties**

Name of Contact Person Responsible for Corrective Action:

Lori Johnson, County Auditor-Treasurer

Corrective Action Planned:

Clay County is aware of the lack of segregation of duties in some of the smaller departments and has implemented oversight procedures to ensure that internal control policies and procedures are being implemented by staff.

Anticipated Completion Date:

December 2021

**COUNTY AUDITOR**

LORI J. JOHNSON

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**REPRESENTATION OF CLAY COUNTY  
MOORHEAD, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Finding Number: 2019-001**

**Repeat Finding Since: 1996**

**Finding Title: Segregation of Duties**

**Summary of Condition:** Due to the limited number of personnel within several Clay County offices, segregation of accounting duties necessary to ensure adequate internal accounting control is not possible. The smaller fee offices generally have one staff person who is responsible for billing, collecting, recording, and depositing receipts as well as reconciling bank accounts.

**Summary of Corrective Action Previously Reported:** Clay County is aware of the lack of segregation of duties in some of the smaller departments and has implemented oversight procedures to ensure that internal control policies and procedures are being implemented by staff.

**Status:** Not Corrected. Clay County is aware of the lack of segregation of duties in some of the smaller departments where it is not feasible to have multiple employees handling financial duties. Was corrective action taken significantly different than the action previously reported?

Yes \_\_\_\_\_ No   x  

**Finding Number: 2019-002**

**Repeat Finding Since: 2016**

**Finding Title: Eligibility Testing**

**Program: Medical Assistance Program (CFDA #93.778)**

**Summary of Condition:** The Minnesota Department of Human Services (DHS) maintains the computer systems, MAXIS and METS, which are used by Clay County to support the eligibility determination process. In a sample of 25 case files reviewed for eligibility, there were seven instances where not all documentation was available to support participant eligibility in MAXIS, or information was not updated or input correctly into MAXIS.

**Summary of Corrective Action Previously Reported:** All of the audit findings and case errors will be reviewed with the Eligibility Workers and strategies will be developed with the Supervisor and Eligibility Workers to eliminate errors from occurring in the future. Monthly case reviews will be done and any errors will be addressed with all Eligibility Workers for correction and training purposes. Workload demands will continue to be assessed as to whether additional staff resources are needed to address processing errors.

**Status:** Fully Corrected. Any errors identified in the audit were all reviewed with staff for training purposes and for assuring compliance in the future. We had a change in Supervisors recently for this unit and significant worker movement. We are developing a written policy regarding how and who will be conducting the case file reviews and a process to assure this occurs. Before the end of the year, we will review 10 case files for accuracy.

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

Yes \_\_\_\_\_ No   x  

**Finding Number: 2019-003**

**Repeat Finding Since: 2018**

**Finding Title: Electronic Funds Transfer Policy**

**Summary of Condition:** The County Board has established a County Investment Policy which includes a section on electronic funds transfers that references Minn. Stat. § 385.071 and authorizes the County Auditor-Treasurer to use electronic transfers for investment purchases and contractual payments to vendors; however, the policy does not include the policy controls required by Minn. Stat. § 471.38, subd. 3a.

**Summary of Corrective Action Previously Reported:** County will update current policy to include the policy controls required by Minn. Stat. 471.38, subd. 3a.

**Status:** Fully Corrected. Corrective action was taken.

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

Yes \_\_\_\_\_ No   x  

**Finding Number: 2019-004**

**Repeat Finding Since: 2018**

**Finding Title: Publication of Board Minutes**

**Summary of Condition:** Auditors reviewed the affidavits of publication related to the publishing of a summary of County Board minutes for 2019 and found that not all of the summaries were published in the County's official newspaper within the 30-day requirement.

**Summary of Corrective Action Previously Reported:** Will monitor the publishing of the summary of County Board minutes, so that they are in compliance with Minn. Stat. 375.12, so they are published within the 30-day requirement.

**Status:** Fully Corrected. Corrective action was taken.  
Was corrective action taken significantly different than the action previously reported?  
Yes \_\_\_\_\_ No   x  

**Finding Number:** 2017-001

**Repeat Finding Since:** 2017

**Finding Title:** Procurement, Suspension, and Debarment

**Program:** Medical Assistance Program (CFDA No. 93.778)

**Summary of Condition:** Of five procurement transactions over \$3,000 tested, including two that were over \$25,000 and one over \$100,000, the following items were noted:

- Two small purchases, tested did not have written documentation to support the rationale for the method of procurement, basis of contractor selection, and documentation of full and open competition.
- All three covered transactions did not have verification of whether vendors were debarred, suspended, or otherwise excluded.

**Summary of Corrective Action Previously Reported:** Clay County Social Services will follow federal regulations, Clay County Procurement Policy for contractor selection and documentation of full and open competition as well as checking vendors to assure they are not debarred, suspended or otherwise excluded

**Status:** Fully Corrected. Corrective action was taken.  
Was corrective action taken significantly different than the action previously reported?  
Yes \_\_\_\_\_ No   x

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed Through Minnesota Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	Not Provided	\$ 37,594	\$ -
National School Lunch Program	10.555	Not Provided	68,655	-
Passed Through Partnership4Health Community Health Board Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not Provided	352,350	-
Passed Through Minnesota Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202MN101S2514	586,877	-
Passed Through Partnership4Health Community Health Board WIC Grants to States (WGS)	10.578	Not Provided	5,888	-
<b>Total U.S. Department of Agriculture</b>			<b>\$ 1,051,364</b>	<b>\$ -</b>
<b>U.S. Department of Justice</b>				
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2020-CLAYAO- 157	\$ 65,449	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	A-JAG-2020- WCENTJUV-062	140,066	-
<b>Total U.S. Department of Justice</b>			<b>\$ 205,515</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>				
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	1030014	\$ 935,780	\$ -
Passed Through City of Moorhead, Minnesota Highway Safety Cluster State and Community Highway Safety	20.600	A-ENFR20-2020- MOORHDPD-00057	6,606	-
National Priority Safety Programs	20.616	A-ENFR20-2020- MOORHDPD-00057	2,103	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFR20-2020- MOORHDPD-00057	2,606	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 947,095</b>	<b>\$ -</b>

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of the Treasury</b>				
Direct				
Joint Law Enforcement Operation Task Force Project	21.XXX		\$ 5,464	\$ -
Passed Through Partnership4Health Community Health Board COVID-19 – Coronavirus Relief Fund	21.019	Not Provided	104,386	-
Passed Through Minnesota Department of Public Safety COVID-19 – Coronavirus Relief Fund	21.019	A-CRF-2021- WCENTJUV-099	21,907	-
Passed Through Minnesota Management and Budget COVID-19 – Coronavirus Relief Fund (Total COVID-19 – Coronavirus Relief Fund 21.019 \$7,990,354)	21.019	SLT0016	<u>7,864,061</u>	<u>51,024</u>
<b>Total U.S. Department of the Treasury</b>			<b><u>\$ 7,995,818</u></b>	<b><u>\$ 51,024</u></b>
<b>U.S. Department of Education</b>				
Passed Through Partnership4Health Community Health Board Special Education – Grants for Infants and Families	84.181	Not Provided	<b><u>\$ 2,062</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Election Assistance Commission</b>				
Passed Through Office of the Minnesota Secretary of State COVID-19 – 2018 HAVA Election Security Grants	90.404	Not Provided	<b><u>\$ 51,592</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Partnership4Health Community Health Board				
Public Health Emergency Preparedness	93.069	Not Provided	48,402	-
Early Hearing Detection and Intervention	93.251	Not Provided	225	-
Immunization Cooperative Agreements	93.268	Not Provided	975	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	75	-
State Physical Activity and Nutrition (SPAN)	93.439	Not Provided	33,832	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$920,175)	93.558	Not Provided	89,720	-
Maternal and Child Health Services Block Grant to the States	93.994	Not Provided	68,738	-
Passed Through Polk-Norman-Mahnomen Community Health Board				
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	Not Provided	68,113	-
Passed Through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	2001MNFPS	12,879	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$920,175)	93.558	2001MNTANF	830,455	-
Child Support Enforcement	93.563	2001MNCSES	216,623	-
Child Support Enforcement (Total Child Support Enforcement 93.563 \$1,333,155)	93.563	2001MNCES	1,116,532	-

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**EXHIBIT D-2  
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Passed Through Minnesota Department of Human Services (Continued)				
Refugee and Entrant Assistance – State Administered Programs CCDF Cluster	93.566	2001MNCMA	711	-
Child Care and Development Block Grant	93.575	2001MNCCDF	19,522	-
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	7,696	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	8,124	-
COVID-19 – Stephanie Tubbs Jones Child Welfare Services Program (Total Stephanie Tubbs Jones Child Welfare Services Program 93.645 \$8,749)	93.645	2001MNCWSS	625	-
Foster Care – Title IV-E	93.658	2001MNFOST	922,172	-
Social Services Block Grant	93.667	2001MNSOSR	366,456	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001MNCILP	70,000	-
Children's Health Insurance Program Medicaid Cluster	93.767	2005MN5021	1,274	-
Medical Assistance Program	93.778	2005MN5ADM	2,220,503	-
Medical Assistance Program (Total Medical Assistance Program 93.778 \$2,250,752)	93.778	2005MN5MAP	30,249	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 6,133,901</b>	<b>\$ -</b>
<b>U.S. Department of Homeland Security</b>				
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Not provided A-EMPG-2019- CLAYCO-015	\$ 116,474	\$ -
Emergency Management Performance Grants	97.042		33,886	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 150,360</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 16,537,707</b>	<b>\$ 51,024</b>
<b>Totals by Cluster</b>				
Total expenditures for Child Nutrition Cluster			\$ 106,249	
Total expenditures for SNAP Cluster			586,877	
Total expenditures for Highway Planning and Construction Cluster			935,780	
Total expenditures for Highway Safety Cluster			8,709	
Total expenditures for CCDF Cluster			19,522	
Total expenditures for Medicaid Cluster			2,250,752	

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Clay County. The County's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Clay County under programs of the federal government for the year ended December 31, 2020. 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 Clay County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Clay County.

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.

3. De Minimis Cost Rate

Clay County has elected to not use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CLAY COUNTY  
MOORHEAD, MINNESOTA**

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4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 15,533,326
Grants received more than 60 days after year-end, deferred in 2020	
Highway Planning and Construction (CFDA No. 20.205)	952,503
Temporary Assistance for Needy Families (CFDA No. 93.558)	263,859
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036)	29,244
Deferred in 2019, recognized as revenue in 2020	
Highway Planning and Construction (CFDA No. 20.205)	(16,723)
Promoting Safe and Stable Families (CFDA No. 93.556)	(175)
Stephanie Tubbs Jones Child Welfare Services Program (CFDA No. 93.645)	(525)
Foster Care Title – IV-E (CFDA No. 93.658)	(215,473)
John H. Chafee Foster Care Program for Successful Transition to Adulthood (CFDA No. 93.674)	(8,329)
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Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 16,537,707</u>