

State of Minnesota



**Office of the State Auditor**

Julie Blaha  
State Auditor

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**Cass County  
Walker, Minnesota**

Management and Compliance Report

Year Ended December 31, 2019

## **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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# Cass County Walker, Minnesota

Year Ended December 31, 2019



Management and Compliance Report

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

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**CASS COUNTY  
WALKER, 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  
Cass County  
Walker, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 19, 2020. Our report includes a reference to other auditors who audited the financial statements of the Cass County Housing and Redevelopment Authority and the Pine River Area Sanitary District, the discretely presented component units, 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 Cass 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cass 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**

In connection with our audit, nothing came to our attention that caused us to believe that Cass 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, except as described in the Schedule of Findings and Questioned Costs as item 2019-003. 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.



## **Cass County's Response to Findings**

Cass County's response to the legal compliance 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/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

August 19, 2020

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JULIE BLAHA  
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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  
Cass County  
Walker, Minnesota

### **Report on Compliance for the Major Federal Program**

We have audited Cass 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 the County's major federal program for the year ended December 31, 2019. Cass County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Cass County's basic financial statements include the operations of the Cass County Housing and Redevelopment Authority component unit, which expended \$446,802 in federal awards during the year ended December 31, 2019, which are not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the Cass County Housing and Redevelopment Authority because it was audited by other auditors.

#### ***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 Cass County's major federal program 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 Cass 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 the major federal program. However, our audit does not provide a legal determination of the County's compliance.

#### ***Opinion on the Major Federal Program***

In our opinion, Cass County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002. Our opinion on the major federal program is not modified with respect to these matters.

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

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

Management of Cass 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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

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

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated August 19, 2020, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Cass County Housing and Redevelopment Authority component unit, which was audited by other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass 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

August 19, 2020

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**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? **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 the major federal program: **Unmodified**

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

The major federal program is:

Medicaid Cluster  
Medical Assistance Program

CFDA No. 93.778

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

Cass County qualified as a low-risk auditee? **Yes**

**CASS COUNTY  
WALKER, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

None.

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

Finding Number: 2019-001

Prior Year Finding Number: 2014-001

Repeat Finding Since: 2014

Eligibility Testing

**Program:** U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award No. 1905MN5ADM, 2019

**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 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 systems, MAXIS and METS, which are used by the County to support the eligibility determination process. While periodic supervisory case reviews are performed to provide reasonable assurance of compliance with grant requirements for eligibility, the following exceptions were detected in the sample of 25 MAXIS cases tested:

- In one instance, asset verification was performed with bank statements that were dated three months prior to the renewal date. This was determined to have no effect on the client's eligibility when corrected.



**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

- In one instance, a client's asset was not recorded in MAXIS. This asset, when properly recorded, did not make the recipient exceed the limit for assets.

**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 State of Minnesota contracts with the County to perform the "intake function" (meeting with social services participants to determine income and categorical eligibility). The state also maintains the MAXIS and METS systems used by County intake workers in the determination of participant program eligibility. Based upon the eligibility period determined in MAXIS and METS, the state makes the benefit payments to program participants.

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

**Effect:** Missing and unverified information increases the risk that participants will receive incorrect benefits or be incorrectly deemed eligible or ineligible for benefits.

**Cause:** Program personnel entering case information into MAXIS did not ensure all required information was entered into MAXIS or that it was verified as required, and supervisory review did not detect the errors.

**Recommendation:** We recommend the County implement additional procedures to provide reasonable assurance that all necessary documentation is obtained and properly input into MAXIS. These procedures should include providing additional training to program personnel and increased supervisory review for new and less experienced staff.

**View of Responsible Official:** Concur

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding Number: 2019-002

Prior Year Finding Number: 2018-001

Repeat Finding Since: 2018

Local Collaborative Time Study Reporting

**Program:** U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award No. 1905MN5ADM, 2019

**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:** Documentation was not retained by the County showing that the Annual Spending Report was reviewed by someone other than the preparer. Also, testing found that the County over-reported the Local Collaborative Time Study (LCTS) funds received in calendar year 2018 on the Annual Spending Report for the year ending December 31, 2019, by \$120,619.

**Questioned Costs:** Not applicable.

**Context:** Cass County Health, Human and Veterans Services acts as the LCTS Fiscal Reporting and Payment Agent for the local collaborative in Cass County and is responsible for preparing and submitting the Annual Spending Reports.

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

**Effect:** Lack of a review and approval process increases the risk that reports will not be submitted as required or will not be correct.

**Cause:** There are no policies and procedures in place for someone other than the preparer to conduct a review of the LCTS Annual Spending Report.

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Recommendation:** We recommend the County implement policies and procedures to ensure that the LCTS annual and quarterly reports required to be submitted are reviewed for accuracy and completeness by an individual independent of the preparer. Evidence of the reviews should be maintained on file.

**View of Responsible Official:** Concur

**IV. OTHER FINDINGS AND RECOMMENDATIONS**

MINNESOTA LEGAL COMPLIANCE

Finding Number: 2019-003

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Contract Compliance

**Criteria:** Minnesota Statutes section 471.345 was established to provide dollar limits for all municipalities upon contracts which shall or may be entered into on the basis of competitive bids, quotations, or purchase or sale in the open market. For all contracts over \$175,000, sealed bids should be solicited by public notice and subject to the particular requirements of the governmental subdivision. The County may also procure equipment available through the state's cooperative purchasing venture before purchasing through another source.

**Condition:** The County purchased radios for the Sheriff's Department totaling \$445,956. The County originally considered purchasing the radios through the state's cooperative purchasing vendor, but instead the County worked directly with the vendor to procure the radios. Since the County did not purchase the radios through the state's cooperative purchasing vendor, the County should have solicited sealed bids in accordance with Minnesota statutes.

**Context:** The County determined that there was only one vendor that could provide the radios needed and worked directly with this vendor.

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Effect:** The County was not in compliance with contracting and bidding requirements. Without completing the proper contracting and bidding processes, the County may have not received the best price for the radios.

**Cause:** The County determined that there was only one vendor that could provide the radios need and worked directly with the vendor.

**Recommendation:** We recommend the County establish procedures to ensure all future contracts comply with the applicable statutes.

**View of Responsible Official:** Acknowledge

**V. PREVIOUSLY REPORTED ITEM RESOLVED**

2017-002 Credit Card Procedures

# Chief Financial Officer

*Our mission is to deliver quality public services to the citizens in an effective, professional, and efficient manner*



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## **REPRESENTATION OF CASS COUNTY WALKER, MINNESOTA**

### **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding Number: 2019-001**

**Prior Year Finding Number: 2014-001**

**Finding Title: Eligibility Testing**

**Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award No. 05-1905MN5ADM, 2019**

Name of Contact Person Responsible for Corrective Action:

Income Maintenance Unit Supervisors – Health, Human and Veterans Services

Corrective Action Planned:

We will be conducting a detailed training about mandatory assets and a review of policy to provide reasonable assurance that all necessary documentation is obtained and input into Maxis. We will be making a list of what to do in different situations, what can we do to help the client, what we cannot do to help the client.

We have followed up on the cases with errors and they have all been addressed. The County will be providing a refresher for the unit and will continue to complete Supervisor case reviews each month.

All but one has been corrected. Waiting on client to provide proofs.

Anticipated Completion Date:

The process began July 7, 2020.

**Finding Number: 2019-002**

**Prior Year Finding Number: 2018-001**

**Finding Title: Local Collaborative Time Study Reporting**

**Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award No. 05-1905MN5ADM, 2019**

Name of Contact Person Responsible for Corrective Action:

Devan Bergerson, HHVS Fiscal Supervisor

Corrective Action Planned:

Signature will be placed on documents that are completed and reviewed. Training and cross-training was implemented to ensure the County is correctly reporting grant activity.

Anticipated Completion Date:

The process began at the end of the 2<sup>nd</sup> quarter 2020.

**Finding Number: 2019-003**

**Finding Title: Contract Compliance**

Name of Contact Person Responsible for Corrective Action:

Sandra Norikane, Chief Financial Officer

Corrective Action Planned:

Sealed bids will be formally obtained for contract that exceed \$175,000 unless procured through the state's cooperative purchasing venture.

Anticipated Completion Date:

July 1, 2020.

# Chief Financial Officer

*Our mission is to deliver quality public services to the citizens in an effective, professional, and efficient manner*



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## REPRESENTATION OF CASS COUNTY WALKER, MINNESOTA

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

**Finding Number: 2014-001**  
**Finding Title: Eligibility Testing**  
**Program: Medical Assistance Program (CFDA No. 93.778)**

**Summary of Condition:** During the testing of the Medical Assistance Program, four instances were noted where a client's assets were not recorded in MAXIS. This would have no effect on the client's eligibility as the asset would have been excluded when calculating the client's total countable assets. Additionally, in three instances, asset verification was not completed. This information would not have caused the participants to be ineligible.

**Summary of Corrective Action Previously Reported:** We will be conducting training about mandatory assets and a review of policy. We will follow up on the cases with errors to make sure they are corrected.

**Status:** Partially Corrected. The planned corrections have been implemented. However, in the follow up reviews conducted, additional errors in documentation were identified. The County will continue to increase supervisor reviews and provide ongoing training opportunities at unit meetings held twice per month. Errors identified have been addressed directly with the case workers involved and shared with the entire unit as a learning opportunity.

Was corrective action taken significantly different than the action previously reported?  
Yes \_\_\_\_\_ No  X

**Finding Number: 2017-002**  
**Finding Title: Credit Card Procedures**

**Summary of Condition:** The Sheriff's Department did not require their employees to sign a credit card user agreement acknowledging that the employee has read the County's credit card policy.

**Summary of Corrective Action Previously Reported:** For each County employee issued a County charge card, a user agreement will be signed and kept on file.

**Status:** Fully Corrected.

Was corrective action taken significantly different than the action previously reported?  
Yes \_\_\_\_\_ No  X

**Finding Number: 2018-001**

**Finding Title: Local Collaborative Time Study Reporting**

**Summary of Condition:** The County did not retain documentation to support that the Public Health LCTS Cost Schedules for the second quarter of 2018, the Probation LCTS Cost schedules for the second and third quarters of 2018, and the Annual Spending Report were reviewed by someone other than the preparer. In addition, documentation was not available to show that the LCTS Cost Schedules prepared by other participating agencies for the second, third, and fourth quarters of 2018 were reviewed by the Fiscal Reporting and Payment Agent ("FRAPA").

**Summary of Corrective Action Previously Reported:** Electronic signature will be placed on documents that are completed and reviewed electronically.

**Status:** Partially Corrected. Staffing challenges have been resolved that will allow for the implementation of the corrective action plan. Training on the completion of the annual spending report has been completed to ensure accuracy and completeness of the reporting.

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

Yes \_\_\_\_\_ No  X



**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<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>U.S. Department of Agriculture</b>			
Direct			
Cooperative Forestry Assistance	10.664		\$ 9,500
Passed Through Minnesota Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202MN004W1006	214,437
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	192MN101S2514	362,523
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$363,123)			
Passed Through University of Minnesota			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00046697	600
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$363,123)			
Passed Through Minnesota Department of Management and Budget			
Forest Service Schools and Roads Cluster			
Schools and Roads – Grants to States	10.665	G9RUSDFORESTRY	125,719
<b>Total U.S. Department of Agriculture</b>			<b>\$ 712,779</b>
<b>U.S. Department of the Interior</b>			
Direct			
Secure Rural Schools and Community Self-Determination	15.234		\$ 2,819
<b>U.S. Department of Justice</b>			
Direct			
Bulletproof Vest Partnership Program	16.607		\$ 3,224
Passed Through Minnesota Department of Public Safety			
Crime Victim Assistance	16.575	A-CVS-2018-CASSAO-00086	31,773
Crime Victim Assistance	16.575	A-CVS-2020-CASSAO-00100	10,692
(Total Crime Victim Assistance 16.575 \$42,465)			
<b>Total U.S. Department of Justice</b>			<b>\$ 45,689</b>

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

<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>U.S. Department of Transportation</b>			
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	011-677-013	\$ 94,077
Passed Through Minnesota Department of Public Safety Highway Safety Cluster State and Community Highway Safety	20.600	F-ENFRC19-2019-CASSSD, 402 Funds	6,977
State and Community Highway Safety (Total State and Community Highway Safety 20.600 \$7,536)	20.600	F-ENFRC20-2020-CASSSD, 402 Funds	559
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	F-ENFRC19-2019-CASSSD, 164 Funds	10,327
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$116,841)	20.608	F-ENFRC20-2020-CASSSD, 164 Funds	4,659
Highway Safety Cluster National Priority Safety Programs	20.616	F-ENFRC19-2019-CASSSD, 405 Funds	6,970
National Priority Safety Programs (Total National Priority Safety Programs 20.616 \$8,694)	20.616	F-ENFRC20-2020-CASSSD, 405 Funds	1,724
Passed Through Minnesota Trial Courts Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT19-2019-CASSDWI-006	66,148
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$116,841)	20.608	A-DGCT20-2020-CASSDWI-003	<u>35,707</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 227,148</u></b>
<b>U.S. Department of Education</b>			
Passed Through Minnesota Department of Health Special Education – Grants for Infants and Families	84.181	H181A190029	<b><u>\$ 648</u></b>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 24,761
Early Hearing Detection and Intervention	93.251	H6100035	450
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NUR3DD00062	75
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health funds	93.539	H23IP000737	475
TANF Cluster Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$626,459)	93.558	2017G996115	64,107
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X1033588	91,020
Maternal and Child Health Services Block Grant to the States	93.994	B04MC32551	28,913

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

<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>U.S. Department of Health and Human Services (Continued)</b>			
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families TANF Cluster	93.556	G-1801MNFSS	4,144
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$626,459)	93.558	1901MNTANF	562,352
Child Support Enforcement	93.563	1901MNCEST	604,071
Child Support Enforcement (Total Child Support Enforcement 93.563 \$685,220)	93.563	1901MNCSES	81,149
Refugee and Entrant Assistance – State Administered Programs	93.566	1901MNRCA	426
Community-Based Child Abuse Prevention Grants CCDF Cluster	93.590	G-1801MNBCAP	779
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1901MNCCDF	7,248
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1801MNCWSS	2,859
Foster Care – Title IV-E	93.658	1901MNFOST	319,775
Social Services Block Grant	93.667	G-1901MNSOSR	225,817
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1901MNCILP	2,788
Children's Health Insurance Program Medicaid Cluster	93.767	1905MN5R21	311
Medical Assistance Program	93.778	1905MN5ADM	1,330,354
Medical Assistance Program (Total Medical Assistance Program 93.778 \$1,338,160)	93.778	1905MN5MAP	7,806
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010027-18	1,700
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 3,361,380</b>
<b>U.S. Department of Homeland Security</b>			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	R29G70CGFFY18	\$ 37,711
Passed Through Minnesota Department of Public Safety			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	EMPG-2019	64,755
Emergency Management Performance Grants	97.042	A-EMPG-2019-CASSCO-012	27,809
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 130,275</b>
<b>Total Federal Awards</b>			<b>\$ 4,480,738</b>

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2019.

**Totals by Cluster**

Total expenditures for SNAP Cluster	\$ 363,123
Total expenditures for Forest Service Schools and Roads Cluster	125,719
Total expenditures for Highway Planning and Construction Cluster	94,077
Total expenditures for Highway Safety Cluster	16,230
Total expenditures for TANF Cluster	626,459
Total expenditures for CCDF Cluster	7,248
Total expenditures for Medicaid Cluster	1,338,160

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

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**CASS COUNTY  
WALKER, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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1. Summary of Significant Accounting Policies

A. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Cass County. The County's reporting entity is defined in Note 1 to the financial statements. This schedule does not include \$446,802 in federal awards expended by the Cass County Housing and Redevelopment Authority component unit, which had a separate audit performed by another auditor.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Cass County under programs of the federal government for the year ended December 31, 2019. 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 Cass County, it is not intended to and does not present the financial position or changes in net position of Cass County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. De Minimis Cost Rate

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