

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

**City of Saint Paul
Saint Paul, 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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**City of Saint Paul
Saint Paul, 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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**CITY OF SAINT PAUL
SAINT PAUL, 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

The Honorable Melvin Carter, Mayor,
and Members of the City Council
City of Saint Paul, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Saint Paul, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 19, 2020. Our report includes a reference to other auditors who audited the financial statements of the Saint Paul RiverCentre Convention and Visitors Authority and the Port Authority of the City of Saint Paul, as described in our report on the City'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. The financial statements of the Saint Paul RiverCentre Convention and Visitors Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Saint Paul'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 2019-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Saint Paul'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 the City of Saint Paul failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, 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 2019-002. 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 City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

City of Saint Paul's Response to Findings

The City of Saint Paul's responses to the internal control and legal compliance findings identified in our audit are described in the Corrective Action Plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting, compliance, and the provisions of the *Minnesota Legal Compliance Audit Guide for Cities* and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City'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

November 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

The Honorable Melvin Carter, Mayor,
and Members of the City Council
City of Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of Saint Paul'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 City's major federal programs for the year ended December 31, 2019. The City of Saint Paul's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The City of Saint Paul's basic financial statements include the operations of the Saint Paul Regional Water Services and the Port Authority of the City of Saint Paul component units, which expended \$1,515,234 and \$5,828,158, respectively, 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 Saint Paul Regional Water Services because the component unit had a separate single audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit also did not include the Port Authority of the City of Saint Paul component unit 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 the City of Saint Paul'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 the 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 the City of Saint Paul'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 City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Saint Paul 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, 2019.

Report on Internal Control Over Compliance

Management of the City of Saint Paul 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 City'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 City'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.

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

/s/Dianne Syverson

DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

November 19, 2020

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**CITY OF SAINT PAUL
SAINT PAUL, 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? **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:

CDBG – Entitlement Grants Cluster	
Community Development Block Grants/Entitlement Grants	CFDA No. 14.218
Homeland Security Grant Program	CFDA No. 97.067

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

City of Saint Paul qualified as a low-risk auditee? **No**

**CITY OF SAINT PAUL
SAINT PAUL, 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*

INTERNAL CONTROL

Finding Number: 2019-001

Prior Year Finding Number: 2018-001

Repeat Finding Since: 2018

Land Held for Resale

Criteria: Land held for resale is reported as an asset at the net realizable value for all assets acquired before 2009 and at cost of purchase for all assets purchased after 2009 in the fund which acquired it, per the Housing and Redevelopment Authority (HRA) of the City of Saint Paul's policy. Supporting documentation for the valuation of land held for resale should be prepared and retained by the Housing and Redevelopment Authority (HRA) of the City of Saint Paul.

Condition: During the audit of the HRA of the City of Saint Paul's land held for resale, 18 properties were tested by verifying the value at which they were recorded in the system as of December 31, 2019. The HRA of the City of Saint Paul was unable to provide documentation supporting the value of five of the properties tested.

Context: It is unknown whether or not the values of these properties are reported in accordance with the HRA of the City of Saint Paul's policy.

Effect: There is an increased risk that the HRA of the City of Saint Paul's land held for resale asset values are reported incorrectly or not in accordance with the HRA of the City of Saint Paul's policy.

Cause: The primary staff responsible for maintaining the land held for resale inventory and the staff who worked on these particular properties with missing information have both retired. Current staff taking over this duty had difficulty locating the proper documentation to support the valuation of these land held for resale properties.

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

Recommendation: We recommend the HRA of the City of Saint Paul strengthen internal controls over the valuation of its land held for resale inventory. Documentation should be prepared and retained to support the land held for resale values reported.

View of Responsible Official: Concur

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

IV. OTHER FINDINGS AND RECOMMENDATIONS

MINNESOTA LEGAL COMPLIANCE

Finding Number: 2019-002

Prior Year Finding Number: 2016-006

Repeat Finding Since: 2016

Statements of Economic Interest

Criteria: Minnesota Statutes, section 10A.09, subdivision 6, states each individual who is required to file a statement of economic interest must also file an annual statement by the last Monday in January of each year that the individual remains in office.

Condition: Statements of economic interest for 16 of the 46 forms tested were not filed with the City Clerk's Office by the last Monday in January, and two statement forms were not returned.

Context: The annual statement must cover the period through December 31 of the year prior to the year when the statement is due.

Effect: The City is not in compliance with the state statute.

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

Cause: A number of City officials required to file a statement of economic interest did not promptly return the forms to the City Clerk.

Recommendation: We recommend the City communicate the due date to all individuals required to file a statement of economic interest and emphasize the importance of promptly returning the forms to the City Clerk.

View of Responsible Official: Concur

V. PREVIOUSLY REPORTED ITEMS RESOLVED

- 2017-002 Procurement, Suspension, and Debarment (CFDA No. 14.218 and CFDA No. 14.239)
- 2018-002 Prior Period Adjustment



City of Saint Paul
Mayor Melvin Carter

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**REPRESENTATION OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

Finding Number: 2019-001
Finding Title: Land Held for Resale

Name of Contact Person Responsible for Corrective Action:

Rhonda Gillquist, HRA and PED Lead Accountant

Corrective Action Planned:

The HRA has recently centralized our asset management functions for better oversight. Property management staff were formerly part of the Housing team, and now that function is housed within the Finance and Administration team along with Accounting. We will review the current policy for land held for resale adopted in 2009 to determine if changes are needed. Once we have completed the policy review and any updates, we will ensure that our property documentation includes the appropriate value information consistent with the policy.

Anticipated Completion Date:

December 31, 2019, to review the current 2009 land held for resale policy. This has been completed and we have determined that our policy needs to be changed.

December 31, 2020, to update the land held for resale policy and ensure that our records include the appropriate documentation of value consistent with the policy.

Due to COVID-19, the revised anticipated completion date to update the land held for resale policy and ensure that our records include the appropriate documentation of value consistent with the policy is June 30, 2021.

Finding Number: 2019-002
Finding Title: Statements of Economic Interest

Name of Contact Person Responsible for Corrective Action:

John McCarthy, OFS Director
Rachel Tierney, Deputy City Attorney
Shari Moore, City Clerk, Council

Corrective Action Planned:

Leadership staff from the Office of Financial Services, City Attorney's Office, and Council departments will meet to revise the city's ordinance to align more closely with Minnesota Statutes §§ 10A.01 and 10A.09. Revision of the ordinance will better identify officials required to complete a statement of economic interest form and change the means of enforcement.

On December 11, 2019, the City's ordinance was revised to better identify officials required to complete a statement of economic interest form. Furthermore, the ordinance was revised to change the means of enforcement. The City Council will continue to pursue compliance with ordinance, obtain statement of economic interest forms, and fully pursue compliance with the ordinance.

Anticipated Completion Date:

December 31, 2021



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**REPRESENTATION OF THE CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

Finding Number: 2018-001
Finding Title: Land Held for Resale

Summary of Condition: During the audit of the HRA of the City of Saint Paul's land held for resale, 18 properties were tested by verifying the value at which they were recorded in the system as of December 31, 2018. The HRA of the City of Saint Paul was unable to provide documentation supporting the value of three of the properties tested.

Summary of Corrective Action Previously Reported: The HRA has recently centralized our asset management functions for better oversight. Property management staff were formerly part of the Housing team, and now that function is housed within the Finance and Administration team along with Accounting. We will review the current policy for land held for resale adopted in 2009 to determine if changes are needed. Once we have completed the policy review and any updates, we will ensure that our property documentation includes the appropriate value information consistent with the policy.

Status: Not Corrected. Due to COVID-19, the revised anticipated completion date to update the land held for resale policy and ensure that our records include the appropriate documentation of value consistent with the policy is June 30, 2021.

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

Finding Number: 2018-002
Finding Title: Prior Period Adjustment

Summary of Condition: A prior period adjustment material to the City's financial statements was identified by the City and is reflected in the financial statements.

Summary of Corrective Action Previously Reported: OFS Senior Accountant will work with OFS Treasury staff to ensure RCVA capital related entries are properly reflected in the system moving forward.

Status: Fully Corrected. Corrective action was taken.

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

Finding Number: 2017-002

Finding Title: Procurement, Suspension, and Debarment

Program: Community Development Block Grants/Entitlement Grants (CFDA No. 14.218), 2016, 2017, and 2018; Home Investment Partnerships Program (CFDA No. 14.239), 2017 and 2018

Summary of Condition: The following items were noted:

- The one service agreement tested for the Home Investment Partnerships Program (HOME) lacked documentation of the history of the procurement, including that contractor selection, the reason for the procurement method, and the basis for the contract price.
- The one small purchase tested for HOME lacked documentation of the significant history of the procurement.
- The City lacked documentation of the bid tabulation or clear history of the procurement for property work completed related to two rehabilitation loans for the Community Development Block Grants/Entitlement Grants Program (CDBG); therefore, it could not be determined if there was full and open competition.

Summary of Corrective Action Previously Reported: City staff will ensure that the procurement documentation in the project files for homeowner rehabilitation projects demonstrate that a competitive process was pursued. The rehabilitation advisor will provide the loan officer with the bid tabulation documentation as part of the closing package for signature by the homeowner.

Status: Fully Corrected. Corrective action was taken.

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

Yes _____ No X

Finding Number: 2016-006

Finding Title: Statements of Economic Interest

Summary of Condition: Statements of economic interest for six of the 44 forms tested were not filed with the City Clerk's Office by the last Monday in January, and four statement forms were not returned.

Summary of Corrective Action Previously Reported: Leadership staff from the Office of Financial Services, City Attorney's Office, and Council departments will meet to revise the city's ordinance to align more closely with Minnesota Statutes §§ 10A.01 and 10A.09. Revision of the ordinance will better identify officials required to complete a statement of economic interest form and change the means of enforcement.

Status: Not Corrected. On December 11, 2019, the City's ordinance was revised to better identify officials required to complete a statement of economic interest form. Furthermore, the ordinance was revised to change the means of enforcement. The City Council will continue to pursue compliance with ordinance, obtain statement of economic interest forms, and fully pursue compliance with the ordinance.

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

Yes _____ No X

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

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 Housing and Urban Development				
Direct				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 6,459,520	\$ 2,203,730
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		48,723	-
Emergency Solutions Grant Program	14.231		382,248	370,977
Home Investment Partnerships Program	14.239		802,240	-
Neighborhood Stabilization Program – ARRA	14.256		1,942	-
Fair Housing Assistance Program – State and Local	14.401		109,270	-
Passed Through Minnesota Housing Finance Agency				
Housing Counseling Assistance Program	14.169	FY2017-11	22,800	-
Total U.S. Department of Housing and Urban Development			\$ 7,826,743	\$ 2,574,707
U.S. Department of the Interior National Park Service				
Direct				
Mississippi National River and Recreation Area State and Local Assistance	15.941		\$ 149,836	\$ -
U.S. Department of Justice				
Direct				
Public Safety Partnership and Community Policing Grants				
Edward Byrne Memorial Justice Assistance Grant Program	16.710		\$ 234,021	\$ -
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.738		286,443	-
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745		47,681	-
Equitable Sharing Program	16.922		239,693	-
Passed Through Minnesota Department of Public Safety				
Missing Children's Assistance	16.543	SWIFT 109610	7,067	-
Crime Victim Assistance	16.575	A-CVS-2020-STPAULCL-155	15,198	-
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$155,528)	16.575	A-CVS-2018-STPAULAO-	140,330	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	A-NFSIA-2019-SPPD-001	30,250	-
Passed Through Saint Paul and Ramsey County Domestic Abuse Intervention				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2016-WE-AX-0013	121,815	-
Total U.S. Department of Justice			\$ 1,122,498	\$ -

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	1030098	\$ 1,446,354	\$ -
Highway Planning and Construction	20.205	1033859	304,698	-
Highway Planning and Construction	20.205	SP 091-090-080	87,941	-
Highway Planning and Construction	20.205	SP 164-090-014	203,146	-
(Total Highway Planning and Construction 20.205 \$2,042,139)				
Passed Through Ramsey County				
Highway Safety Cluster				
State and Community Highway Safety	20.600	A-ENFRC19-2019- RAMSEYS-008	59,415	-
(Total State and Community Highway Safety 20.600 \$182,869)				
National Priority Safety Programs	20.616	A-ENFRC19-2019- RAMSEYS-008	22,467	-
(Total National Priority Safety Programs 20.616 \$42,399)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC19-2019- RAMSEYS-008	153,013	-
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$210,440)				
Passed Through Minnesota Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	A-OFFICR19-2019- STPAULCI-034	84,112	-
State and Community Highway Safety	20.600	A-OFFICR20-2020- STPAULCI-003	36,766	-
State and Community Highway Safety	20.600	A-ENFRC20-2020- SPPD-071	2,576	-
(Total State and Community Highway Safety 20.600 \$182,869)				
National Priority Safety Programs	20.616	A-ENFRC20-2020- SPPD-071	19,932	-
(Total National Priority Safety Programs 20.616 \$42,399)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC20-2020- SPPD-071	57,427	-
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$210,440)				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	A-HMEP-2018- STPFIRE-009	52,480	-
Total U.S. Department of Transportation			\$ 2,530,327	\$ -

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Institute of Museum and Library Services				
Passed Through Friends of the Saint Paul Public Library Grants to States	45.310	LS-00-18-0024-18	\$ 94,002	\$ -
Passed Through Saint Paul Public Schools Grants to States (Total Grants to States 45.310 \$133,705)	45.310	LS-00-19-0024-19	39,703	-
Total U.S. Institute of Museum and Library Services			\$ 133,705	\$ -
U.S. Environmental Protection Agency				
Direct Brownfields Assessment and Cleanup Cooperative Agreements	66.818		\$ 10,826	\$ -
U.S. Department of Energy				
Passed Through SeventhWave/Slipstream Conservation Research and Development	81.086	Not Provided	\$ 34,500	\$ -
Corporation for National and Community Service				
Direct Volunteers in Service to America	94.013		\$ 238,311	\$ -
Passed Through ServeMinnesota AmeriCorps	94.006	17AFHMN0010005-18	7,626	-
AmeriCorps	94.006	17AFHMN0010005-19	11,168	-
AmeriCorps	94.006	17ACHMN0010001-18	401,148	-
AmeriCorps (Total AmeriCorps 94.006 \$603,444)	94.006	17ACHMN0010001-19	183,502	-
Total Corporation for National and Community Service			\$ 841,755	\$ -
Executive Office of the President				
Passed Through North Central High Intensity Drug Trafficking Areas High Intensity Drug Trafficking Areas Program	95.001	G18ML0028A	\$ 82,176	\$ -
High Intensity Drug Trafficking Areas Program (Total High Intensity Drug Trafficking Areas Program 95.001 \$226,923)	95.001	G19ML0028A	144,747	-
Total Executive Office of the President			\$ 226,923	\$ -

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 Homeland Security				
Direct				
Assistance to Firefighters Grant	97.044		\$ 65,313	\$ -
Port Security Grant Program	97.056		75,266	-
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	DR-4182	4,680	-
Emergency Management Performance Grants	97.042	A-EMPG-2018- STPAULEM-076	30,000	-
Pre-Disaster Mitigation	97.047	A-HM-PDM-2016- STPAULCI-02	16,603	-
Homeland Security Grant Program	97.067	A-UASI-2018- STPAULCI-013	336,627	-
Homeland Security Grant Program	97.067	A-UASI-2017- STPAULCI-012	348,364	-
Homeland Security Grant Program	97.067	A-SHSP-2018- STPBOMB-011	123,943	-
Homeland Security Grant Program (Total Homeland Security Grant Program 97.067 \$819,112)	97.067	A-SHSP-2017- STPBOMB-015	10,178	-
Total U.S. Department of Homeland Security			\$ 1,010,974	\$ -
Total Federal Awards			\$ 13,888,087	\$ 2,574,707
Totals by Cluster				
Total expenditures for CDBG – Entitlement Grants Cluster			\$ 6,459,520	
Total expenditures for Highway Planning and Construction Cluster			2,042,139	
Total expenditures for Highway Safety Cluster			225,268	

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

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

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 the City of Saint Paul. This schedule does not include \$1,515,234 and \$5,828,158 in federal awards expended by the Saint Paul Regional Water Services and the Port Authority of the City of Saint Paul, respectively, component units of the City, which had separate single audits. The City's reporting entity is defined in Note II to the basic financial statements.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Saint Paul 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 the City of Saint Paul, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Saint Paul.

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the City of Saint Paul. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the full 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

The City of Saint Paul has elected to not use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF SAINT PAUL
SAINT PAUL, MINNESOTA**

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$	13,156,668
Expenditures of program income		
Community Development Block Grants/Entitlement Grants		1,097,386
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		48,723
Home Investment Partnerships Program		100,234
Neighborhood Stabilization Program – ARRA		1,942
Expenditures occurring in 2018, but revenue recognized in 2019		
Historic Preservation Fund Grants-in-Aid		(1,111)
Edward Byrne Memorial Justice Assistance Grant Program		(7,408)
Highway Planning and Construction		(619,274)
State and Community Highway Safety		(143,197)
National Priority Safety Program		(120,698)
Equitable Sharing Program		(368,754)
Assistance to Firefighters Grant		(3,502)
Homeland Security Grant Program		(51,456)
Expenditures occurring in 2019, but revenue deferred until 2020		
Missing Children's Assistance		568
Crime Victim Assistance		48,006
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		23,669
Public Safety Partnership and Community Policing Grants		162,600
Criminal and Juvenile Justice and Mental Health Collaboration Program		42,076
Equitable Sharing Program		48,317
State and Community Highway Safety		123,454
Minimum Penalties for Repeat Offenders for Driving While Intoxicated		57,427
National Priority Safety Programs		19,932
Interagency Hazardous Materials Public Sector Training and Planning Grants		32,250
Grants to States		37,033
Conservation Research and Development		34,500
AmeriCorps		51,792
High Intensity Drug Trafficking Areas Program		13,002
Emergency Management Performance Grants		23,278
Pre-Disaster Mitigation Grant		4,300
Port Security Grant Program		67,544
Homeland Security Grant Program		8,786
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Expenditures Per Schedule of Expenditures of Federal Awards	\$	<u>13,888,087</u>