

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT

CASS COUNTY
WALKER, MINNESOTA

YEAR ENDED DECEMBER 31, 2016

Description of the Office of the State Auditor

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

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

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

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

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

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

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

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

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

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**CASS COUNTY
WALKER, MINNESOTA**

Year Ended December 31, 2016



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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REBECCA OTTO
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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 funding information of Cass County, Minnesota, as of and for the year ended December 31, 2016, 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 31, 2017. Our report includes a reference to an other auditor 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 Cass County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested in connection with the audit of the County's financial statements: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because Cass County administers no tax increment financing districts.

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 *Minnesota Legal Compliance Audit Guide for Counties*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above referenced provisions.

Other Matter

Also included in the Schedule of Findings and Questioned Costs is an unresolved other matter described as item 2014-001.

Cass County's Response to Finding

Cass County's response to the other matter 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/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

August 31, 2017

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

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

Independent Auditor's Report

Board of County Commissioners
Cass County
Walker, Minnesota

Report on Compliance for Each 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 each of the County's major federal programs for the year ended December 31, 2016. Cass County's major federal programs are 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 \$436,497 in federal awards during the year ended December 31, 2016, 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 an other auditor.

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 Cass 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 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, 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 each of its major federal programs for the year ended December 31, 2016.

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 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 were not 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 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, 2016, 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 31, 2017, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The SEFA is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of This Report

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

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

August 31, 2017

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**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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? **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:

Payments in Lieu of Taxes	CFDA No. 15.226
Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
Recreational Trails Program	CFDA No. 20.219
Social Services Block Grant	CFDA No. 93.667

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

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

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

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

IV. OTHER MATTER

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding Number 2014-001

Eligibility Testing

Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award #05-1605MN5ADM, 2016

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 maintains the computer system, MAXIS, which is 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 our sample of 15 cases tested:

- in one instance, one of the participant's assets was not recorded in MAXIS. This would have had no effect on eligibility, as the asset would have been excluded when calculating the participant's total assets; and
- in one instance, asset verification was not completed. This would have had no effect on the participant's eligibility, as the unverified assets would not have caused the participant to exceed their asset limit.

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 Department of Human Services contracts with the Cass County Health, Human and Veterans Services Department to perform the “intake function” (meeting with social services participants to determine income and categorical eligibility). The state also maintains the MAXIS system used by County intake workers in the determination of participant program eligibility. Based upon the eligibility period determined in MAXIS, the state makes the benefit payments to program participants.

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

V. PREVIOUSLY REPORTED ITEMS RESOLVED

1996-007 Department Internal Accounting Controls
2011-001 Audit Adjustments

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**REPRESENTATION OF CASS COUNTY
WALKER, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Finding Number: 2014-001

Finding Title: Eligibility Testing

Program: Medical Assistance Program (CFDA No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Heidi Tumberg, Director of Business Management

Corrective Action Planned:

1. Review specific audit findings with the assigned case worker. (Completed 2/14/17)
2. Review audit findings for CY 2015 Medical Assistance (MA) Program at unit staff meeting. (To be completed at 7/13/17 unit meeting)
3. CAP and handouts to be reviewed at unit meeting. (To be completed at 7/13/17 unit meeting)
4. Workers will check Elig/HC Person Tests/Assets before approving each client to determine if there is an asset limit and then will check for asset verifications.
5. Workers will review and use cheat sheet for asset/income/eligibility panels and to make sure correct forms are used before each approval.
6. Workers will use visual aid poster as a reminder to review audit error areas.
7. New eligibility worker staff is not authorized to approve eligibility without supervisor or experienced worker case review, until such time as the supervisor determines the new eligibility worker is sufficiently trained. Eligibility review will be done according to DHS Case Review forms by program. (Ongoing)
8. Ongoing supervisor and/or peer reviews will be completed monthly according to DHS Case Review forms. Review results will be shared with assigned eligibility worker. (Ongoing)
9. Supervisors will maintain documentation of case reviews. (Ongoing)
10. Supervisors sending out "Helpful tips" whenever an error is found to educate the entire unit.
11. Supervisors conducting PIP's as needed.

Anticipated Completion Date:

9/30/17

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**REPRESENTATION OF CASS COUNTY
WALKER, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Finding Number: 1996-007

Finding Title: Department Internal Accounting Controls

Summary of Condition: Due to the limited number of office personnel within various County departments, proper segregation of accounting functions necessary to ensure adequate internal accounting control is not always possible.

Summary of Corrective Action Previously Reported: The County will continue to monitor effective controls that currently exist, as well as work toward a goal of establishing key controls and compensating controls for accounting functions that can minimize risk to an acceptable level.

Status: Fully Corrected. Corrective action was taken.

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

Yes _____ No X

Finding Number: 2011-001

Finding Title: Audit Adjustments

Summary of Condition: A material audit adjustment was identified that resulted in significant changes to the County's financial statements.

Summary of Corrective Action Previously Reported: The County has established additional procedures that address the financial reporting process associated with reimbursement-type awards.

Status: Fully Corrected. Corrective action was taken.

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

Yes _____ No X

Finding Number: 2014-001

Finding Title: Eligibility Testing

Program: Medical Assistance Program (CFDA No. 93.778)

Summary of Condition: In a sample of 40 cases tested:

- In three instances, asset verification was not completed.
- In one instance, a participant indicated they were on Medicare on their application, but that information was not entered into MAXIS during intake.
- In one instance, the County processed a Combined Application Form for the participant's recertification of eligibility for health care assistance. The State of Minnesota requires that the Health Care Renewal Form be used instead.

Summary of Corrective Action Previously Reported:

- Review specific audit findings with the assigned case worker.
- Review audit findings for CY 2015 Medical Assistance (MA) Program at unit staff meeting.
- CAP and handouts to be reviewed at unit meeting.
- Require eligibility workers to complete training refresher courses quarterly beginning October 1, 2015, and ongoing. Topic to be determined by Supervisor. Supervisor will track worker completion of course.
- Workers will check Elig/HC Person Tests/Assets before approving each client to determine if there is an asset limit, and then will check for asset verifications.
- Workers will review and use cheat sheet for asset/income/eligibility panels and to make sure correct forms are used before each approval.
- Workers will use visual aid poster as a reminder to review audit error areas.
- New eligibility worker staff is not authorized to approve eligibility without supervisor or experienced worker case review, until such time as the supervisor determines the new eligibility worker is sufficiently trained. Eligibility review will be done according to DHS Case Review forms by program.
- Ongoing supervisor and/or peer reviews will be completed monthly according to DHS Case Review forms. Review results will be shared with assigned eligibility worker.
- Supervisors will maintain documentation of case reviews.

Status: Partially Corrected. The planned corrective actions have been implemented. However, in the follow up reviews conducted, additional errors in documentation were identified. Errors were attributed to inexperienced staff and high caseloads. The County will continue to work with the income maintenance supervisors and eligibility workers to ensure that errors are prevented or corrected when they occur.

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, 2016**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Direct			
Cooperative Forestry Assistance	10.664		\$ 9,700
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	172MN004W1003	211,753
Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$313,102)	10.561	16162MN101S2514	312,502
Passed Through University of Minnesota State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$313,102)	10.561	00046697	<u>600</u>
Total U.S. Department of Agriculture			<u>\$ 534,555</u>
U.S. Department of the Interior			
Direct			
Payments in Lieu of Taxes	15.226		<u>\$ 506,090</u>
U.S. Department of Justice			
Direct			
Bulletproof Vest Partnership Program	16.607		\$ 8,519
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVSP-2016-CASSAO-00112	40,558
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$51,260)	16.575	A-CVSP-2017-CASSAO-00009	<u>10,702</u>
Total U.S. Department of Justice			<u>\$ 59,779</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster			
Highway Planning and Construction (Total Highway Planning and Construction Cluster \$2,045,292)	20.205	00011	\$ 2,014,375
Passed Through Minnesota Department of Natural Resources Highway Planning and Construction Cluster			
Recreational Trails Program (Total Highway Planning and Construction Cluster \$2,045,292)	20.219	0027-15-1A	30,917

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Transportation (Continued)			
Passed Through Minnesota Department of Public Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	F-ENFRC16-2016-CASSSD-1426	5,646
State and Community Highway Safety	20.600	A-ENFRC17-2016-CASSSD-042	1,000
(Total State and Community Highway Safety 20.600 \$6,646)			
(Total Highway Safety Cluster \$19,918)			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	F-ENFRC16-2016-CASSSD-1426	24,512
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC17-2016-CASSSD-042	2,713
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$144,897)			
Highway Safety Cluster			
National Priority Safety Programs	20.616	F-ENFRC16-2016-CASSSD-1426	10,336
National Priority Safety Programs	20.616	A-ENFRC17-2016-CASSSD-042	2,936
(Total National Priority Safety Programs 20.616 \$13,272)			
(Total Highway Safety Cluster \$19,918)			
Passed Through Minnesota Trial Courts			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT16-2016-CASSDWI-00002	84,264
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT17-2017-CASSDWI-005	33,408
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$144,897)			
Total U.S. Department of Transportation			\$ 2,210,107
U.S. Department of Education			
Passed Through Minnesota Department of Health			
Special Education - Grants for Infants and Families	84.181	H181A160029	\$ 1,450
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	5NU90TP000529-05-00	\$ 33,671
Universal Newborn Hearing Screening	93.251	H61MC00035	875
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	D89MC28263	81,621
Temporary Assistance for Needy Families	93.558	1601MNTANF	15,934
(Total Temporary Assistance for Needy Families 93.558 \$482,619)			
Maternal and Child Health Services Block Grant to the States	93.994	B04MC28107	38,446
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	G-1601MNFSS	8,540
Temporary Assistance for Needy Families	93.558	1601MNTANF	78,538
Temporary Assistance for Needy Families	93.558	1601MFTANF	388,147
(Total Temporary Assistance for Needy Families 93.558 \$482,619)			
Child Support Enforcement	93.563	1604MNCSES	47,168
Child Support Enforcement	93.563	1604MNCES	662,917
(Total Child Support Enforcement 93.563 \$710,085)			

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Human Services (Continued)			
Refugee and Entrant Assistance - State-Administered Programs	93.566	1601MNRDMA	286
Child Care and Development Block Grant	93.575	G1601MNCCDF	9,130
Community-Based Child Abuse Prevention Grants	93.590	G-1502MNFPG	8,995
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1601MNCWSS	4,832
Foster Care - Title IV-E	93.658	1601MNFST	311,992
Social Services Block Grant	93.667	16-01MNSOSR	231,108
Chafee Foster Care Independence Program	93.674	G-1601MNCILP	1,944
Medical Assistance Program	93.778	05-1605MN5ADM	1,152,049
Medical Assistance Program (Total Medical Assistance Program 93.778 \$1,161,462)	93.778	05-1605MN5MAP	9,413
Block Grants for Community Mental Health Services	93.958	SM010027-16	396
Block Grants for Prevention and Treatment of Substance Abuse	93.959	TI010027-15	1,160
Total U.S. Department of Health and Human Services			\$ 3,087,162
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	R29G40CGSFY15	\$ 12,625
Boating Safety Financial Assistance (Total Boating Safety Financial Assistance 97.012 \$16,659)	97.012	R29G40CGFFY16	4,034
Passed Through Minnesota Department of Public Safety			
Emergency Management Performance Grants	97.042	A-EMPG-2016-CASSCO-012	28,380
Total U.S. Department of Homeland Security			\$ 45,039
Total Federal Awards			\$ 6,444,182

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2016.

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**CASS COUNTY
WALKER, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. 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 basic financial statements. This schedule does not include \$436,497 in federal awards expended by the Cass County Housing and Redevelopment Authority component unit, which had a separate audit performed by an other auditor.

2. 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, 2016. 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.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, 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. Cass County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 6,560,264
Unavailable in 2015, recognized as revenue in 2016	
Schools and Roads - Grants to States	<u>(116,082)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 6,444,182</u>