

# STATE OF MINNESOTA

## Office of the State Auditor



**Rebecca Otto**  
**State Auditor**

---

MANAGEMENT AND COMPLIANCE REPORT

**SHERBURNE COUNTY**  
**ELK RIVER, 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.

Office of the State Auditor  
525 Park Street, Suite 500  
Saint Paul, Minnesota 55103  
(651) 296-2551  
state.auditor@osa.state.mn.us  
www.auditor.state.mn.us

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance; or visit the Office of the State Auditor's web site: [www.auditor.state.mn.us](http://www.auditor.state.mn.us).

**SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

**Year Ended December 31, 2016**



**Management and Compliance Report**

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

This page was left blank intentionally.

**SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

TABLE OF CONTENTS

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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	3
Schedule of Findings and Questioned Costs	6
Summary Schedule of Prior Audit Findings	8
Schedule of Expenditures of Federal Awards	10
Notes to the Schedule of Expenditures of Federal Awards	13

This page was left blank intentionally.



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## **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  
Sherburne County  
Elk River, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sherburne 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 May 22, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sherburne 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 Sherburne 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.

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

## **Purpose of This Report**

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

/s/Rebecca Otto

REBECCA OTTO  
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

May 22, 2017





REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## **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  
Sherburne County  
Elk River, Minnesota

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

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

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information Sherburne 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 May 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sherburne 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

May 22, 2017

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

This page was left blank intentionally.

**SHERBURNE COUNTY  
ELK RIVER, 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:

Child Support Enforcement	CFDA No. 93.563
Medical Assistance	CFDA No. 93.778

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

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

**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. PREVIOUSLY REPORTED ITEM RESOLVED**

2015-001 Employee Expense Reimbursement Claims

**REPRESENTATION OF SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

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

**Finding Number: 2015-001**

**Finding Title: Employee Expense Reimbursement Claims**

**Summary of Condition:** During the 2015 audit, as part of the testing of the County's disbursements system, 20 employee expense reimbursement claims were examined and the following issues were noted:

- Two instances where there was no documentation of pre-approval by the Board of Commissioners for out-of-state travel.
- One instance where the mileage allowed for the use of a personal vehicle by a non-employee was overpaid because the number of miles was computed from the person's home rather than the County Government Center.
- One instance where a vendor billing error resulted in the overpayment of an expense reimbursement claim.
- Two instances where travel costs associated with the rental of a car during out-of-state travel were incurred without considering whether a shuttle or taxi would be a less expensive alternative.
- Two instances where overnight lodging was paid when the event was less than 50 miles from the workplace or from the employee's residence.

**Summary of Corrective Action Previously Reported:**

- Regarding the two instances where pre-approval for out-of-state travel was not properly obtained, going forward, all out-of-state travel by Sherburne County employees will be pre-approved.
- Regarding the instance where mileage was allowed for the use of a personal vehicle by a non-employee from their place of residence rather than the County Government Center, there will be a coalition agreement in the future to pay for mileage from the Government Center and not from the member's home for mileage reimbursements.

- Regarding the instance where a vendor billing error for items purchased was paid twice, claims will be reviewed more closely for duplication by staff to avoid this in the future.
- Regarding the two instances where travel costs for renting a vehicle during out-of-state travel were incurred without considering whether taking a shuttle or taxi would be a better choice, all future travel will compare taxi, shuttle, and car rental rates to determine which would be more prudent. The least expensive option will be looked at and considered in the future.
- Regarding the two instances where overnight lodging was paid when the event was less than 50 miles from the workplace or from the employee's residence, better and clearer documentation in the minutes of the meeting granting authorization for staff to attend trainings will be noted for the future.

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

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

Yes \_\_\_\_\_ No   X



**SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

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

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Direct				
Conservation Reserve Program	10.069	-	\$ 889	\$ -
Passed through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	16162MN004W1003	398,922	-
Passed through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	15152MN10152514	<u>479,822</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>\$ 879,633</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Justice</b>				
Direct				
Bulletproof Vest Partnership Program	16.607	-	\$ 7,336	\$ -
Passed through Minnesota Department of Public Safety Crime Victim Assistance	16.575	Not Provided	48,081	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-SB-B9-0186	<u>89,096</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<b><u>\$ 144,513</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Transportation</b>				
Passed through Minnesota Department of Transportation				
Highway Planning and Construction	20.205	71-070-025	\$ 24,048	\$ -
Highway Planning and Construction	20.205	71-070-031	110,948	-
Highway Planning and Construction	20.205	71-604-034	2,601,112	-
Highway Planning and Construction	20.205	71-624-001	<u>132,287</u>	<u>-</u>
<b>Total CFDA #20.205</b>			<b><u>\$ 2,868,395</u></b>	<b><u>\$ -</u></b>
Passed through the City of Elk River, Minnesota Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC16-2017- ELKRIVPD-00046	<u>19,724</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 2,888,119</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Education</b>				
Passed through Minnesota Department of Health Special Education - Grants for Infants and Families	84.181	12-7000-000097	<b><u>\$ 1,450</u></b>	<b><u>\$ -</u></b>

**SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(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>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Direct				
Drug-Free Communities Support Program Grants	93.276	1H79SP020435-01	\$ 147,581	\$ -
Passed through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	5U9OTP000529	66,877	-
Universal Newborn Hearing Screening	93.251	H61MC00035	1,350	-
Immunization Cooperative Agreements	93.268	5NH231P000737	1,920	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NUR3DD00842	375	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	NH231P000737	325	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$478,327)	93.558	2016G996115	50,999	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29349	57,050	-
Passed through Minnesota Department of Human Services				
Promoting Safe and Stable Families	93.556	G1601MNFSS	37,299	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$478,327)	93.558	1601MNTANF	427,328	-
Child Support Enforcement	93.563	1604MNCSES	1,300,160	-
Refugee and Entrant Assistance - State-Administered Programs	93.566	1601MNCMA	537	-
Child Care and Development Block Grant	93.575	G1601MNCCDF	31,785	-
Community-Based Child Abuse Prevention Grants	93.590	G1502MNFPRPG	16,199	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1601MNCWSS	7,787	-
Foster Care - Title IV-E	93.658	1601MNFOST	345,213	-
Social Services Block Grant	93.667	1601MNSOSR	241,729	-
Chafee Foster Care Independence Program	93.674	G1601MNCILP	5,334	-
Medical Assistance Program (Total Medical Assistance Program 93.778 \$1,904,275)	93.778	1505MNADM	1,901,719	-
Passed through Stearns County, Minnesota				
Medical Assistance Program (Total Medical Assistance Program 93.778 \$1,904,275)	93.778	Not Provided	2,556	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 4,644,123</b>	<b>\$ -</b>

**SHERBURNE COUNTY  
ELK RIVER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(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>Passed Through to Subrecipients</b>
<b>U.S. Department of Homeland Security</b>				
Passed through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G4CGSFY16	\$ 4,715	\$ -
Passed through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	F-EMPG-2016- SHERBU A-USAI-2015-	72,789	-
Homeland Security Grant Program	97.067	SHERBU SHERBU-0011	94,356	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 171,860</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 8,729,698</b>	<b>\$ -</b>

This page was left blank intentionally.

**SHERBURNE COUNTY  
ELK RIVER, 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 Sherburne County. The County's reporting entity is defined in Note 1 to the financial statements.

2. Basis of Presentation

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

3. Summary of Significant Accounting Policies

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