

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT

CROW WING COUNTY
BRAINERD, 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.

**CROW WING COUNTY
BRAINERD, 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.

**CROW WING COUNTY
BRAINERD, 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	4
Schedule of Findings and Questioned Costs	8
Corrective Action Plan	12
Summary Schedule of Prior Audit Findings	14
Schedule of Expenditures of Federal Awards	15
Notes to the Schedule of Expenditures of Federal Awards	17

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
Crow Wing County
Brainerd, 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 Crow Wing 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 June 9, 2017.

Our report includes a reference to other auditors who audited the financial statements of the Brainerd Lakes Regional Airport as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crow Wing 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crow Wing 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 Crow Wing County does not use tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that Crow Wing 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

June 9, 2017

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 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
Crow Wing County
Brainerd, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Crow Wing 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. Crow Wing 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 Crow Wing 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 Crow Wing 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, Crow Wing 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002. Our opinion on each major federal program is not modified with respect to this matter.

Crow Wing County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Crow Wing County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Crow Wing 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002 to be a significant deficiency.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Crow Wing 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 June 9, 2017, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Brainerd Lakes Regional Airport (Airport), included in the City of Brainerd's financial statements as a discrete component unit, for the year ended December 31, 2015 (the most recent information available). The Airport is a joint venture between Crow Wing County and the City of Brainerd. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crow Wing 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

June 9, 2017

**CROW WING COUNTY
BRAINERD, 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? **Yes**
- Significant deficiencies identified? **Yes**

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)? **Yes**

The major federal programs are:

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

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

Crow Wing 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

ITEMS ARISING THIS YEAR

Finding Number 2016-001

Identification of Federal Awards

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

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.510(b) states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements which must include the total federal awards expended as determined in accordance with § 200.502, *Basis for determining federal awards expended*.

Condition: Crow Wing County did not properly identify the amount expended for the Medical Assistance Program on its SEFA.

Questioned Costs: None.

Context: Crow Wing County provided a SEFA for 2016 which reported total federal expenditures for the Medical Assistance Program of \$2,134,427, while the SEFA, after audit adjustments, reported total federal expenditures of \$2,310,507, a difference of \$176,080.

Effect: The inability to properly identify and track federal expenditures or to detect misstatements in the SEFA increases the likelihood that federal expenditures would not be fairly reported, and that noncompliance with direct and material compliance requirements may occur.

Cause: The County indicated that there was a misunderstanding in how revenues related to payments from the state for the Medical Assistance Program should be recorded. These revenues are used as a basis for determining the Program's expenditures.

Recommendation: We recommend the County review internal controls currently in place and design and implement procedures to improve internal controls over identifying the expenditure populations of federal awards for their SEFA reporting.

View of Responsible Official: Concur

Finding Number 2016-002

Eligibility

Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778), Award No. 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 effective internal control over the federal award that provides reasonable assurance that the auditee is managing the 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 40 cases tested:

- for 1 case file, the citizenship status noted in the MAXIS system could not be verified;
- for 5 case files, the asset information in MAXIS did not match the supporting documentation provided by the client; and
- for 2 case files, the asset information obtained to support information in MAXIS was incomplete.

Questioned Costs: Not applicable. The County administers the program, but benefits to participants in this program are paid by the State of Minnesota.

Context: The State of Minnesota contracts with the County Community Services Department to perform the "intake function" (meeting with the social services client to determine income and categorical eligibility), while the Minnesota Department of Human Services maintains MAXIS, which supports the eligibility determination process and actually pays the benefits to the participants.

The sample size was based on guidance from chapter 21 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: Missing information, or the improper input of information into MAXIS, increases the risk that participants will receive benefits when they are not eligible.

Cause: County program personnel entering case information into MAXIS did not ensure all required information was verified as required.

Recommendation: We recommend the County implement additional procedures to provide reasonable assurance that all necessary documentation to support eligibility determinations is properly obtained and input into MAXIS. Consideration should be given to providing additional training to program personnel.

View of Responsible Official: Acknowledged

IV. PREVIOUSLY REPORTED ITEM RESOLVED

2007-001 Documenting and Monitoring Internal Controls

**REPRESENTATION OF CROW WING COUNTY
BRAINERD, MINNESOTA**

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

Finding Number: 2016-001

Finding Title: Identification of Federal Awards

Program: Medical Assistance Program (CFDA No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Alaina Bundy, Financial Services Business Analyst

Corrective Action Planned:

Previously, Financial Services staff has relied on consistently reporting Department of Human Services (DHS) revenues as in the prior year. However, each year, DHS produces a bulletin, *DHS Publishes Standard Invoice Field Codes for Calendar Year*. This bulletin is released every January and notes changes in required state and federal reporting. Financial Services staff has obtained the bulletin for calendar year 2017, and has implemented a procedure to ensure the new bulletin is obtained every year.

Annually, Financial Services will review DHS changes in revenue reporting as detailed in the bulletin and ensure payments are appropriately classified in the financial statements.

Anticipated Completion Date:

Already completed for calendar year 2017.

Finding Number: 2016-002

Finding Title: Eligibility

Program: Medical Assistance Program (CFDA No. 93.778)

Name of Contact Person Responsible for Corrective Action:

Sheila Skogen, Operations Manager

Corrective Action Planned:

Crow Wing County Community Services, Eligibility Unit will adopt the recommendations provided in the Audit. Training will focus on staff entering case information into MAXIS and will assure all required verification is submitted. Additional training and internal audits were adopted in January 2017, and will continue ongoing. We currently have a number of new financial workers and we will provide additional training to them as well.

Anticipated Completion Date:

Effective immediately and will continue ongoing.

**REPRESENTATION OF CROW WING COUNTY
BRAINERD, MINNESOTA**

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

Finding Number: 2007-001

Finding Title: Documenting and Monitoring Internal Controls

Summary of Condition: During the 2015 audit, our inquiry of County management found that significant internal controls of its accounting system have not been documented, including the documentation of risk assessment and monitoring procedures.

Summary of Corrective Action Previously Reported: In May and June 2016, Finance staff completed the County-wide Risk Assessment and a Transactional Controls Assessment. Finance staff has performed an in-house audit of the first quarter 2016 disbursements. In addition, additional procedures were developed for areas of disbursements, cash handling, and payroll processing.

Status: Fully Corrected. Corrective action was taken.

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

Yes _____ No X

This page was left blank intentionally.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures
U.S. Department of Agriculture			
Passed through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 355,462
Passed through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	16162MN101S2514	<u>561,562</u>
Total U.S. Department of Agriculture			<u>\$ 917,024</u>
U.S. Department of Justice			
Direct			
Bulletproof Vest Partnership Program	16.607	-	<u>\$ 961</u>
U.S. Department of Transportation			
Passed through Minnesota Department of Transportation Highway Planning and Construction	20.205	00018	\$ 590,212
Passed through Minnesota Department of Trial Courts Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not provided	<u>44,562</u>
Total U.S. Department of Transportation			<u>\$ 634,774</u>
U.S. Environmental Protection Agency			
Passed through Minnesota Public Facilities Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	MPFA-14-0070-R-FY15	<u>\$ 46,035</u>
U.S. Department of Health and Human Services			
Passed through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	Not provided	\$ 33,496
Universal Newborn Hearing Screening	93.251	Not provided	225
Immunization Cooperative Agreements	93.268	Not provided	1,600
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not provided	150
Temporary Assistance for Needy Families <i>(Total Temporary Assistance for Needy Families CFDA 93.558 - \$693,003)</i>	93.558	1601MNTANF	70,771
Maternal and Child Health Services Block Grant to the States	93.994	Not provided	70,230

**CROW WING COUNTY
BRAINERD, MINNESOTA**

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

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Contract Number/ Pass-Through Grant Number	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed through Minnesota Department of Human Services			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	SM016024-15	21,287
Promoting Safe and Stable Families	93.556	G-1601MNFPS	15,081
Temporary Assistance for Needy Families <i>(Total Temporary Assistance for Needy Families CFDA 93.558 - \$693,003)</i>	93.558	1601MNTANF	622,232
Child Support Enforcement	93.563	1604MNCES	1,040,829
Refugee and Entrant Assistance - State-Administered Programs	93.566	1601MNRCA	512
Child Care and Development Block Grant	93.575	G1601MNCCDF	46,669
Community-Based Child Abuse Prevention Grants	93.590	G-1502MNFPRG	15,801
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1601MNCWSS	7,822
Foster Care - Title IV-E	93.658	1601MNFOS	493,364
Social Services Block Grant	93.667	G-1601MNSOSR	353,112
Chafee Foster Care Independence Program	93.674	G-1601MNCILP	10,462
Medical Assistance Program	93.778	05-1605MN5ADM	<u>2,310,507</u>
Total U.S. Department of Health and Human Services			<u>\$ 5,114,150</u>
U.S. Corporation for National and Community Service			
Direct			
Retired and Senior Volunteer Program	94.002	-	<u>\$ 29,548</u>
U.S. Department of Homeland Security			
Passed through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	Not provided	\$ 18,875
Passed through Minnesota Department of Public Safety			
Emergency Management Performance Grants	97.042	F-EMPG-2016-CROWWICO-1773	41,027
Homeland Security Grant Program	97.067	F-SHSP-2015-CROWWICO	<u>88,100</u>
Total U.S. Department of Homeland Security			<u>\$ 148,002</u>
Total Federal Awards			<u>\$ 6,890,494</u>

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

**CROW WING COUNTY
BRAINERD, 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 Crow Wing County. The County's reporting entity is defined in Note I.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Crow Wing 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 Crow Wing County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Crow Wing 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Crow Wing County has elected not to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

**CROW WING COUNTY
BRainerd, MINNESOTA**

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 6,804,674
Grants received more than 60 days after year-end, deferred in 2016	
Chafee Foster Care Independence Program	8,907
Child Care and Development Block Grant	2,426
Projects for Assistance in Transition from Homelessness (PATH)	21,287
Promoting Safe and Stable Families	3,737
Stephanie Tubbs Jones Child Welfare Services Program	2,463
Temporary Assistance for Needy Families	112,892
Universal Newborn Hearing Screening	75
Funds received recorded as proceeds from revenue note rather than revenue	
Capitalization Grants for Clean Water State Revolving Funds	46,035
Deferred in 2015, recognized as revenue in 2016	
Child Support Enforcement	(45,300)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	(16,507)
Homeland Security Grant Program	(50,195)
	<hr/>
Expenditures Per Schedule of Federal Awards	\$ 6,890,494