

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT
PREPARED AS A RESULT OF THE AUDIT OF

ANOKA COUNTY
ANOKA, MINNESOTA

FOR THE YEAR ENDED DECEMBER 31, 2011

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 160 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 730 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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**ANOKA COUNTY
ANOKA, MINNESOTA**

For the Year Ended December 31, 2011



Management and Compliance Report

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

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**ANOKA COUNTY
ANOKA, MINNESOTA**

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**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **No**

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 programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? **Yes**

The major programs are:

Special Supplemental Nutrition Program for Women, Infants, and Children	CFDA #10.557
Child Support Enforcement	CFDA #93.563
Social Services Block Grant	CFDA #93.667
Medical Assistance Program	CFDA #93.778

The threshold for distinguishing between Types A and B programs was \$1,138,196.

Anoka County qualified as 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

ITEMS ARISING THIS YEAR

11-1 Income Maintenance Quarterly Expense Report (DHS-2550)

Programs: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP, CFDA No. 10.561); Temporary Assistance for Needy Families (TANF, CFDA No. 93.558); Child Support Enforcement (CFDA No. 93.563); and the Medical Assistance Program (CFDA No. 93.778).

Criteria: Instructions for preparing the DHS-2550 reports are included in the Minnesota Department of Human Services’ (DHS) bulletin no. 11-32-02. In Attachment C of bulletin no. 11-32-02, the instructions for “Section A: IMRMS Time Study Expenditures” states, in part, “Costs reported in this section are the direct costs associated with staff that are required to participate in the random moment time study (IMRMS).” Costs for administrative personnel are to be reported in another section of the DHS-2550 report.

Condition: We reviewed the information reported in the quarterly DHS-2550 reports for the third and fourth quarters of 2011 and tested a sample of 24 employees reported as being included in the Income Maintenance Random Moment Study (IMRMS). We found that payroll expenditures for 4 of the 24 individuals tested were included in Section A of the DHS-2550 report even though they should not have been reported as participating in the time study because they were administrative personnel.

When we brought our findings to the County’s attention, County staff performed an in-depth examination of the DHS-2550 reports for all four quarters of 2011 and found additional individuals whose expenditures should not have been reported in Section A of the DHS-2550 report. The County conferred with DHS, who concurred with the County’s findings, and the County re-submitted its DHS-2550 reports for 2011. This information was subsequently processed by DHS and resulted in the following additional net reimbursement to the County for 2011:

Programs with a reduction in reimbursements	
SNAP	\$ (182,281)
TANF	(123,470)
Medical Assistance Program	(131,541)
Program with additional reimbursements	
Child Support Enforcement	<u>663,471</u>
Net Additional Reimbursement to the County	<u>\$ 226,179</u>

Questioned Costs: None.

Context: The amount of federal administrative reimbursements received by the County through DHS for several income maintenance programs are determined based on the reporting done through the quarterly DHS-2550 reports.

Effect: Payroll expenditures for some income maintenance employees were reported incorrectly to DHS, which changed the amount of federal administrative reimbursements received for several income maintenance grants.

Cause: The payroll expenditures for several employees not directly charging time to income maintenance programs were incorrectly included in the IMRMS Time Study Expenditures section of the DHS-2550 reports.

Recommendation: We recommend supervisors review the DHS-2550 reports to ensure that all income maintenance expenditures are reported in the proper sections.

Corrective Action Plan:

Name of Contact Person Responsible for Corrective Action:

Rosemary Kortgard

Corrective Action Planned:

A quarterly report (Report 3750) will be run from the financial system showing the names and associated salary and benefit expense of the staff being reported in the Random Moment cost center of the General Ledger. This report will be compared with the quarterly DHS-provided list (the 20th of the preceding the quarter) of staff in the Random Moment Time Study (RMTS). Only the salary and benefit expense of staff participating in the RMTS will be reported in the Random Moment cost pool.

The report will be reviewed with the Economic Assistance Project and Planning Analyst and the Fiscal Supervisor. They will double check and ensure that the salary and benefit expense reported in the Random Moment cost pool are only for those staff that are on the DHS RMTS list.

The first quarter 2012 report was filed with only the salary and benefit expense of RMTS participants in the Random Moment Cost pool. We will continue to use the process described in the corrective action plan to ensure salary and benefit expense are properly reported.

Anticipated Completion Date:

Immediately

11-2 Eligibility Testing

Program: Medical Assistance Program (CFDA No. 93.778).

Criteria: OMB Circular A-133 § .300(b) states that the auditee shall maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its programs.

Condition: While periodic supervisory reviews are performed to provide reasonable assurance of controls over compliance and compliance with grant requirements for eligibility, not all documentation was available to support that the participant was eligible for benefits, nor was there evidence to support that all information was input into MAXIS correctly. The following exceptions were noted in our sample of 40 cases tested:

- The income information was entered incorrectly into MAXIS for 2 individuals.
- A confirmation was sent to an employer for 1 individual to verify information such as income and availability of insurance, but a response was never received and no follow-up was done.

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 Human Services Department to perform the “intake function” (meeting with the social services participant to determine income and categorical eligibility), while the State maintains the computer system supporting the eligibility determination process and actually pays the benefits to the participants.

Effect: The improper input of information into MAXIS and lack of follow-up of issues increases the risk that participants will receive benefits when they are not eligible.

Cause: Program personnel entering case information into MAXIS did not ensure all required information was input into MAXIS correctly.

Recommendation: We recommend that the County implement additional procedures to provide reasonable assurance that all necessary documentation to support eligibility determinations is properly input into MAXIS and issues are followed up on in a timely manner. In addition, consideration should be given to providing additional training to program personnel.

Corrective Action Plan:

Name of Contact Persons Responsible for Corrective Action:

*Sally Cleveland
Project and Planning Analyst*

*Jerry Vitzthum
Economic Assistance Director*

Corrective Action Planned:

1. *Refresher training for all Financial Assistance Specialists (FAS) on budgeting income when determining eligibility for Health Care programs:*
 - *Training will include clear direction on proper documentation focusing on needed time frame, acceptable proofs, and case documentation.*
 - *Training on the methodology for budgeting for the various basis of eligibility.*
2. *Update curriculum for new worker training to include more examples of types of earned income and acceptable documentation with more hands-on practice of budgeting.*
3. *Work to develop standardized scripts in the blue zone for health care budgeting that assist/prompt FAS in taking all the needed steps.*
4. *Increase the number of case reviews done on health care cases. Do a targeted review with a large number of health care cases with earned income.*
5. *The agency is exploring ways to increase efficiency and accuracy through enhanced technology.*

Anticipated Completion Dates:

August 31, 2012 for #1 and #2

September 30, 2012 for #3

June 1, 2012 and ongoing for #4

December 31, 2012 and ongoing for #5

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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*

Board of County Commissioners
Anoka County

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

Management of Anoka County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Anoka County's internal control over financial reporting as a basis for designing our auditing procedures 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anoka County's financial statements are free of 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories, except that we did not test for compliance in tax increment financing, as the cities administer the tax increment financing in Anoka County.

The results of our tests indicate that for the items tested, Anoka County complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the information and use of the Board of County Commissioners, Internal Audit Committee, management, others within Anoka County, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 22, 2012



REBECCA OTTO
STATE AUDITOR

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
Anoka County

Compliance

We have audited Anoka County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. Anoka County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Anoka 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Anoka County complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying Schedule of Findings and Questioned Costs as item 11-1.

Internal Control Over Compliance

Management of Anoka County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness and a deficiency that we consider to be 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 11-1 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 attention by 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 11-2 to be a significant deficiency.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. Our audit was performed for the purpose of forming opinions on Anoka County's financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by OMB Circular A-133 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. The SEFA 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 financial statements or to the 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.

Anoka County's corrective action plans to the federal award findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's corrective action plans and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of County Commissioners, Internal Audit Committee, management and others within Anoka County, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 22, 2012

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**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child Nutrition Cluster (Note 4)		
School Breakfast Program	10.553	\$ 80,523
National School Lunch Program	10.555	48,083
Passed through Minnesota Department of Health		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,171,137
Passed through Minnesota Department of Human Services		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	<u>2,168,689</u>
Total U.S. Department of Agriculture		<u>\$ 3,468,432</u>
U.S. Department of Housing and Urban Development		
Direct		
Community Development Block Grants - Entitlement Grants	14.218	\$ 1,441,772
Passed through Minnesota Housing Finance Agency		
Community Development Block Grants - Entitlement Grants	14.218	167,662
Passed through Dakota County Community Development Agency		
Home Investment Partnerships Program	14.239	<u>780,026</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 2,389,460</u>
U.S. Department of Justice		
Direct		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	\$ 162,974
Bulletproof Vest Partnership Program	16.607	3,860
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government - ARRA	16.804	19,686
Passed through Minnesota Department of Public Safety		
Juvenile Accountability Block Grants	16.523	36,690
Public Safety Partnership and Community Policing Grants - ARRA	16.710	<u>377</u>
Total U.S. Department of Justice		<u>\$ 223,587</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Labor		
Passed through Minnesota Department of Employment and Economic Development		
Senior Community Service Employment Program	17.235	\$ 290,311
Workforce Investment Act (WIA) Cluster (Note 4)		
WIA Adult Program	17.258	348,079
WIA Youth Activities	17.259	351,772
WIA National Emergency Grant - ARRA	17.277	253,598
WIA Dislocated Workers		
WIA Dislocated Workers Formula Grants	17.278	770,622
WIA Dislocated Workers Formula Grants - ARRA	17.278	50,000
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors - ARRA	17.275	84,128
Passed through Dakota County		
Workforce Investment Act (WIA) Cluster (Note 4)		
WIA National Emergency Grant - ARRA	17.277	<u>18,081</u>
Total U.S. Department of Labor		<u>\$ 2,166,591</u>
U.S. Department of Transportation		
Passed through Minnesota Department of Transportation		
Highway Planning and Construction	20.205	\$ 9,273,709
Passed through Metropolitan Council		
Federal Transit Formula Grants	20.507	197,329
Transit Services Programs Cluster (Note 4)		
Job Access - Reverse Commute Program	20.516	16,281
New Freedom Program	20.521	15,744
Passed through the City of Coon Rapids		
Highway Safety Cluster (Note 4)		
State and Community Highway Safety	20.600	3,665
Alcohol-Impaired Driving Countermeasures Incentive Grants	20.601	9,785
Passed through the City of Blaine		
Highway Safety Cluster (Note 4)		
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	<u>42,646</u>
Total U.S. Department of Transportation		<u>\$ 9,559,159</u>
Institute of Museum and Library Services		
Passed through Minnesota Department of Education		
Grants to States	45.310	<u>\$ 43,804</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Education		
Passed through Centennial School District		
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	\$ 452,412
Passed through Minnesota Department of Employment and Economic Development		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	39,226
Total U.S. Department of Education		\$ 491,638
U.S. Election Assistance Commission		
Passed through Minnesota Secretary of State		
Help America Vote Act Requirements Payments	90.401	\$ 24,140
U.S. Department of Health and Human Services		
Direct		
Early Retiree Reinsurance Program	93.546	\$ 539,384
Passed through National Association of County and City Health Officials		
Medical Reserve Corps Small Grant Program	93.008	919
Passed through Metropolitan Area Agency on Aging		
National Family Caregiver Support, Title III, Part E	93.052	60,000
Passed through Minnesota Department of Human Services		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	21,828
Promoting Safe and Stable Families	93.556	151,150
Temporary Assistance for Needy Families (TANF) Cluster (Note 4)		
Temporary Assistance for Needy Families	93.558	3,754,614
Emergency Contingency Fund for TANF State Program - ARRA	93.714	177,615
Child Support Enforcement	93.563	6,078,999
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	30,210
Child Care and Development Cluster (Note 4)		
Child Care and Development Block Grant	93.575	170,465
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	184,474
Foster Care - Title IV-E	93.658	904,572
Social Services Block Grant	93.667	1,420,458
Chafee Foster Care Independence Program	93.674	61,724
Medical Assistance Program	93.778	4,142,057
Block Grants for Community Mental Health Services	93.958	50,255

**ANOKA COUNTY
ANOKA, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services (Continued)		
Passed through Minnesota Department of Health		
Public Health Emergency Preparedness	93.069	395,152
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2,500
Universal Newborn Hearing Screening	93.251	3,225
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	26,455
Immunization Cluster (Note 4)		
Immunization Grants	93.268	40,863
Immunization - ARRA	93.712	9,327
Temporary Assistance for Needy Families (TANF) Cluster (Note 4)		
Temporary Assistance for Needy Families	93.558	274,222
Refugee and Entrant Assistance - Discretionary Grants	93.576	5,000
Maternal and Child Health Services Block Grant to the States	93.994	<u>273,450</u>
Total U.S. Department of Health and Human Services		\$ <u>18,778,918</u>
Corporation for National and Community Service		
Direct		
Retired and Senior Volunteer Program	94.002	\$ <u>30,661</u>
U.S. Department of Homeland Security		
Passed through Minnesota Department of Natural Resources		
Boating Safety Financial Assistance	97.012	\$ 34,299
Passed through Minnesota Department of Public Safety		
Emergency Management Performance Grants	97.042	118,584
Homeland Security Grant Program	97.067	497,515
Passed through Washington County		
Homeland Security Grant Program	97.067	<u>113,090</u>
Total U.S. Department of Homeland Security		\$ <u>763,488</u>
Total Federal Awards		\$ <u>37,939,878</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Anoka County. The County's reporting entity is defined in Note 1.A. to the financial statements.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Anoka County under programs of the federal government for the year ended December 31, 2011. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Anoka County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Anoka 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 cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. Clusters

Clusters of programs are groupings of closely related programs that share common compliance requirements. Total expenditures by cluster are:

Child Nutrition Cluster	\$ 128,606
Workforce Investment Act Cluster	1,792,152
Transit Services Program Cluster	32,025
Highway Safety Cluster	56,096
Temporary Assistance for Needy Families Cluster	4,206,451
Child Care and Development Cluster	354,939
Immunization Cluster	50,190

**ANOKA COUNTY
ANOKA, MINNESOTA**

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 38,105,753
Grants received more than 120 days after year-end, deferred in 2011	
Grants to States	3,704
Title I State Agency Program for Neglected and Delinquent Children and Youth	179,683
Homeland Security Grant Program	187,869
Grants received during 2011 and unspent	
Help America Vote Act Requirements Payments	(310,689)
Grants received in prior years and spent during 2011	
Help America Vote Act Requirements Payments	24,140
Deferred in 2010, recognized as revenue in 2011	
Title I State Agency Program for Neglected and Delinquent Children and Youth	(159,660)
Homeland Security Grant Program	(90,922)
	\$ 37,939,878
Expenditures Per Schedule of Expenditures of Federal Awards	\$ 37,939,878

6. Subrecipients

Of the expenditures presented in the schedule, Anoka County provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.218	Community Development Block Grants - Entitlement Grants	\$ 1,372,961
14.239	Home Investment Partnerships Program	660,139
16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government - ARRA	19,686
	Total	\$ 2,052,786

7. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.