

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

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

RAMSEY COUNTY
SAINT PAUL, MINNESOTA

FOR THE YEAR ENDED DECEMBER 31, 2012

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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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

For the Year Ended December 31, 2012



Management and Compliance Report

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

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weaknesses identified? **Yes**
- 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: **Unmodified for all major programs except for the Energy Efficiency and Conservation Block Grant Program - ARRA which is qualified.**

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
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	CFDA #10.561
Justice Assistance Grant (JAG) Program Cluster	
Edward Byrne Memorial JAG Program	CFDA #16.738
Edward Byrne Memorial JAG Program/Grants to States and Territories - ARRA	CFDA #16.803
Edward Byrne Memorial JAG Program/Grants to Units of Local Governments - ARRA	CFDA #16.804

Workforce Investment Act (WIA) Cluster	
WIA - Adult Programs	CFDA #17.258
WIA - Youth Activities	CFDA #17.259
WIA Dislocated Worker Formula Grants	CFDA #17.278
Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA #20.205
Highway Planning and Construction - ARRA	CFDA #20.205
Energy Efficiency and Conservation Block Grant Program - ARRA	CFDA #81.128
Social Services Block Grant	CFDA #93.667
Block Grant for Prevention and Treatment of Substance Abuse	CFDA #93.959

The threshold for distinguishing between Types A and B programs was \$2,191,319.

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

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

INTERNAL CONTROL

ITEM ARISING THIS YEAR

12-1 Audit Adjustment

Criteria: 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 of the financial statements on a timely basis. Statement on Auditing Standards 115 defines a material weakness as a deficiency, or combination of deficiencies, in internal control 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.

Condition: During our audit of the Ramsey County Regional Rail Authority, we proposed an audit adjustment which was reviewed and approved by the appropriate staff and is reflected in the financial statements. By definition, however, independent external auditors cannot be considered part of the County's internal control.

Context: The inability to detect material misstatements in the financial statements increases the likelihood that the financial statements would not be fairly presented.

Effect: An audit adjustment was necessary to record due from other governments that were not recognized at year-end.

Cause: Railroad agreements were required to be in place before the funder would release the federal transit funds. These agreements took longer than anticipated to complete. As a result, the Authority was not able to request reimbursement of five months of expenditures until after year-end. Because reimbursement had not been requested, these items were not included in the due from other governments.

Recommendation: We recommend that the County review internal controls currently in place and design and implement procedures to improve internal controls over financial reporting which will prevent, or detect and correct, misstatements in the financial statements. The updated controls should include review of the balances and supporting documentation by a qualified individual to identify potential misstatements.

Client's Response:

Ramsey County and RCRRA recognize the importance of the timely submission of monthly reimbursement and quarterly reports submitted to the Minnesota Department of Transportation (MNDOT) to minimize delays in the reimbursement of federal funds which may impact the accuracy of our financial results. RCRRA also understands the importance of recording receivables in the accounting system on a timely basis.

Corrective Action Plan:

Beginning in December 2013, Regional Rail staff will enter an accounts receivable into the accounting system equal to the amount due from the state or federal government on all projects and grants in process.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

ITEM ARISING THIS YEAR

12-2 Procurement and Suspension and Debarment

Program: U.S. Department of Health and Human Service's Block Grant for Prevention and Treatment of Substance Abuse (CFDA No. 93.959)

Pass Through Agency: Minnesota Department of Human Services

Criteria: The OMB Circular A-133 Compliance Supplement 2012; Part 3; I. Procurement, Suspension, and Debarment, states that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: The contracts for the Community Human Services Department's Chemical Dependency Case Management and Treatment Support Program, one of the programs funded with Block Grant for Prevention and Treatment of Substance Abuse funds, did not include a clause pertaining to the suspended or debarred federal requirement noted above, nor did the County check the EPLS website.

Questioned Costs: None.

Context: The County's contract template was revised in 2011 to contain the clause pertaining to the suspension and debarred federal requirement. The contracts for the Chemical Dependency Case Management and Treatment Support Program lapse in June 2013 and new contracts will be drafted using the revised contract template.

Effect: A clause in contracts, or checking the EPLS website (now sam.gov), allows the County to protect itself from contracting with vendors who have been suspended or debarred by the federal government. The County had no assurance that the vendors it contracted with for the Chemical Dependency Case Management and Treatment Support Program had not been suspended or debarred.

Cause: The contracts were entered into prior to the County revising its contract template in 2011. The Contract Manager in the Community Human Services Department, who oversees contracts for the Chemical Dependency Case Management and Treatment Support Program was not aware of the EPLS website.

Recommendation: We recommend that the County develop written internal controls and written policies and procedures to ensure compliance with the requirements over procurement, suspension, and debarment. Such procedures should be completed prior to awarding a contract to a vendor on projects funded with federal awards. Documentation should be maintained to support the monitoring of and compliance with this requirement.

Client's Response:

In 2011, the County began including standard language in all contracts which requires contractors to certify they have not previously been suspended/debarred by the Federal Government. In this case the contract in question was prepared before the standard language was included in contracts. In addition contract staffs in Community Human Services have been briefed on the need to make certain vendors have not been suspended/debarred. Training on the issue has been and continues to be done at the Contract unit's staff meetings.

Corrective Action Plan:

Name of Contact Person Responsible for Corrective Action:

Steve Lane

Corrective Action Planned:

Ramsey County Finance will send a memo outlining the issues surrounding the Suspended or Debarment issues and instruct them to use the correct contract templates to ensure compliance with the rules.

Anticipated Completion Date:

2013

12-3 Davis-Bacon Act

Program: U.S. Department of Energy's Energy Efficiency and Conservation Block Grant Program - ARRA (CFDA No. 81.128)

Pass Through Agency: None

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: The Environmental Health Division of the Public Health Department applied for the grant that was managed by the Property Management Department. These departments had no documented monitoring process for determining compliance with the Davis-Bacon Act, which requires the County to pay prevailing wage rates not less than those established by the U.S. Department of Labor on projects funded by federal dollars. The County did not require the contractors and subcontractors to submit weekly certified payrolls.

Questioned Costs: None.

Context: The contractors hired by the County for work on projects funded with federal awards may be paying wages less than the prevailing wage rates established by the U.S. Department of Labor.

Effect: The County has no assurance that its contractors on projects funded with federal awards are in compliance with the Davis-Bacon Act requirements.

Cause: The County felt that since the contractors and subcontractors are union members, there was no need to require them to send the certified payrolls as that would be duplicate work.

Recommendation: We recommend the County develop written procedures for monitoring compliance with the Davis-Bacon Act. Documentation should exist to support the monitoring of and compliance with this requirement.

Client's Response:

Ramsey County is aware of the requirements of the Davis-Bacon Act. In this situation the department handling the contracts in the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant program – ARRA (CFDA No. 81.128) knew that prevailing wages were paid because all vendors used to work on the grant met the Ramsey County standards which are higher than those required by the Davis-Bacon Act. Because of this the department failed to request the contractors to submit weekly certified payrolls. The department met the spirit of the Act but the omission of the required documentation resulted in the management comment.

Corrective Action Plan:

Name of Contact Person Responsible for Corrective Action:

Steve Lane

Corrective Action Planned:

The Finance Department will send a memo to all departments reminding them of their responsibility to understand and follow all the reporting requirements in any grant they are administering.

Anticipated Completion Date:

2013



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of County Commissioners
Ramsey County

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 Ramsey County as of and for the year ended December 31, 2012, 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 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ramsey County's internal control over financial reporting to determine the auditing 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 12-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ramsey 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

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, 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 audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because Ramsey County does not use tax increment financing.

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

Other Matters

Ramsey County's written response to the internal control finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. The County's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting, compliance and the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions* 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 24, 2013

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REBECCA OTTO
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

Board of County Commissioners
Ramsey County

Report on Compliance for Each Major Federal Program

We have audited Ramsey 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 the County's major federal programs for the year ended December 31, 2012. Ramsey County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Ramsey County's basic financial statements include the operations of the Ramsey County Regional Railroad Authority component unit, which expended \$35,362,692 in federal awards during the year ended December 31, 2012, which are not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the Regional Railroad Authority because it had a separate single audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Ramsey 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 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 Ramsey 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 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

Basis for Qualified Opinion on Energy Efficiency and Conservation Block Grant Program - ARRA (CFDA No. 81.128)

As described in the accompanying Schedule of Findings and Questioned Costs, Ramsey County did not comply with requirements regarding Energy Efficiency and Conservation Block Grant Program - ARRA (CFDA No. 81.128) as described in finding number 12-3 for Davis-Bacon. Compliance with this requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Energy Efficiency and Conservation Block Grant Program - ARRA (CFDA No. 81.128)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Ramsey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Energy Efficiency and Conservation Block Grant Program - ARRA (CFDA No. 81.128) for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Ramsey 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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 12-2. Our opinion on each major federal program is not modified with respect to this matter.

Ramsey County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs as Client's Responses and Corrective Action Plans. Ramsey 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 Internal Control Over Compliance

Management of Ramsey 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 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 our opinion on compliance for each major federal program 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 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 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 12-3 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 12-2 to be a significant deficiency.

Ramsey County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs as Client's Responses and Corrective Action Plans. Ramsey 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 OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County as of and for the year ended December 31, 2012, 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 24, 2013, 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 the 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. Such information 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 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 OMB Circular A-133. 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 24, 2013

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture			
Passed Through Minnesota Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	\$ 38,865	\$ -
National School Lunch Program	10.555	66,818	-
Passed Through Minnesota Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.557	3,089,927	-
	10.561	4,326,375	-
Passed Through Minnesota Department of Agriculture			
WIC Farmers Market Nutrition Program (FMNP)	10.572	6,400	-
Total U.S. Department of Agriculture		\$ 7,528,385	\$ -
U.S. Department of Housing and Urban Development			
Direct			
CDBG/Entitlement Grants	14.218	\$ 1,104,599	\$ 747,403
Passed Through City of Saint Paul			
CDBG/Entitlement Grants	14.218	53,405	-
(Total CDBG/Entitlement Grants 14.218 \$1,158,004)			
Direct			
Supportive Housing Program	14.235	562,056	562,056
Passed Through Minnesota Housing Finance Agency			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			
	14.228	146,250	-
Passed Through Dakota County Community Development Agency			
Home Investment Partnerships Program	14.239	15,784	-
Passed Through Minnesota Department of Health			
Healthy Homes Production Grant Program	14.913	16,734	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development (Continued)			
Passed Through Hennepin County			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	495,648	-
Passed Through City of Saint Paul			
Homelessness Prevention and Rapid Re-Housing Program	14.257	35,205	-
Total U.S. Department of Housing and Urban Development		\$ 2,429,681	\$ 1,309,459
U.S. Department of Justice			
Direct			
Supervised Visitation, Safe Havens for Children	16.527	\$ 126,018	\$ -
Part E - Developing, Testing, and Demonstrating Promising New Programs	16.541	92,756	-
State Criminal Alien Assistance Program	16.606	111,333	-
Second Chance Act Prisoner Reentry Initiative	16.812	273,571	-
Passed Through Minnesota Department of Public Safety			
Juvenile Accountability Block Grants	16.523	30,405	3,322
Crime Victim Assistance	16.575	19,651	-
Public Safety Partnership and Community Policing Grants	16.710	3,179	-
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$166,523)	16.738	28,718	-
Edward Byrne Memorial Justice Assistance Grant Program/Grants to States and Territories - ARRA	16.803	169,156	-
Passed Through City of Saint Paul			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$166,523)	16.738	137,805	-
Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government - ARRA	16.804	17,493	-
Passed Through Minnesota Trial Courts			
Drug Court Discretionary Grant Program	16.585	8,320	-
Total U.S. Department of Justice		\$ 1,018,405	\$ 3,322

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor			
Passed Through Minnesota Department of Employment and Economic Development			
Workforce Investment Act (WIA) Cluster			
WIA - Adult Programs	17.258	\$ 1,055,941	\$ 578,145
WIA - Youth Activities	17.259	1,005,809	661,707
WIA Dislocated Worker Formula Grants	17.278	836,145	-
Incentive Grants - Workforce Investment Act Section 503	17.267	57,124	49,385
Passed Through City of Minneapolis			
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors - ARRA			
	17.275	41,399	-
Total U.S. Department of Labor		\$ 2,996,418	\$ 1,289,237
U.S. Department of Transportation			
Highway Planning and Construction Cluster			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction	20.205	\$ 3,260,954	\$ -
Highway Planning and Construction - ARRA	20.205	33,086	-
(Total Highway Planning and Construction 20.205 \$3,294,040)			
Highway Safety Cluster			
Passed Through Minnesota Department of Public Safety			
Occupant Protection Incentive Grants	20.602	31,800	-
Safety Belt Performance Grants	20.609	33,422	-
Passed Through Minnesota Department of Public Safety			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated			
	20.608	247,119	-
Total U.S. Department of Transportation		\$ 3,606,381	\$ -
U.S. Environmental Protection Agency			
Direct			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	\$ 20,861	\$ -

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Energy			
Direct			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	\$ 328,335	\$ -
U.S. Department of Education			
Passed Through Minnesota Department of Employment and Economic Development			
Adult Education - Basic Grants to States	84.002	\$ 10,681	\$ 3,180
Passed Through University of St. Thomas			
Federal Work-Study Program	84.033	2,615	-
Total U.S. Department of Education		\$ 13,296	\$ 3,180
U.S. Department of Health and Human Services			
Direct			
Food and Drug Administration Research	93.103	\$ 2,500	\$ -
Family Planning Services	93.217	455,867	-
Adoption Opportunities	93.652	423,198	-
Child Abuse and Neglect Discretionary Activities	93.670	384,713	-
Temporary Assistance for Needy Families (TANF) Cluster			
Passed Through Minnesota Department of Human Services			
Temporary Assistance for Needy Families (TANF) (Total Temporary Assistance for Needy Families 93.558 \$17,238,984)	93.558	16,244,251	6,849,569
Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program - ARRA	93.714	1,281,240	671,305
Passed Through Minnesota Department of Health			
Temporary Assistance for Needy Families (TANF) (Total Temporary Assistance for Needy Families 93.558 \$17,238,984)	93.558	994,733	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)			
Passed Through Minnesota Department of Human Services			
Projects for Assistance in Transition from Homelessness	93.150	178,124	-
Promoting Safe and Stable Families	93.556	278,964	250,000
Child Support Enforcement	93.563	9,033,859	-
Refugee and Entrant Assistance - State-Administered Programs	93.566	6,181	-
Child Care and Development Block Grant	93.575	930,026	-
Refugee and Entrant Assistance - Targeted Assistance Grants	93.584	22,000	-
Community Based Child Abuse Prevention Grants	93.590	172,506	-
Chafee Education and Training Vouchers Program	93.599	83,216	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	115,858	-
Guardianship Assistance	93.090	144,248	-
Foster Care Title IV-E	93.658	4,363,390	-
Adoption Assistance	93.659	485,068	-
Social Services Block Grant	93.667	4,136,706	-
Child Abuse and Neglect State Grants	93.669	1,935	-
Chafee Foster Care Independence Program	93.674	30,791	-
Medical Assistance Program	93.778	10,983,777	-
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1,410,774	-
Passed Through Minnesota Department of Health			
Postal Model for Medical Countermeasures Delivery and Distribution	93.016	24,074	-
Public Health Emergency Preparedness	93.069	328,072	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	17,466	-
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	22,000	-
Affordable Care Act (ACA) Abstinence Education Program	93.235	39,961	-
Universal Newborn Hearing Screening	93.251	15,450	-
Immunization Grants	93.268	134,200	-
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	15,470	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Visiting Program	93.505	73,255	-
Refugee and Entrant Assistance Discretionary Grants	93.576	16,640	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health (Continued)			
PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by 2012 Prevention and Public Health Funds	93.744	400	-
HIV Prevention Activities - Health Department Based	93.940	50,445	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	36,568	-
Preventative Health and Health Services Block Grant	93.991	250	-
Maternal and Child Health Services Block Grant to the States	93.994	846,227	-
Passed Through National Association of County and City Health Officials			
Medical Reserve Corps Small Grant Program	93.008	5,000	-
Total U.S. Department of Health and Human Services		\$ 53,789,403	\$ 7,770,874
U.S. Department of Homeland Security			
Direct			
Law Enforcement Officer Reimbursement Agreement Program	97.090	\$ 19,554	\$ -
Passed Through Minnesota Department of Public Safety			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	105,956	-
Hazard Mitigation Grant	97.039	31,189	-
Emergency Management Performance Grants	97.042	196,382	-
Homeland Security Grant Program	97.067	609,239	56,037
(Total Homeland Security Grant Program 97.067 \$794,603)			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	32,740	-
Passed Through City of Minneapolis			
Metropolitan Medical Response System	97.071	59,544	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security (Continued)			
Passed Through City of St. Paul Metropolitan Medical Response System (Total Metropolitan Medical Response System 97.071 \$126,086)	97.071	66,542	-
Passed Through Washington County Homeland Security Grant Program (Total Homeland Security Grant Program 97.067 \$794,603)	97.067	185,364	-
Total U.S. Department of Homeland Security		\$ 1,306,510	\$ 56,037
Total Cash Federal Awards		\$ 73,037,675	\$ 10,432,109
Non-Cash Awards			
U.S. Department of Agriculture Food Donation Program	10.550	6,283	-
Total Federal Awards		\$ 73,043,958	\$ 10,432,109

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**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Ramsey County. The County's reporting entity is defined in Note I to the financial statements. It does not include \$35,362,692 in federal awards expended by the Regional Railroad Authority, a blended component unit of the County, which had a separate single audit.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ramsey County under programs of the federal government for the year ended December 31, 2012. 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey County.

3. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. The basis used for CFDA No. 10.550 is the dollar value of vouchers issued. 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	\$ 105,683
JAG Program Cluster	353,172
Workforce Investment Act (WIA) Cluster	2,897,895
Highway Planning and Construction Cluster	3,294,040
Highway Safety Cluster	65,222
Temporary Assistance for Needy Families (TANF) Cluster	18,520,224

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

5. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 108,400,367
Non-cash awards	6,283
Grant received by blended component unit, not included	
Sustainable Communities Regional Planning Grant Program	(164,666)
Highway Planning and Construction	(13,156,703)
Surface Transportation - Discretionary Grants for Capital Investment - ARRA	(3,931,231)
High-Speed Rail Corridors and Intercity Passenger Rail Service - Capital Assistance Grants	(17,417,534)
Alternatives Analysis	<u>(692,558)</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 73,043,958</u>

6. 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.