

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

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

CROW WING COUNTY
BRAINERD, MINNESOTA

YEAR ENDED DECEMBER 31, 2013

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.

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, 2013



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> |
|---|-------------|
| Schedule of Findings and Questioned Costs | 1 |
| 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> | 7 |
| Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance | 10 |
| Schedule of Expenditures of Federal Awards | 13 |
| Notes to the Schedule of Expenditures of Federal Awards | 16 |

This page was left blank intentionally.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: **Unmodified**

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:

| | |
|----------------------------|--------------|
| Child Support Enforcement | CFDA #93.563 |
| Medical Assistance Program | CFDA #93.778 |

The threshold for distinguishing between Types A and B programs was \$300,000.

Crow Wing County qualified as a low-risk auditee? **Yes**

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

INTERNAL CONTROL

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding 2007-001

Documenting and Monitoring Internal Controls

Criteria: County management is responsible for developing and monitoring its internal control over financial reporting. An essential element of monitoring controls would include documenting the County's accounting policies and procedures and performing a risk assessment of existing controls over significant functions of the accounting system used to produce financial information for members of the County Board, management, and for external financial reporting. The risk assessment is intended to determine if the internal controls established by management are still effective or if changes are needed to maintain a sound internal control structure. Changes may be necessary due to such things as organizational restructuring, updates to information systems, or changes to services being provided. Significant internal controls would cover areas such as: cash and investment activities; capital assets (capitalization process and related depreciation); major funding sources (taxes, intergovernmental revenues, charges for services, and miscellaneous items); expenditure/expense processing including social services expenditures; and payroll.

Condition: 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.

Context: Without formal policies and procedures including risk assessment and monitoring procedures, the County increases its risk of fraud. Monitoring of internal controls is necessary to determine controls are in place and operating effectively.

Effect: As a result of this condition, the County's practices may not be followed as intended by management, and employees may not understand the purpose of internal controls. The lack of risk assessment and monitoring procedures increases the risk of fraud.

Cause: The County has begun to develop formal policies and procedures to include monitoring and risk assessment procedures. Due to limited time and resources, the County has not been able to complete this project.

Recommendation: We recommend that County management continue to take the necessary steps in implementing procedures to document the significant internal controls in its accounting system. We also recommend that a formal plan be developed that calls for assessing and monitoring the significant internal controls on a regular basis, no less than annually. The monitoring should be documented to show the results of the review, changes required, and who performed the work.

ITEM ARISING THIS YEAR

Finding 2013-001

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. Clarified Auditing Standards AU-C Section 265 defines a material weakness as a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Condition: During our audit of the Public Land Management Special Revenue Fund, an audit adjustment was necessary to reduce \$286,064 of miscellaneous revenue and a corresponding reduction of conservation of natural resources expenditures. This audit adjustment was necessary to correct a journal entry recorded by the County during the financial statement process. By definition, however, independent external auditors cannot be considered part of the Crow Wing County's internal control.

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

Effect: The audit adjustment was reviewed and approved by the appropriate staff and the decrease of revenue and expenditures is reflected in the financial statements.

Cause: The net difference between a prior year reversal of expenditures and a current year recording of an expenditure related to a payable resulted in a negative expenditure of \$286,064. The County, in order to eliminate the negative expenditure amount, recorded an expenditure for \$286,064 and a related revenue for \$286,064, thus overstating revenues and expenditures for the year ended December 31, 2013.

Recommendation: We recommend County staff review trial balances and journal entries in detail and establish internal controls necessary to determine that all adjusting entries are properly recorded to ensure the County's financial statements are reported in accordance with generally accepted accounting principles.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

ITEM ARISING THIS YEAR

Finding 2013-002

Eligibility Testing

Program: U.S. Department of Health and Human Services' Medical Assistance Program (CFDA No. 93.778)

Pass-Through Agency: Minnesota Department of Human Services

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 federal programs.

Condition: The State of Minnesota contracts with the County to perform the 'intake function' (meeting with the social services client to determine income and categorical eligibility), while the state maintains the computer system, MAXIS, supporting the eligibility determination process and actually pays the benefits to participants. County employees enter eligibility information into the MAXIS system based on the files containing the original documentation retained at the County. While periodic supervisory case reviews are performed to provide reasonable assurance of compliance with grant requirements for eligibility, not all documentation was available in the County files to support participant eligibility; or in other circumstances the documentation maintained in the County files did not match the information within the MAXIS system. The following instances were noted during our tests of the eligibility determination process:

- Four cases had conflicting information between information entered in MAXIS and the documentation in the case file relating to insurance coverage. In one instance, the case file contained insurance documentation but this information had not been entered into MAXIS and the other three cases had insurance information entered into MAXIS; however the insurance documentation in the case file was not current information.
- One case did not have verification of asset requirements. The most recent bank statement was not received.
- Two individuals who were receiving benefits did not have a birth certificate copy on record or naturalization papers to document their U.S. citizenship.

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

Context: To test the eligibility determination process, we selected a sample of 40 case files and reviewed whether the documentation contained in the County case files matched the information in the MAXIS system for each of the ten federal compliance requirements tested for eligibility.

Effect: The improper input of information into MAXIS increases the risk that a program recipient will receive benefits when they are not eligible. Crow Wing County Staff have reviewed the inconsistencies between the documentation in their files and the MAXIS system noted during our audit, and agree the case files should match the MAXIS system. They also noted that for the four cases that had conflicting information between MAXIS and the documentation in the case file relating to insurance coverage, the correct information was requested from the client and provided. The insurance information was correctly entered into the MMIS system so the billings were correct. Eligibility requirements were met and MA did not pay for any ineligible services. For the case that had an asset amount listed in MAXIS but was missing bank verification, the MAXIS panel was marked with an “N” to indicate needed verification was requested, and the request for MA for that applicant was properly denied for failure to provide a bank statement. Two cases were missing citizenship verification in the file.

Cause: Program personnel entering case information into MAXIS did not ensure all required information was input into MAXIS correctly or that all required information was obtained and/or retained in the County case files.

Recommendation: We recommend that the County implement additional review procedures to provide reasonable assurance that all necessary documentation to support an eligibility determination is obtained and retained. In addition, consideration should be given to providing additional training to program personnel.

Corrective Action Plan:

Name of Contact Person Responsible for Correction Action:

Kara Griffin, Operations Coordinator

Corrective Action Planned:

After reviewing the findings, we noted that for four cases, eligibility requirements were met and MA did not pay for any services that insurance should have.

- *There were four cases in the “availability of other health insurance requirements met” test area where “inconsistent insurance information” was noted. In all cases, although the MAXIS insurance panel (INSA) was incorrect or missing, the correct information was requested from the client and provided. The insurance information was correctly entered into the MMIS system so billing was correct.*
- *For one case it was noted that an amount was listed in MAXIS, but missing bank verification. In this case, the request for MA was denied for failure to provide verification, and the MAXIS panel was correctly coded.*
- *There were two cases that were missing citizenship verification in the file. In one case we were able to internally verify citizenship and request a certified copy through our Vital Records department; a certified copy will be in the file by Wednesday, June 11, 2014. The operations supervisor is investigating the remaining file to secure appropriate documentation of citizenship.*

The County maintains a “Policy & Procedure for Citizenship & Identify,” effective May 1, 2013. Management has been completing a monthly review of 10 cases since May 1, 2013. In addition, management will review applicable policies and procedures with staff. Continued reinforcement through internal audit and staff training will be ongoing to ensure compliance.

Anticipated Completion Date:

July 1, 2014



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

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 as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 6, 2014.

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.

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 or significant deficiencies may exist that were not 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 and an item that we consider to be a significant deficiency.

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 2013-001 to be a material weakness.

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 attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2007-001 to be a significant deficiency.

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 Political Subdivisions*, 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 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.

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 6, 2014

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 AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

Board of County Commissioners
Crow Wing County

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) *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, 2013. 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 the requirements of laws, regulations, contracts, and grants applicable to each of 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 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 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, 2013.

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 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002, that we consider to be a significant deficiency.

Crow Wing County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs as a 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 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 Crow Wing County as of and for the year ended December 31, 2013, 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 6, 2014, 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 6, 2014

This page was left blank intentionally.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| Federal Grantor Pass-Through Agency Grant Program Title | Federal CFDA Number | Expenditures |
|--|------------------------------------|--------------------------|
| U.S. Department of Agriculture | | |
| Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | \$ 336,237 |
| Passed Through Minnesota Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) | 10.561 | <u>405,402</u> |
| Total U.S. Department of Agriculture | | <u>\$ 741,639</u> |
| U.S. Department of Justice | | |
| Passed Through City of Brainerd Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | <u>\$ 866</u> |
| U.S. Department of Transportation | | |
| Passed Through Minnesota Department of Transportation Highway Planning and Construction | 20.205 | \$ 72,662 |
| Passed Through Minnesota Department of Public Safety State and Community Highway Safety | 20.600 | <u>8,398</u> |
| Total U.S. Department of Transportation | | <u>\$ 81,060</u> |

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

| Federal Grantor Pass-Through Agency Grant Program Title | Federal CFDA Number | Expenditures |
|---|------------------------------------|---------------------|
| U.S. Department of Health and Human Services | | |
| Passed Through Minnesota Department of Health | | |
| Public Health Emergency Preparedness | 93.069 | \$ 20,445 |
| Universal Newborn Hearing Screening | 93.251 | 975 |
| Immunization Cooperative Agreements | 93.268 | 300 |
| Centers for Disease Control and Prevention - Investigations and Technical Assistance | 93.283 | 375 |
| Community Transformation Grants and National Dissemination and Support for Community Transformation Grants | 93.531 | 2,092 |
| Temporary Assistance for Needy Families | 93.558 | 47,703 |
| (Total Temporary Assistance for Needy Families 93.558 \$861,324) | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 64,215 |
| | | |
| Passed Through Minnesota Department of Human Services | | |
| Projects for Assistance in Transition from Homelessness (PATH) | 93.150 | 22,898 |
| Promoting Safe and Stable Families | 93.556 | 17,449 |
| Temporary Assistance for Needy Families | 93.558 | 813,621 |
| (Total Temporary Assistance for Needy Families 93.558 \$861,324) | | |
| Child Support Enforcement | 93.563 | 1,238,237 |
| Refugee and Entrant Assistance - State-Administered Programs | 93.566 | 1,538 |
| Child Care and Development Block Grant | 93.575 | 56,956 |
| Community-Based Child Abuse Prevention Grants | 93.590 | 7,567 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 10,880 |
| Foster Care - Title IV-E | 93.658 | 293,809 |
| Social Services Block Grant | 93.667 | 336,912 |
| Chafee Foster Care Independence Program | 93.674 | 10,331 |
| Children's Health Insurance Program | 93.767 | 188 |
| Medical Assistance Program | 93.778 | 1,623,735 |
| Block Grants for Community Mental Health Services | 93.958 | 10,941 |
| Total U.S. Department of Health and Human Services | | \$ 4,581,167 |

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Continued)**

| Federal Grantor Pass-Through Agency Grant Program Title | Federal CFDA Number | Expenditures |
|--|------------------------------------|-----------------------------------|
| U.S. Department of Homeland Security | | |
| Passed Through Minnesota Department of Public Safety | | |
| Boating Safety Financial Assistance | 97.012 | \$ 148,115 |
| Homeland Security Grant Program | 97.067 | <u>39,638</u> |
| Total U.S. Department of Homeland Security | | <u>\$ 187,753</u> |
| Total Federal Awards | | <u><u>\$ 5,592,485</u></u> |

This page was left blank intentionally.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 1 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, 2013. 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 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 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.

**CROW WING COUNTY
BRAINERD, MINNESOTA**

4. Reconciliation to Schedule of Intergovernmental Revenue

| | | |
|---|----|-----------|
| Federal grant revenue per Schedule of Intergovernmental Revenue | \$ | 5,191,564 |
| Grants received more than 60 days after year-end, deferred in 2013 | | |
| Temporary Assistance for Needy Families | | 136,080 |
| Child Care and Development Block Grant | | 3,938 |
| Foster Care - Title IV-E | | 24,869 |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | | 16,522 |
| Medical Assistance Program | | 308,155 |
| Block Grants for Community Health Services | | 10,941 |
| Homeland Security Grant Program | | 9,358 |
| Deferred in 2012, recognized as revenue in 2013 | | |
| Public Health Emergency Preparedness | | (19,949) |
| Temporary Assistance for Needy Families | | (2,593) |
| Foster Care Title IV-E | | (13,237) |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | | (18,679) |
| Emergency Management Performance Grants | | (42,745) |
| Homeland Security Grant Program | | (11,699) |
| | | (11,699) |
| Expenditures Per Schedule of Federal Awards | \$ | 5,592,485 |

5. Subrecipients

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

| CFDA Number | Program Name | Amount Provided to Subrecipients |
|----------------|------------------------------------|-------------------------------------|
| 20.600 | State and Community Highway Safety | \$ 8,398 |