

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

**Cass County
Walker, Minnesota**

Management and Compliance Report

Year Ended December 31, 2020

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 100 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 Minnesota’s local 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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Cass County Walker, Minnesota

Year Ended December 31, 2020



Office of the State Auditor

Management and Compliance Report

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

**CASS COUNTY
WALKER, MINNESOTA**

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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
Cass County
Walker, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 21, 2021. Our report includes a reference to other auditors who audited the financial statements of the Cass County Housing and Redevelopment Authority and the Pine River Area Sanitary District, the discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cass County's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cass 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 financial statements. 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

In connection with our audit, nothing came to our attention that caused us to believe that Cass County failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. 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, insofar as they relate to accounting matters.

Purpose of This Report

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

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

/s/Dianne Syverson

DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

September 21, 2021



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of County Commissioners
Cass County
Walker, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Cass County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. Cass County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Cass County's basic financial statements include the operations of the Cass County Housing and Redevelopment Authority component unit, which expended \$441,993 in federal awards during the year ended December 31, 2020, which are not included in the County's Schedule of Expenditures of Federal Awards. The Cass County Housing and Redevelopment Authority is legally separate from the County, and because it expended less than \$750,000 of Federal awards for the year ended December 31, 2020, it was not subject to Uniform Guidance audit requirements.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cass County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cass 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.

Opinion on Each Major Federal Program

In our opinion, Cass 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, 2020.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated September 21, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Cass County Housing and Redevelopment Authority component unit, which was audited by other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by the Uniform Guidance, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The SEFA is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

September 21, 2021

/s/Dianne Syverson

DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

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

Federal Awards

Internal control over major programs:

- Material weaknesses identified? **No**
- Significant deficiencies identified? **None reported**

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **No**

The major federal programs are:

Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
Recreational Trails Program	CFDA No. 20.219
COVID-19 Coronavirus Relief Fund	CFDA No. 21.019
Child Support Enforcement	CFDA No. 93.563

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

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

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

None.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

IV. PREVIOUSLY REPORTED ITEM RESOLVED

2019-003 Contract Compliance

Chief Financial Officer

Our mission is to deliver quality public services to the citizens in an effective, professional, and efficient manner



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REPRESENTATION OF CASS COUNTY WALKER, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2020

Finding Number: 2019-001
Repeat Finding Since: 2014
Finding Title: Eligibility Testing
Program: Medical Assistance Program (CFDA No. 93.778)

Summary of Condition: During the testing of the Medical Assistance Program, one instance, asset verification was performed with bank statements that were dated three months prior to the renewal date. This was determined to have no effect on the client's eligibility. In another instance, a client's assets were not recorded in MAXIS. This asset, when properly recorded, did not make the recipient exceed the limit for assets.

Summary of Corrective Action Previously Reported: We will be conducting a detailed training about mandatory assets and a review of policy to provide reasonable assurance that all necessary documentation is obtained and input into Maxis. We will be making a list of what to do in different situations, what we can do to help the client, what we cannot do to help the client.

Status: Partially Corrected. Trainings are ongoing. However, in the follow up reviews conducted, additional errors in documentation were identified. The County will continue to increase supervisor reviews and provide ongoing training opportunities at unit meetings held twice per month. Errors identified have been addressed directly with the case workers involved and shared with the entire unit as a learning opportunity.

Was corrective action taken significantly different than the action previously reported?
Yes _____ No X

Finding Number: 2019-002
Repeat Finding Since: 2018
Finding Title: Local Collaborative Time Study Reporting
Program: Medical Assistance Program (CFDA NO. 93.778)

Summary of Condition: Documentation was not retained by the County showing that the Annual Spending Report was reviewed by someone other than the preparer. Also, testing found that the County over-reported Local Collaborative Time Study (LCTS) fund received in calendar year 2019 on the Annual Spending Report for the year ending December 31, 2019, by \$120,619.

Summary of Corrective Action Previously Reported: Electronic signature will be placed on documents that are completed and reviewed electronically. Training and cross-training was implemented to ensure the County is correctly reporting grant activity.

Status: Partially Corrected. Staffing challenges have been resolved that will allow for the implementation of the corrective action plan. Training on the completion of the annual spending report has been completed to ensure accuracy and completeness of the reporting.

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

Yes _____ No X

Finding Number: 2019-003

Repeat Finding Since: 2019

Finding Title: Minnesota Legal Compliance

Summary of Condition: The County did purchased radios for the Sheriff's Office totaling \$445,956. The county originally considered purchasing the radios through the state's cooperative purchasing vendor, but instead the County worked directly with the vendor to procure the radios. Since the County did not purchase the radios through the state's cooperative purchasing vendor, the County should have solicited bids in accordance with Minnesota statutes.

Summary of Corrective Action Previously Reported: Sealed bids will be formally obtained for contracts that exceed \$175,000 unless procured through the state's cooperative purchasing venture.

Status: Fully corrected.

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

Yes _____ No X

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Direct			
Cooperative Forestry Assistance	10.664		\$ 9,500
Passed Through Minnesota Department of Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	212MN004W1006	228,267
Passed Through Minnesota Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202MN101S2514	341,245
Passed Through Minnesota Department of Management and Budget			
Forest Service Schools and Roads Cluster			
Schools and Roads – Grants to States	10.665	G9RUSDFORESTRY	<u>117,072</u>
Total U.S. Department of Agriculture			<u>\$ 696,084</u>
U.S. Department of the Interior			
Direct			
Secure Rural Schools and Community Self-Determination	15.234		<u>\$ 208</u>
U.S. Department of Justice			
Direct			
Bulletproof Vest Partnership Program	16.607		\$ 1,494
Passed Through Minnesota Department of Public Safety			
Crime Victim Assistance	16.575	A-CVS-2020-CASSAO-00100	42,769
Passed Through Minnesota Bureau of Criminal Apprehension			
Public Safety Partnership and Community Policing Grants	16.710	P0730AH2017	<u>2,291</u>
Total U.S. Department of Justice			<u>\$ 46,554</u>
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	011-601-026	\$ 712,129
Highway Planning and Construction	20.205	011-070-007	84,548
Highway Planning and Construction	20.205	011-070-008	126,717
(Total Highway Planning and Construction 20.205 \$923,394)			
Passed Through Minnesota Department of Natural Resources			
Highway Planning and Construction Cluster			
Recreational Trails Program	20.219	R29G40TRAL025	15,127

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Transportation (Continued)			
Passed Through Minnesota Department of Public Safety Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$102,080)	20.608	F-ENFRC20-2020-CASSSD, 164 Funds	700
Highway Safety Cluster National Priority Safety Programs	20.616	F-ENFRC20-2020-CASSSD, 405 Funds	175
Passed Through Minnesota Trial Courts Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT20-2020-CASSDWI-003	64,793
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$102,080)	20.608	A-DGCT21-2021-CASSDWI-006	<u>36,587</u>
Total U.S. Department of Transportation			\$ 1,040,776
U.S. Department of Treasury			
Direct COVID-19 Coronavirus Relief Fund	21.019		\$ 23,579
Passed Through Minnesota Department of Management and Budget COVID-19 Coronavirus Relief Fund	21.019	SLT0016	3,510,584
Passed Through Minnesota Department of Health COVID-19 Coronavirus Relief Fund	21.019	184140	11,083
Passed Through Minnesota Housing Finance Agency COVID-19 Coronavirus Relief Fund – Community Housing Assistance Program 48 (Total COVID-19 Coronavirus Relief Fund 21.019 \$3,636,909)	21.019	SLT0016	<u>91,663</u>
Total U.S. Department of Treasury			\$ 3,636,909
U.S. Department of Education			
Passed Through Minnesota Department of Health Special Education – Grants for Infants and Families	84.181	H181A200029	\$ 2,024
Election Assistance Commission			
Passed Through Minnesota Office of Secretary of State COVID-19 2018 HAVA Election Security Grants	90.404	G53HAVACARES	\$ 23,513
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 15,492
Early Hearing Detection and Intervention	93.251	H6100035	650
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NU50DD000096	300
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$472,986)	93.558	H1236411	39,138
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	X1033588	69,612
Maternal and Child Health Services Block Grant to the States	93.994	B0433847	44,248

**CASS COUNTY
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	2001MNFSS	8,333
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$472,986)	93.558	2001MNTANF	433,848
Child Support Enforcement	93.563	2001MNCEST	681,050
Child Support Enforcement (Total Child Support Enforcement 93.563 \$766,681)	93.563	2001MNCSES	85,631
Refugee and Entrant Assistance – State Administered Programs CCDF Cluster	93.566	2001MNRCA	417
Child Care and Development Block Grant	93.575	2001MNCCDF	8,538
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	2,924
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWSS	5,117
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program (Total Stephanie Tubbs Jones Child Welfare Services Program 93.645 \$10,658)	93.645	2001MNCWC3	5,541
Foster Care – Title IV-E	93.658	2001MNFOST	392,337
Social Services Block Grant	93.667	2001MNSOSR	237,180
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2001MNCILP	629
Children's Health Insurance Program	93.767	2005MN5021	770
Medicaid Cluster			
Medical Assistance Program	93.778	2005MN5ADM	1,150,166
Medical Assistance Program (Total Medical Assistance Program 93.778 \$1,163,450)	93.778	2005MN5MAP	<u>13,284</u>
Total U.S. Department of Health and Human Services			\$ 3,195,205
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	R29G70CGFFY18	\$ 12,625
Passed Through Minnesota Department of Public Safety			
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	PW1211	<u>29,043</u>
Total U.S. Department of Homeland Security			\$ 41,668
Total Federal Awards			\$ 8,682,941

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2020.

Totals by Cluster

Total expenditures for SNAP Cluster	\$ 341,245
Total expenditures for Forest Service Schools and Roads Cluster	117,072
Total expenditures for Highway Planning and Construction Cluster	938,521
Total expenditures for Highway Safety Cluster	175
Total expenditures for CCDF Cluster	8,538
Total expenditures for Medicaid Cluster	1,163,450

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

**CASS COUNTY
WALKER, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Cass County. The County's reporting entity is defined in Note 1 to the financial statements. This schedule does not include \$441,993 in federal awards expended by the Cass County Housing and Redevelopment Authority component unit, which had a separate audit performed by another auditor.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Cass County under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Cass County, it is not intended to and does not present the financial position or changes in net position of Cass County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. De Minimis Cost Rate

Cass County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 8,624,024
Grants received more than 90 days after year-end, unavailable in 2020	
Highway Planning and Construction	<u>58,917</u>
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 8,682,941</u>