

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

Ramsey County Saint Paul, Minnesota

Management and Compliance Report

Year Ended December 31, 2021

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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Ramsey County Saint Paul, Minnesota

Year Ended December 31, 2021



Office of the State Auditor

Management and Compliance Report

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

**RAMSEY COUNTY
SAINT PAUL, 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
Ramsey County
Saint Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 12, 2022.

Report on 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 certain deficiencies in internal control that we consider to be material weaknesses and 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 a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-003 to be material weaknesses.

A significant deficiency is a deficiency, or a 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 2021-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ramsey 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, we noted that Ramsey County failed to comply with the provisions of the depositories of public funds and public investments and claims and disbursements 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 as described in the Schedule of Findings and Questioned Costs as items 2021-007 and 2021-008. Also, 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 contracting – bid laws, conflicts of interest, public indebtedness, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Counties*, 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.

Ramsey County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Ramsey County's responses to the internal control and legal compliance findings identified in our audit and described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

July 12, 2022



**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
Ramsey County
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Ramsey County's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Ramsey County's major federal programs for the year ended December 31, 2021. 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.

Qualified Opinion on COVID-19 – Emergency Rental Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Ramsey County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on COVID-19 – Emergency Rental Assistance for the year ended December 31, 2021.

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, 2021.

Basis for Qualified and Unmodified Opinions

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Ramsey County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ramsey County's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on COVID 19 – Emergency Rental Assistance

As described in the accompanying Schedule of Findings and Questioned Costs, Ramsey County did not comply with requirements regarding Assistance Listing No. 21.023 COVID-19 – Emergency Rental Assistance as described in finding number 2021-006 for Reporting.

Compliance with such requirements is necessary, in our opinion, for Ramsey County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Ramsey County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ramsey County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ramsey County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ramsey County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and

- obtain an understanding of Ramsey County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Ramsey County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-004 and 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Ramsey County’s responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Ramsey County’s responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

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 a 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 2021-006 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2021-004 and 2021-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Ramsey County's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Ramsey County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Ramsey County as of and for the year ended December 31, 2021, and have issued our report thereon dated July 12, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards (SEFA) is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/Julie Blaha

JULIE BLAHA
STATE AUDITOR

/s/Dianne Syverson

DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

July 12, 2022

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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? **Yes**
- Significant deficiencies identified? **Yes**

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

Federal Awards

Internal control over major programs:

- Material weaknesses identified? **Yes**
- Significant deficiencies identified? **Yes**

Type of auditor’s report issued on compliance for major federal programs: **Unmodified, except for COVID-19 – Emergency Rental Assistance, which is qualified.**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **Yes**

The major federal programs are:

Assistance Listing Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.561	SNAP Cluster
14.231	Emergency Solutions Grant Program
21.019	COVID-19 – Coronavirus Relief Fund
21.023	COVID-19 – Emergency Rental Assistance
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families
93.778	Medicaid Cluster

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

The threshold for distinguishing between Types A and B programs was \$3,000,000.

Ramsey County qualified as a low-risk auditee? **No**

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

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

2021-001 Material Audit Adjustment

Prior Year Finding Number: 2020-001

Repeat Finding Since: 2020

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Material Weakness

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. Auditing standards define 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Condition: A material audit adjustment was identified that resulted in significant changes to the County's financial statements.

Context: The inability to detect misstatements in the financial statements increases the likelihood that the financial statements would not be fairly presented. The adjustment was found in the audit; however, independent external auditors cannot be considered part of the County's internal control.

Effect: The following audit adjustment was reviewed and approved by the appropriate staff and is reflected in the financial statements:

- Capital Projects Fund: deferred inflows of resources – unavailable revenue increased, and revenue decreased, by \$5,676,411 to defer revenue recognition for receipts not collected within 60 days of year-end, in accordance with County policy.

Cause: The County's revenue recognition policy was overlooked when recording receivables.

Recommendation: We recommend 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.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

View of Responsible Official: Concur

2021-002 Bank Reconciliation

Prior Year Finding Number: 2020-002

Repeat Finding Since: 2020

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Significant Deficiency

Criteria: Internal controls in place over operations should be designed to provide reasonable assurance material errors will be prevented and detected in a timely manner.

Condition: During review of the County's December 2021 bank reconciliation, the County was not able to provide the necessary information to support the reconciling items effectively in a timely manner. When the County's Finance Department investigated this further, it was discovered that an item listed as an outstanding check at December 31, 2021, for \$3,546,656.65 was not actually an outstanding check as the check had been replaced with a wire transfer. During the audit, the auditor discovered that a receipt of \$58,360 was deposited in the bank in November 2021, but had not been recorded in the general ledger until discovered by the auditor in May 2022. Lastly, we were informed that a bank reconciliation was not performed for November 2021.

Context: The County's Information and Public Records (IPR) department prepares the bank reconciliation for the County's main checking account and records the bank reconciliation process on a "Cashbook Reconcilement" excel spreadsheet. This "Cashbook Reconcilement" spreadsheet supports the County's "book balance" for its reconciliation, which is not directly derived from the general ledger.

Effect: The County is not completing effective bank reconciliations on a monthly basis. When accounting records are not reconciled on a regular basis, there is an increased risk errors or irregularities will not be detected in a timely manner.

Cause: The County informed us that it experienced staff turnover. The individuals at IPR who typically had performed the daily "Cashbook Reconcilement" are no longer completing this process. Staff taking over this task are adding it to their pre-existing job duties, which does not allow for as much time to dedicate to the bank reconciliation. In addition, the County has not prioritized correcting the dated reconciling items.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Recommendation: We recommend the County review its procedures in place over preparation of its “Cashbook Reconciliation” and bank reconciliation to provide for a more direct correlation between the bank balance and the County’s general ledger, including timeliness of their completion. Necessary adjustments should be made to the general ledger so that bank records tie to the County’s general ledger.

View of Responsible Official: Concur

2021-003 SEFA Preparation

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Internal Control Over Financial Reporting

Severity of Deficiency: Material Weakness

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

Condition: Ramsey County did not properly identify the amounts expended and reported on the SEFA.

Context: A preliminary SEFA was provided by the Finance Department for the year ended December 31, 2021. The inability to properly identify and track federal expenditures or to detect misstatements in the SEFA increases the likelihood that federal expenditures would not be fairly reported and that noncompliance with direct and material compliance requirements may occur.

Effect: The following adjustments were reviewed and approved by the County and reflected in the SEFA:

- COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027) expenditures were reduced by \$47,431,813 and COVID-19 – Emergency Rental Assistance (ALN 21.023) expenditures were reduced by \$5,384,084 based on audit adjustments.
- In addition, COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027) expenditures increased by \$4.4 million, resulting from the auditor identifying expenditures not included in the original population provided to the auditors, but were included in the County’s expenditures reported to the U.S. Department of the Treasury.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Cause: The County excluded the expenditures of a County project in error in the population of COVID-19 – Coronavirus State and Local Fiscal Recovery Funds provided to the auditor. In addition, the County included the revenue balance of the overreported federal expenditures on the SEFA in error.

Recommendation: We recommend the County’s Finance Department review internal controls currently in place and design and implement procedures to improve internal controls over identifying expenditures for SEFA reporting.

View of Responsible Official: Concur

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

2021-004 Eligibility

Prior Year Finding Number: 2020-003

Repeat Finding Since: 2016

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

Federal Agency: U.S. Department of Health and Human Services

Program: 93.778 Medical Assistance Program

Award Number and Year: 2105MN5ADM and 2105MN5MAP; 2021

Pass-Through Agency: Minnesota Department of Human Services

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were noted in our sample of 40 case files tested:

- six case files had information in MAXIS that did not agree to supporting documentation in the case file, and
- three case files did not have documentation of verification of citizenship.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

In addition, the County does not have a formalized supervisory case file review process in place.

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

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

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The lack of proper documentation and follow-up of issues as well as not updating information in MAXIS increases the risk that clients will receive benefits when they are not eligible. Supervisory reviews not performed on a consistent basis increases the probability that staff errors will go undetected.

Cause: Program personnel entering case information into MAXIS did not ensure all required information was obtained, maintained in the case files, and updated in MAXIS.

The County informed us that due to increased caseload demands, staff have not been able to perform supervisory reviews on a consistent basis.

Recommendation: We recommend the Health and Wellness Department include in its internal quality control review process a checklist or some method to provide reasonable assurance that all necessary documentation to support eligibility is obtained and properly updated in MAXIS. In addition, consideration should be given to providing additional training to program personnel.

View of Responsible Official: Concur

2021-005 Procurement, Suspension, and Debarment

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Significant Deficiency and Other Matter

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Agency: U.S. Department of Agriculture
Program: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Award Number and Year: 150371 and 150652; 2021

Pass-Through Agency: Minnesota Department of Health

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.319 states that all procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and § 200.320.

Condition: In a sample of three contracts tested over \$10,000, one was over the simplified acquisition threshold. This contract did not have documentation supporting full and open competition or that a cost or price analysis was performed. In addition, all three contracts did not have documentation to meet the verification requirements whether the vendors were debarred, suspended, or whether other exclusions existed.

Questioned Costs: None.

Context: The simplified acquisition threshold includes procurements over \$175,000. Per the County's debarment policy, procurement transactions subject to suspension and debarment verification requirement are those over \$10,000.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

Effect: The County was not in compliance with federal grant requirements.

Cause: The County informed us that the contract over the simplified acquisition threshold was not originally intended to be used for a federal program purchase. In addition, these contracts were managed outside of the County's Procurement department, who completes suspension and debarment verifications.

Recommendation: We recommend the County maintain documentation supporting full and open competition in its contracts, as well as a cost or price analysis, in all cases where the purchase could be made with federal funds. In addition, the County should implement procedures for completing suspension and debarment verifications when contracts are managed outside of the County's Procurement department.

View of Responsible Official: Concur

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

2021-006 Reporting

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Internal Control Over Compliance and Compliance

Severity of Deficiency: Material Weakness and Modified Opinion

Federal Agency: U.S. Department of the Treasury

Program: 21.023 COVID-19 – Emergency Rental Assistance

Award Number and Year: ERA0255, 2021

Pass-Through Agency: N/A

Criteria: Title 2 U.S. *Code of Federal Regulations* § 200.303 states that the auditee must establish and maintain effective internal control over the federal award that provides reasonable assurance that the auditee is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. In addition, per the instructions to the Federal Financial Report (SF-425), “Cash Disbursements” are equal to the amount of the federal cash disbursements. Lastly, U.S. Treasury Reporting Guidance for the Emergency Rental Assistance (ERA) Program requires ERA recipients to certify and submit reports on each ERA award separately.

Condition: In the sample of three quarterly SF-425 reports tested, two reports included amounts that could not be reconciled to supporting documentation; were for estimated administrative costs not yet paid or disbursed; or were applicable to expenditures funded with the ERA2 award, and were therefore duplicated. In addition, in the sample of three quarterly ERA Compliance reports tested, the auditor was not able to reconcile expenditure data to supporting documentation.

Questioned Costs: \$115,482

Context: Ramsey County received ERA funding from the U.S. Department of the Treasury; \$7.3 million established by Section 501 of the Consolidated Appropriations Act of 2021 (“ERA1” funds) and \$3 million established by Section 3201 of the American Rescue Plan Act of 2021 (“ERA2” funds). The County expended approximately \$4.9 million in total of these funds in 2021.

The sample size was based on guidance from chapter 11 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Effect: The County did not report in accordance with U.S. Department of the Treasury guidance.

Cause: The County informed us that data reported in the SF-425 and ERA Compliance reports could not be re-created because data is live and changes from day to day. In addition, the County was waiting for the City of Saint Paul to approve the administrative costs prior to making payment. Lastly, the expenditures funded with the ERA2 award were originally budgeted to ERA1, and were duplicated in error.

Recommendation: We recommend the County review U.S. Department of the Treasury guidance and form instructions to ensure it is correctly reporting its ERA activity. In addition, the County should maintain documentation to support data reported.

View of Responsible Official: Concur

IV. OTHER FINDINGS AND RECOMMENDATIONS

2021-007 Custodial Credit Risk – Deposits

Prior Year Finding Number: 2020-004

Repeat Finding Since: 2020

Type of Finding: Minnesota Legal Compliance

Criteria: As stated in Minn. Stat. § 118A.03, the County is required to obtain collateral to secure deposits to the extent funds on deposit exceed available federal deposit insurance at the close of the financial institution's banking day. As required by Minn. Stat. § 118A.03, subd. 3, the market value of collateral should be at least ten percent more than the uninsured and unbonded amount on deposit, except that where the collateral is irrevocable standby letters of credit issued by the Federal Home Loan Banks, the amount of collateral shall be at least equal to the uninsured and unbonded amount on deposit.

Condition: In a sample of three months tested for adequate collateral coverage for the County's main checking account, the month of May had ten days that did not have sufficient collateral, including one day which exceeded collateral coverage by approximately \$97 million. The month of October had nine days that did not have sufficient collateral; one such day exceeded collateral coverage by approximately \$84 million.

Context: The amounts noted as undercollateralized relate to the County's main checking account. The County does have other accounts at these depositories as well.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Effect: The County was not in compliance with Minnesota statutes and exposed County deposits to custodial credit risk.

Cause: The Investment and Debt Manager at the time was relatively new to his position, and the previous individual who monitored collateral is no longer with the County. The County informed us that Finance staff had limited knowledge of procedures for monitoring collateral.

Recommendation: We recommend the County monitor all County deposits to ensure there is adequate collateral pledged to secure deposits in accordance with Minn. Stat. § 118A.03.

View of Responsible Official: Concur

2021-008 Late Payments

Prior Year Finding Number: N/A

Repeat Finding Since: N/A

Type of Finding: Minnesota Legal Compliance

Criteria: As stated in Minn. Stat. § 471.425, subd. 2, the County is required to make payment on vendor invoices according to the terms of the contract, or within 35 days of the completed delivery of the goods or services or the receipt of the invoice, whichever is later. For bills paid after the time period set by contract or standard payment period, the government entity must calculate and pay interest as required.

Condition: In a sample of 50 disbursements tested, seven were not paid within 35 days of receipt of goods or services or the invoice. In addition, out of these seven disbursements, the County only calculated and paid interest on one.

Context: Of the seven disbursements not paid within 35 days, six originated from the County's Health and Wellness Department.

Effect: Making payment on invoices after 35 days of the completed delivery of the goods or services or the receipt of the invoice, whichever is later, is in noncompliance with Minnesota law.

Cause: The County informed us that the Health and Wellness Department experienced delays in processing invoices due to staff working remotely during the COVID-19 pandemic, as well as from staff turnover.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Recommendation: We recommend the County develop a process to ensure payments are made in accordance with Minn. Stat. § 471.425.

View of Responsible Official: Concur

**REPRESENTATION OF RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding Number: 2021-001
Finding Title: Material Audit Adjustment
Prior Year Finding Number: 2020-001

Name of Contact Person Responsible for Corrective Action:

George Hardgrove, CPA(Inactive) – Controller for Ramsey County’s Economic Growth & Community Investment Service Team.

Tony Lutgen – Accountant IV/Accounting Manager for Ramsey County’s Public Works Department

Carrie Learn – ASPEN ERP System Manager

Corrective Action Planned:

Starting for the 2022 Year End Process, Ramsey County will institute two levels of review to support the year-end compilation process. The first review will be by the EGCI Controller. The EGCI Controller will sign off on the Receivable schedule provided to Ramsey County Central Finance. This will include reviewing items from Ramsey County’s ERP System’s Accounts/Receivable module and any current and/or needed Journal Voucher adjustments.

The second review will be a meeting with the EGCI Controller, the Accountant IV for Public Works, the Principal Finance Analyst(s) for Public Works, and the Accountant IV in Central Finance that prepares the Annual Report. At that time, any additional adjustments will be reviewed and approved by these four individuals.

We will also include notes on the Receivable Schedule indicating the revenue recognition rules for each grant from a governmental unit including the State of MN.

Lastly, as of November, 2021, the EGCI Service Team has consolidated its Finance and Accounting Function. As part of that, a Central Service Team AR Function is currently being formed with the hiring of an Accountant. Starting for the 2022 year end, the EGCI AR Accountant will systematically review all receivables for EGCI and determine whether revenue should be deferred or not. We will ask Central Finance to prepare a query to assist in this work which shows when the revenue was received for each receivable that was open during the year. As part of this process, the EGCI Service Team will record all material receivables in ASPEN so this review can be done completely and efficiently.

Lastly, in addition to preparing a query to identify revenue that should be deferred, Ramsey County will repair Query RMAP201A (Detailed Disbursement Report) so cancelled payments don’t get reported on this query.

Anticipated Completion Date:

April of 2023 when the 2022 annual report is prepared and finalized.

Finding Number: 2021-002

Finding Title: Bank Reconciliation

Prior Year Finding Number: 2020-002

Name of Contact Person Responsible for Corrective Action:

Tracy West – Controller IPR Service Team
Heather Bestler – Director and Auditor-Treasurer
Renee Vought – Finance Deputy Director

Corrective Action Planned:

Ramsey County is transitioning from the current manual and various deposit transmittal and reconciliation procedures to a consolidated and standard procedure that will be facilitated and partially automated using standard functionality in the iPayment system from Core Business Technologies. Work to implement this system started in 2021, and the system will go live in April 2022.

The IPR Controller, Director of PTRES and County Auditor/Treasurer, Deputy Director of PTRES and Finance will work together with the help of a third-party consultant to develop a roadmap and action plan to develop and implement new processes to support the County Wide bank reconciliation process.

Anticipated Completion Date:

Q2 of 2023

Finding Number: 2021-003

Finding Title: SEFA Preparation

Prior Year Finding Number: N/A

Name of Contact Person Responsible for Corrective Action:

Renee Vought, Deputy Director – Finance

Corrective Action Planned:

Starting in 2022, the finance department will review the expenditures for the SEFA preparation and analyze the expenses to ensure they are all-inclusive of the Federal grant in question. At the time of preparing the monthly/quarterly reports to meet the Federal requirements, the accountant 3 and the finance deputy director will review reported expenditures to ensure accuracy.

At year end, the accountant 3 will prepare the annual report to determine the expenditures and reconcile discrepancies if they occur. These reports will be used for audit reporting and SEFA preparation.

Details will include

1. Generating the detailed receipts by fund report from Aspen to account for any receipts.
2. Compare the detailed receipts by fund report to the award letter for the grant to ensure all receipting is accurate.
3. Generate the fund detailed disbursement report for the grant reviewing.
4. Review the fund detailed disbursement report to ensure all costs are accounted for.
5. Work with the department utilizing the grant to review expenses.
6. Compare the detailed receipts and the disbursement reports to ensure we have utilized all funds and in the case of underutilization, report the excess as a deferred/unearned revenue at year end.

Anticipated Completion Date:

December 31, 2022

Finding Number: 2021-004

Finding Title: Eligibility

Program: Medical Assistance Program (ALN 93.778)

Prior Year Finding Number: 2020-003

Name of Contact Person Responsible for Corrective Action:

Janelle White – Controller Health and Wellness Service Team

Francis Odhiambo – Controller Health and Wellness Service Team

Corrective Action Planned:

Internal quality control review checklists, specific to each Program area have been developed. With COVID-19, the planned full rollout has been pushed back to the end of 2022 to incorporate the verification of necessary support documentation to support eligibility determinations and update status in MAXIS. This was something that we are planning on checking when workers process Medical Assistance renewals. If other programs are active on the case, workers are checking the file to make sure supporting documentation is on file and maxis matches those results.

Department wide communication to staff regarding importance of supporting documentation in the case file prior to approval of the case has been implemented and is ongoing.

The detail regarding the Quality Assurance review process and the Corrective Action Plan has been documented and communicated to provide guidance for new staff, refreshers for current staff, and to ensure the appropriate actions are followed. The documentation will be reviewed and revised as needed to ensure compliance and consistency throughout the department.

Supervisory review has been implemented with new hires. As issues are identified with current staff, enhanced review strategies and procedures are implemented to review the documentation needed prior to approval of a case.

All staff will be required to take the Citizenship and Identity training on an annual basis.

If errors are found and overpayments occur the Department will follow the protocol of the Minnesota Department of Human Services regarding the collection of any overpayments.

Anticipated Completion Date:

12/31/2022

Finding Number: 2021-005

Finding Title: Procurement, Suspension and Debarment

Program: Special Supplemental Nutrition Program for Women, Infants, and Children (ALN 10.557)

Prior Year Finding Number: N/A

Name of Contact Person Responsible for Corrective Action:

Janelle White – Controller Health and Wellness Service Team

Francis Odhiambo – Controller Health and Wellness Service Team

Corrective Action Planned:

The contract managers will ensure that documentation for debarment checks is included with every internal contract. They will also run a debarment check when working from other department contracts in case a check hasn't been performed by the other department. To ensure that 2022 is correct, the contract managers will go back through every internal contract that they have done during the year to ensure that debarment check documentation has been included. If documentation hasn't been included, the contract manager will perform the debarment check and add the documentation to the file.

To ensure an open and competitive process occurred, the contract managers will ask other departments if the vendor selection method complies with federal grant requirements going forward. They will note the date asked and the department contact name in the contract file.

Anticipated Completion Date:

09/30/2022

Finding Number: 2021-006

Finding Title: Reporting

Program: COVID-19 – Emergency Rental Assistance (ALN 21.023)

Prior Year Finding Number: N/A

Name of Contact Person Responsible for Corrective Action:

Matt Phillips, Kim Hansen, Kia Xiong, Katie Walloch Operational Support Services

Corrective Action Planned:

Two of the three SF-425 Reports submitted to Treasury could not be reconciled. Thus, making the reports not in compliance with Treasury.

We are working on transitioning reporting responsibility to Operational Support Services and keeping maintaining records that will tie out to what is reported to Treasury. The system that was used changes daily. We have reviewed Treasury guidance and believe this will not be an issue for 2022.

Anticipated Completion Date:

August of 2022

Finding Number: 2021-007

Finding Title: Custodial Credit Risk – Deposits

Prior Year Finding Number: 2020-004

Name of Contact Person Responsible for Corrective Action:

Renee Vought – Finance Deputy Director

Corrective Action Planned:

US Bank accounts will be reviewed daily, and deposits held kept at an amount that is under the collateral coverage and is reasonable for the monthly activity. The Short-term Money Market account will be used to transfer excess funds as needed.

Online banking reports are available for Bremer Bank. The months of May and October bank statements are accessible and can be provided to the auditors. All monthly bank statements will be downloaded and saved.

All investment accounts will be monitored monthly for collateral compliance.

Anticipated Completion Date:

June 30, 2022

Finding Number: 2021-008

Finding Title: Late Payments

Prior Year Finding Number: N/A

Name of Contact Person Responsible for Corrective Action:

Janelle White – Controller Health and Wellness Service Team

Francis Odhiambo – Controller Health and Wellness Service Team

Corrective Action Planned:

Most of the late payments were Aspen/SSIS interface payments. Those vouchers are created automatically when the payments are upload from SSIS and are not entered manually into Aspen by the Account Specialist where they would enter an invoice receipt date. The department will implement the following:

1. Add an additional reconciliation step in the verification and approval process to review the invoice receipt dates of the SSIS payments to determine late payment status.
2. If the determination is made that a late payment will occur, a separate interest payment will be created in Aspen to comply with the statute.
3. Communicate and provide training to the appropriate fiscal staff involved in the process.
4. Provide retraining of the Disbursement Policy.

Anticipated Completion Date:

12/31/2022

**REPRESENTATION OF RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding Number: 2020-001
Year of Finding Origination: 2020
Finding Title: Audit Adjustments

Summary of Condition: Material audit adjustments were identified that resulted in significant changes to the County's financial statements.

Summary of Corrective Action Previously Reported:

Debt Service Fund:

When bonds are issued journal entries will be made immediately to account for the entire bond issuance.

1. The bond proceeds are posted when the cash is received.
2. A journal entry will be created to account for the par value of the bonds.
3. A journal entry will be created to account for any premium or discount associated with the bond sale.
4. A journal entry should differentiate between cash received in Ramsey County's bank account and any cash posted to a trustee account.
5. A journal entry will be created to account for any additional agent fees or expenses associated with the bond sale.

Capital Projects Fund:

Starting for the 2021 Year End Process, Ramsey County will institute two levels of review to support the year-end compilation process. The first review will be by the EGCI Controller which is a new position that started in February of 2019. The EGCI Controller will sign off on the Receivable schedule provided to Ramsey County Central Finance. This will include reviewing items from Ramsey County's ERP System's Accounts/Receivable module and any current and/or needed Journal Voucher adjustments.

The second review will be a meeting with the EGCI Controller, the Accountant IV for Public Works, the Principal Finance Analyst(s) for Public Works, and the Accountant IV in Central Finance that prepares the Annual Comprehensive Financial Report. At that time, any additional adjustments will be reviewed and approved by these four individuals.

We will also include notes on the Receivable Schedule indicating the revenue recognition rules for each grant from a governmental unit including the State of MN.

Status: Not Corrected. During 2021, the EGCI team consolidated their accounting staff to provide a central service structure to all the departments within the team. The new team consisted of a lot of new staff and the loss of experienced staff during the crucial time at year end. Corrective action includes documenting the process to avoid future issues.

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

Yes No

Changes include the implementation of the AR in our accounting software and updating the software to supply additional reports for analysis.

Finding Number: 2020-002

Year of Finding Origination: 2020

Finding Title: Bank Reconciliation

Summary of Condition: During review of the County's December 2020 bank reconciliation, the auditor was not able to reconcile the bank balance to the County's general ledger, and County staff were not able to support the reconciling items effectively in a timely manner. When the County's Finance Department investigated this further, it was discovered that \$1.5 million of cash was not posted to the general ledger until months after it was received, and \$11 million of cash was posted to the general ledger in 2020, but had not been received until 2021. It was also noted that the bank reconciliation has hundreds of reconciling items that have not been corrected in the general ledger, a number of which are over six months to four years old. Lastly, we were informed that the 2021 bank reconciliations are not being completed in a timely manner.

Summary of Corrective Action Previously Reported:

1. Bank Balances will balance to the County's ledger in a timely manner.
2. Reconciling support of Bank Reconciliation will be supplied when requested.
3. All cash received will be posted to the County's ledger in a timely manner.
4. Reconciling items will be corrected in a timely manner.

Status: Not Corrected. Turnover within the department by losing a long-term employee was a major impact on the bank reconciliations. The new staff did not understand the procedure and documentation was non-existent for reference. New staff were added again in 2022 and written documentation is being drafted to alleviate the issue.

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

Yes No

New software was implemented and continued discussion on how to improve the bank reconciliation process.

Finding Number: 2020-003
Year of Finding Origination: 2016
Finding Title: Eligibility
Program: Medical Assistance Program (ALN 93.778)

Summary of Condition: The Minnesota Department of Human Services (DHS) maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. The following exceptions were detected in the sample of 40 cases tested:

- Nineteen case files had supporting documentation that was inconsistent with MAXIS;
- Five case files had citizenship that was not verified;
- One case file had income that was not verified; and
- One case file did not have the adoption assistance agreement on file.

We also noted that reviews of the Medical Assistance Program case files are not performed on a consistent basis.

Summary of Corrective Action Previously Reported:

1. The detail regarding the Quality Assurance review process and the Corrective Action Plan has been documented and communicated during the July Department-wide leadership meeting.
2. Supervisors will then bring this information to provide guidance for new staff, refreshers for current staff, and to ensure the appropriate actions are followed. The documentation will be reviewed and revised as needed to ensure compliance and consistency throughout the department.
3. Staff will make updates to cases when the case is up for renewal.
4. Supervisors will randomly select cases from each worker, on a monthly basis, to check to make sure the case was updated in the system. If the case was not updated correctly, the worker will need to make the updates.
5. Supervisory review continues with new hires. As issues are identified with current staff, enhanced review strategies and procedures are implemented to review the documentation needed prior to approval of a case.
6. In the ongoing review of cases by each of the areas that are completing case reviews, the training is based upon the type of issues that arise from the reviews, this will vary based upon the program being reviewed and the requirements of said program.
7. If errors are found and overpayments occur the Department will follow the protocol of the Minnesota Department of Human Services regarding the collection of any overpayments.

Status: Not Corrected. We have made great strides in this space, but we continue to work to strive for improvement. We will continue to work on documentation and ensuring we have accurate data.

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

Finding Number: 2020-004

Year of Finding Origination: 2020

Finding Title: Custodial Credit Risk – Deposits

Summary of Condition: Out of three months tested for adequate collateral coverage, the month of October had four days that did not have sufficient collateral, one day of which exceeded \$48 million.

Summary of Corrective Action Previously Reported:

1. Letter of Credit will be required prior to transferring any funds to depository accounts.
2. Documentation of Letter of Credit will be obtained for proper retention period.
3. Funds will be transferred to corresponding depository account and confirmed via dual control by another employee.
4. Depository accounts will be monitored daily to ensure compliance.

Status: Not Corrected. Staff turnover was a major factor in failing to meet the collateral requirements. Staff have stabilized, documentation drafted, and the implementation of cash flow.

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

Yes x No

Training new staff and implementation of written procedures to ensure compliance.

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed Through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	ED-02381-01E	\$ 11,763	\$ -
National School Lunch Program	10.555	ED-02381-01E	23,182	-
COVID-19 – National School Lunch Program	10.555	Not Provided	1,812	-
(Total National School Lunch Program 10.555 \$24,994)				
Passed Through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	150371	3,820,402	-
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	150652	289,943	-
(Total Special Supplemental Nutrition Program for Women, Infants, and Children 10.557 \$4,110,345)				
WIC Grants to States (WGS)	10.578	Not Provided	39,518	-
Passed Through Minnesota Department of Human Services				
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN101S2520	19,486	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	212MN101S2514	7,076,735	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	202MN127Q7503	284,317	-
(Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$7,380,538)				
Passed Through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)	10.572	B0417F172615	12,654	-
Total U.S. Department of Agriculture			\$ 11,579,812	\$ -
U.S. Department of Housing and Urban Development				
Direct				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		\$ 902,321	\$ 443,927
(Total Community Development Block Grants/Entitlement Grants 14.218 \$1,092,307)				
Continuum of Care Program	14.267		115,259	-
Passed Through Dakota County Community Development Agency				
Home Investment Partnerships Program	14.239	M17DC270203	433,357	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development (Continued)				
Passed Through City of Saint Paul				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants (Total Community Development Block Grants/Entitlement Grants 14.218 \$1,092,307)	14.218	Not Provided	189,986	-
Emergency Solutions Grant Program	14.231	Not Provided	3,726,230	3,506,618
Lead Hazard Reduction Demonstration Grant Program	14.905	Not Provided	<u>224,311</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 5,591,464</u>	<u>\$ 3,950,545</u>
U.S. Department of Justice				
Direct				
State Criminal Alien Assistance Program	16.606		\$ 140,600	\$ -
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		3,699	-
Passed Through Minnesota Department of Public Safety				
Crime Victim Assistance	16.575	A-CVS-2020-RAMSEYAO-00070	76,062	-
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$296,536)	16.575	A-CVS-2020-RAMS-SOS-00058	220,474	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	JAG-2019-RAMSEYCC	79,343	-
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$269,647)	16.738	A-CVS-2020-RAMS-SOS-00058	143,242	-
Violence Against Women Formula Grants	16.588	A-SMART-2019-RAMSEYAO	33,292	-
Violence Against Women Formula Grants	16.588	A-SMART-2021-RAMSEYAO	126,473	-
Violence Against Women Formula Grants (Total Violence Against Women Formula Grants 16.558 \$161,128)	16.588	A-SMART-2021-RAMS-SOS	1,363	-
Passed Through City of Saint Paul				
Edward Byrne Memorial Justice Assistance Grant Program (Total Edward Byrne Memorial Justice Assistance Grant Program 16.738 \$269,647)	16.738	A-JAG-2020-RAMSEYCC	47,062	-
Children of Incarcerated Parents	16.831	2020-IG-BX-005	<u>3,000</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 874,610</u>	<u>\$ -</u>

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and Economic Development				
WIOA Cluster				
WIA Adult Program	17.258	9153100	\$ 4,359	\$ -
WIA Adult Program	17.258	0153100	487,413	355,874
WIA Adult Program	17.258	1153100	403,942	-
(Total WIA Adult Program 17.258 \$895,714)				
WIA Youth Activities	17.259	0153600	612,735	522,537
WIA Dislocated Worker Formula Grants	17.278	0158000	159,520	73,703
WIA Dislocated Worker Formula Grants	17.278	1158000	321,342	-
(Total WIA Dislocated Worker Formula Grants 17.278 \$480,862)				
COVID-19 – Workforce Investment Act (WIA) National Emergency Grants	17.277	1150100	29,673	-
Total U.S. Department of Labor			\$ 2,018,984	\$ 952,114
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	SP 31-595-023	\$ 308,544	\$ -
Passed Through City of Saint Paul				
Highway Safety Cluster				
State and Community Highway Safety	20.600	SPEED21-2021-SSPD-004	6,998	-
National Priority Safety Programs	20.616	Not Provided	4,040	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Provided	12,834	-
Total U.S. Department of Transportation			\$ 332,416	\$ -
U.S. Department of the Treasury				
Direct				
COVID-19 – Coronavirus Relief Fund	21.019		\$ 10,099,028	\$ 2,232,602
(Total COVID-19 – Coronavirus Relief Fund 21.019 \$10,236,352)				
COVID-19 – Emergency Rental Assistance Program	21.023		4,898,823	4,570,265
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		6,014,888	642,547
Passed Through Minnesota Department of Health				
COVID-19 – Coronavirus Relief Fund	21.019	Not Provided	137,324	-
(Total COVID-19 – Coronavirus Relief Fund 21.019 \$10,236,352)				
Total U.S. Department of the Treasury			\$ 21,150,063	\$ 7,445,414

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
Institute of Museum and Library Services				
Passed Through Minnesota Department of Education Grants to States	45.310	LS-00-19-0024-19	\$ 7,348	\$ -
U.S. Department of Health and Human Services				
Direct				
Family Planning – Services	93.217		\$ 551,805	\$ -
Passed Through Minnesota Department of Human Services				
Guardianship Assistance	93.090	2001MNGARD	77,251	-
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	H795SM080155	306,583	-
Promoting Safe and Stable Families	93.556	2001MNF PSS	205,278	56,032
Temporary Assistance for Needy Families	93.558	2101MNTANF	14,395,346	4,591,794
(Total Temporary Assistance for Needy Families 93.558 \$15,390,078)				
Child Support Enforcement	93.563	2101MNCSES	920,079	-
Child Support Enforcement	93.563	2001MNCES T	11,184,965	-
(Total Child Support Enforcement 93.563 \$12,105,044)				
Refugee and Entrant Assistance – State Administered Programs CCDF Cluster	93.566	2101MNR CMA	14,609	-
Child Care and Development Block Grant	93.575	2101MNC CDF	972,110	-
Community-Based Child Abuse Prevention Grants	93.590	1901MNBCAP	144,050	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2101MNCWSS	69,875	-
COVID-19 – Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNCWC3	56,342	-
(Total Stephanie Tubbs Jones Child Welfare Services Program 93.645 \$126,217)				
Foster Care – Title IV-E	93.658	2101MNFOST	4,822,911	-
Adoption Assistance	93.659	2101MNA DPT	518,788	-
Social Services Block Grant	93.667	2101MNSOSR	3,543,885	-
Child Abuse and Neglect State Grants	93.669	2101MNNCAN	19,777	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNCILP	15,517	-
Children's Health Insurance Program	93.767	2005MN5021	39,010	-
Medicaid Cluster				
Medical Assistance Program	93.778	2105MN5ADM	24,461,771	-
Medical Assistance Program	93.778	2105MN5MAP	25,962	-
(Total Medical Assistance Program 93.778 \$24,487,733)				
Opioid STR	93.788	H79T1080248	92,252	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI010027/B08TI083047	392,255	-

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed Through Minnesota Department of Health				
Public Health Emergency Preparedness	93.069	NU90TP921911-01-00	97,341	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	Not Provided	251,657	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004701-03	9,974	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	Not Provided	19,982	-
Early Hearing Detection and Intervention	93.251	H61MC00035-16-02	38,023	-
Immunization Cooperative Agreements	93.268	67543	61,315	-
COVID-19 – Immunization Cooperative Agreements	93.268	67543	580,383	-
(Total Immunization Cooperative Agreements 93.268 \$641,698)				
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not Provided	3,083	-
COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NUSOCK000508	534,424	-
Innovative State and Local Public Health Strategies to Prevent and Manage Diabetes and Heart Disease and Stroke	93.435	12-700-00093	158,958	-
State Physical Activity and Nutrition (SPAN)	93.439	Not Provided	67,202	-
Temporary Assistance for Needy Families	93.558	2001MNTANF	994,732	-
(Total Temporary Assistance for Needy Families 93.558 \$15,390,078)				
Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	118110	2,043,674	-
HIV Care Formula Grants	93.917	Not Provided	83,671	-
HIV Prevention Activities – Health Department Based	93.940	38884	214,932	-
Maternal and Child Health Service Block Grant to the States	93.994	86857	896,301	-
Total U.S. Department of Health and Human Services			\$ 68,886,073	\$ 4,647,826
Executive Office of the President				
Direct				
High Intensity Drug Trafficking Areas Program	95.001		\$ 234,799	\$ -
U.S. Department of Homeland Security				
Passed Through Minnesota Department of Public Safety				
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Not Provided	\$ 93,974	\$ -
Emergency Management Performance Grants	97.042	EMPG-2019-RAMSEYCO	202,306	-
Homeland Security Grant Program	97.067	A-SHSP-2018-RAMSEYCO-007	21,661	21,661
Homeland Security Grant Program	97.067	A-UASI-2019-RAMSEYCO	89,549	89,549
Homeland Security Grant Program	97.067	A-UASI-2020-RAMSEYCO-0009	23,068	23,068
(Total Homeland Security Grant Program 97.067 \$134,278)				

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security (Continued)				
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G40CGFFY20	15,491	-
Total U.S. Department of Homeland Security			\$ 446,049	\$ 134,278
Total Federal Awards			\$ 111,121,618	\$ 17,130,177
Totals by Cluster				
Total expenditures for Child Nutrition Cluster			\$ 36,757	
Total expenditures for SNAP Cluster			7,380,538	
Total expenditures for CDBG – Entitlement Grants Cluster			1,092,307	
Total expenditures for WIOA Cluster			1,989,311	
Total expenditures for Highway Planning and Construction Cluster			308,544	
Total expenditures for Highway Safety Cluster			11,038	
Total expenditures for CCDF Cluster			972,110	
Total expenditures for Medicaid Cluster			24,487,733	

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 Ramsey County. The County's reporting entity is defined in Note I to the financial statements.

B. 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, 2021. 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 Ramsey County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey 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

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

**RAMSEY COUNTY
SAINT PAUL, MINNESOTA**

3. Reconciliation to Schedule of Intergovernmental Revenues

Federal grant revenue per Schedule of Intergovernmental Revenues	\$ 97,095,274
Grants received more than 60 days after year-end, deferred in 2020	
State Criminal Alien Assistance Program	140,600
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	3,699
Maternal and Child Health Services Block Grant to States	5,405
WIA – Audit Program	114,780
WIA Dislocated Worker Formula Grants	46,825
COVID-19 – Workforce Investment Act (WIA) National Emergency Grants	11,991
Temporary Assistance for Needy Families	4,357,472
Grants received in 2020, spent in 2021	
COVID-19 – Coronavirus Relief Fund	10,099,028
Grants deferred in 2020, recognized as revenue in 2021	
Highway Planning and Construction	(194,761)
Immunization Cooperative Agreements	(3,000)
Temporary Assistance for Needy Families	(248,683)
Affordable Care Act (ACA) Abstinence Education Program	(95,955)
Injury Prevention and Control Research and State and Community Based Programs	(4,881)
Maternal and Child Health Services Block Grant to States	(206,176)
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Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 111,121,618</u>