

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

**Isanti County
Cambridge, Minnesota**

Management and Compliance Report

Year Ended December 31, 2019

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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Isanti County Cambridge, Minnesota

Year Ended December 31, 2019



Management and Compliance Report

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

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**ISANTI COUNTY
CAMBRIDGE, 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
Isanti County
Cambridge, 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, each major fund, and the aggregate remaining fund information of Isanti County, Minnesota, as of and for the year ended December 31, 2019, 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 16, 2020.

Internal Control Over Financial Reporting

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

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Isanti County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Isanti 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.

Isanti County's Response to Findings

Isanti County's responses to the internal control findings identified in our audit are described in the 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

July 16, 2020

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

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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
Isanti County
Cambridge, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Isanti 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, 2019. Isanti County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 Isanti 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 Isanti 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, Isanti 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, 2019.

Report on Internal Control Over Compliance

Management of Isanti 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, each major fund, and the aggregate remaining fund information of Isanti County, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated July 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Isanti 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

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

July 16, 2020

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**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 generally accepted accounting principles: **Unmodified**

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

Child Support Enforcement	CFDA No. 93.563
Medicaid Cluster	
Medical Assistance Program	CFDA No. 93.778

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

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

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

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

INTERNAL CONTROL

Finding Number: 2019-001

Prior Year Finding Number: 2005-001

Repeat Finding Since: 2005

Segregation of Duties

Criteria: A good system of internal control provides for an adequate segregation of duties so that no one individual handles a transaction from its inception to completion.

Condition: The County Highway Department lacks proper segregation of duties. The Department generally has one staff person who is responsible for billing, collecting, recording, and depositing receipts and preparing reports.

Context: Due to the limited number of office personnel within the County Highway Department, segregation of the accounting functions necessary to ensure adequate internal accounting control is not possible. This is not unusual in operations the size of the Isanti County Highway Department; however, County management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.

Effect: Inadequate segregation of duties could adversely affect the County's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Cause: The County informed us that, due to limited resources, it would not be able to hire additional qualified accounting staff to segregate duties in the County Highway Department.

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019**

Recommendation: We recommend the County's elected officials and management be aware of the lack of segregation of duties of the accounting functions and, where possible, implement oversight procedures to ensure that the internal control policies and procedures are being implemented by staff to the extent possible.

View of Responsible Official: Acknowledged

Finding Number: 2019-002

Prior Year Finding Number: 2007-001

Repeat Finding Since: 2007

Monitoring Internal Controls/Accounting Policies and Procedures Manual

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

Condition: Significant internal controls of the County's accounting system have not been documented. The County lacks written policies and procedures, including risk assessment and monitoring procedures.

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

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Cause: Several years ago, the County began the process of developing formal policies and procedures, including monitoring and risk assessment procedures. Due to limited time and resources, the County has been unable to complete this project.

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

View of Responsible Official: Acknowledged

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

IV. PREVIOUSLY REPORTED ITEM RESOLVED

2015-001 Eligibility (CFDA No. 93.778)



ISANTI COUNTY AUDITOR-TREASURER

Chad Struss, Auditor-Treasurer

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**REPRESENTATION OF ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

Finding Number: 2019-001
Finding Title: Segregation of Duties

Name of Contact Person Responsible for Corrective Action:

Chad Struss, County Auditor-Treasurer

Corrective Action Planned:

The County will review the internal control system within the Highway Department. Based on this review, the County Auditor-Treasurer department will work with the Highway Department management to determine appropriate additional internal controls.

Anticipated Completion Date:

The County will complete the review of the Highway Department's internal control systems by the end of 2020 with the results of the review presented by the end of first quarter 2021.

Finding Number: 2019-002
Finding Title: Monitoring Internal Controls/Accounting Policies and Procedures Manual

Name of Contact Person Responsible for Corrective Action:

Chad Struss, County Auditor-Treasurer

Corrective Action Planned:

1. The County will adopt additional accounting policies and procedures as part of its ongoing long-term financial planning process.

2. The County will develop a formal plan to test and monitor internal controls on an annual basis.

Anticipated Completion Date:

The County plans to adopt the additional accounting policies and procedures by the end of the second quarter of 2021. The County will complete the plan to test and monitor internal controls by the end of the second quarter of 2021 and implement the plan by the third quarter of 2021.



ISANTI COUNTY AUDITOR-TREASURER

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REPRESENTATION OF ISANTI COUNTY CAMBRIDGE, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2019

Finding Number: 2005-001

Finding Title: Segregation of Duties

Summary of Condition: The County Highway Department lacks proper segregation of duties. The Department generally has one staff person who is responsible for billing, collecting, recording, and depositing receipts and preparing reports.

Summary of Corrective Action Previously Reported: The County will review the internal control system within the Highway Department. Based on this review, the County Auditor-Treasurer will work with the Highway Department management to determine appropriate additional internal controls.

Status: Not Corrected. The County's limited staff in the Highway Department prevents complete segregation of duties. The County periodically reviews its internal controls in all departments and implements compensating controls as needed to address the lack of segregation of duties. Please see corrective action plan for more information.

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

Yes _____ No X

Finding Number: 2007-001

Finding Title: Monitoring Internal Controls/Accounting Policies and Procedures Manual

Summary of Condition: Significant internal controls of the County's accounting system have not been documented. The County lacks written policies and procedures, including risk assessment and monitoring procedures.

Summary of Corrective Action Previously Reported: The County will adopt additional accounting policies and procedures as part of its long-term financial planning process, and will develop a formal plan to test and monitor internal controls on an annual basis.

Status: Not Corrected. The County has limited staff available to document its internal controls. However, the County continues to adopt additional policies and procedures since the prior audit finding including a revised donation policy. Please see corrective action plan for further information.

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

Finding Number: 2015-001

Finding Title: Eligibility

Program: Medical Assistance Program (CFDA No. 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. In the case files tested for compliance with Medical Assistance Program eligibility requirements, not all documentation was available, updated, or input correctly to support participant eligibility. The following exceptions were noted in the sample of 40 cases tested:

- Five case files had documented assets, such as income or bank account balances, that did not support the information entered into MAXIS.
- One case file had income that could not be appropriately determined based on the support that was provided.

Summary of Corrective Action Previously Reported: The errors from this review were thoroughly discussed at an all-unit meeting on March 5, 2019. The Income Maintenance Supervisor also met with each worker independently to review the errors and ensure understanding of policy and requirements. A coaching plan was implemented with each employee that had two or more case errors. The Income Maintenance Unit is conducting an average of 15 case reviews on a quarterly basis.

Status: Fully Corrected.

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

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grantor Pass-Through Agency Program or Cluster Title	Federal CFDA Number	Pass-Through Grant Numbers	Expenditures
U.S. Department of Agriculture			
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	32573	\$ 149,738
Passed Through Minnesota Department of Human Services SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	192MN101S2520	217,676
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$248,653)	10.561	192MN101S2514	30,977
Total U.S. Department of Agriculture			\$ 398,391
U.S. Department of Justice			
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2018-ISANTIAO-00052	\$ 41,634
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$55,134)	16.575	A-CVS-2020-ISANTIAO-023	13,500
Violence Against Women Formula Grants (Total Violence Against Women Formula Grants 16.588 \$14,706)	16.588	A-SMART-2019-ISANTIAO-00009	13,000
Passed Through Minnesota Coalition Against Sexual Assault Violence Against Women Formula Grants (Total Violence Against Women Formula Grants 16.588 \$14,706)	16.588	Not provided	1,706
Total U.S. Department of Justice			\$ 69,840
U.S. Department of Transportation			
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	3018257	\$ 545
Highway Planning and Construction	20.205	3019205	106,903
Highway Planning and Construction (Total Highway Planning and Construction 20.205 \$259,227)	20.205	3019238	151,779
Formula Grants for Rural Areas and Tribal Transit Program	20.509	1032526	415,275
Passed Through Minnesota Department of Public Safety Highway Safety Cluster			
State and Community Highway Safety	20.600	A-SAFE19-2019-ISANTIPH-017	8,537

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 City of Isanti, Minnesota Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not provided	4,966
Total U.S. Department of Transportation			\$ 688,005
U.S. Department of Education			
Passed Through Minnesota Department of Health Special Education – Grants for Infants and Families	84.181	105404	\$ 648
U.S. Department of Health and Human Services			
Passed Through Minnesota Department of Health Public Health Emergency Preparedness	93.069	127888	\$ 45,498
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	Not provided	75
TANF Cluster			
Temporary Assistance for Needy Families	93.558	2017G996115	1,421
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$355,566)	93.558	1801MNTANF	24,797
Maternal and Child Health Services Block Grant to the States	93.994	104581	30,003
Maternal and Child Health Services Block Grant to the States (Total Maternal and Child Health Services Block Grant to the States \$42,269)	93.994	B04MC32551	12,266
Passed Through Minnesota Department of Human Services Promoting Safe and Stable Families	93.556	G-1801MNFPS	7,842
TANF Cluster			
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$355,566)	93.558	1901MNTANF	329,348
Child Support Enforcement	93.563	1901MNCEST	762,045
Child Support Enforcement (Total Child Support Enforcement 93.563 \$971,003)	93.563	1901MNCSES	208,958
Refugee and Entrant Assistance State Administered Programs	93.566	1901MNRCA	281
Community-Based Child Abuse Prevention Grants	93.590	G-1801MNBCAP	5,330
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1901MNCCDF	23,492
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1801MNCWSS	5,793
Foster Care Title IV-E	93.658	1901MNFOST	257,599
Social Services Block Grant	93.667	G-1901MNSOSR	181,427
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-1901MNCILP	4,310
Children's Health Insurance Program	93.767	1905MNS021	209

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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			
Passed Through Minnesota Department of Human Services (Continued)			
Medicaid Cluster			
Medical Assistance Program	93.778	1905MN5ADM	1,162,078
Medical Assistance Program	93.778	1905MN5MAP	21,356
(Total Medical Assistance Program 93.778 \$1,183,434)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2B08TI010027-18	750
Total U.S. Department of Health and Human Services			\$ 3,084,878
U.S. Department of Homeland Security			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	157876	\$ 2,066
Passed Through Minnesota Department of Public Safety			
Homeland Security Grant Program	97.067	A-UASI-2017-ISANTICO-0007	33,043
Homeland Security Grant Program	97.067	A-UASI-2018-ISANTICO-0008	940
(Total Homeland Security Grant Program 97.067 \$34,783)			
Passed Through Ramsey County, Minnesota			
Homeland Security Grant Program	97.067	A-SHSP-2018-RAMSEYCO-007	800
(Total Homeland Security Grant Program 97.067 \$34,783)			
Total U.S. Department of Homeland Security			\$ 36,849
Total Federal Awards			\$ 4,278,611

Isanti County did not pass any federal awards through to subrecipients during the year ended December 31, 2019.

Totals by Cluster

Total expenditures for SNAP Cluster	\$ 248,653
Total expenditures for Highway Planning and Construction Cluster	259,227
Total expenditures for Highway Safety Cluster	8,537
Total expenditures for TANF Cluster	355,566
Total expenditures for CCDF Cluster	23,492
Total expenditures for Medicaid Cluster	1,183,434

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**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 Isanti County. The County's reporting entity is defined in Note 1 to the financial statements.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Isanti County under programs of the federal government for the year ended December 31, 2019. 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 Isanti County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Isanti County.

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. De Minimis Cost Rate

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

**ISANTI COUNTY
CAMBRIDGE, MINNESOTA**

3. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 4,673,075
Grants received more than 60 days after year-end, unavailable in 2019	
Highway Planning and Construction	33,076
Formula Grants for Rural Areas	162,816
Promoting Safe and Stable Families	1,985
Temporary Assistance for Needy Families	3,661
Community-Based Child Abuse Prevention Grants	1,812
Stephanie Tubbs Jones Child Welfare Services Program	1,520
Foster Care Title IV-E	37,946
John H. Chafee Foster Care Program for Successful Transition to Adulthood	481
Maternal and Child Health Services Block Grant to the States	3,232
Homeland Security Grant Program	4,774
Unavailable in 2018, recognized as revenue in 2019	
Highway Planning and Construction	(42,665)
Formula Grants for Rural Areas	(476,336)
Promoting Safe and Stable Families	(2,052)
Temporary Assistance for Needy Families	(108,355)
Community-Based Child Abuse Prevention Grants	(4,697)
Stephanie Tubbs Jones Child Welfare Services Program	(1,902)
John H. Chafee Foster Care Program for Successful Transition to Adulthood	(1,015)
Homeland Security Grant Program	(8,745)
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Expenditures Per Schedule of Expenditures of Federal Awards	\$ 4,278,611