

# State of Minnesota



## Office of the State Auditor

Julie Blaha  
State Auditor

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### **Chisago County Center City, Minnesota**

Management and Compliance Report

Year Ended December 31, 2022

## Description of the Office of the State Auditor

The Office of the State Auditor (OSA) helps ensure financial integrity and accountability in local government financial activities. The OSA is the constitutional office that oversees more than \$40 billion in annual financial activity by local governments and approximately \$20 billion of federal funding financial activity.

The OSA performs around 90 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office maintains the following seven divisions:

- **Audit Practice:** Helps ensure fiscal integrity by conducting financial and compliance audits of local governments and the federal compliance audit of the State of Minnesota.
- **Constitution:** Connects with the public via external communication, media relations, legislative coordination, and public engagements for the State Auditor.

This division also supports the State Auditor's service on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, the Minnesota Historical Society, and the Rural Finance Authority Board.

- **Government Information:** Collects, analyzes, and shares local government financial data to assist in policy and spending decisions; administers and supports financial tools including the Small Cities and Towns Accounting System (CTAS) software and infrastructure comparison tools.
- **Legal/Special Investigations:** Provides legal analysis and counsel to the OSA and responds to outside inquiries about Minnesota local law relevant to local government finances; investigates local government financial records in response to specific allegations of theft, embezzlement, or unlawful use of public funds or property.
- **Operations:** Ensures the office runs efficiently by providing fiscal management and technology support to the office.
- **Pension:** Analyzes investment, financial, and actuarial reporting for Minnesota's local public pension plans and monitors pension plan operations.
- **Tax Increment Financing (TIF):** Promotes compliance and accountability in local governments' use of tax increment financing through education, reporting, and compliance reviews.

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[www.osa.state.mn.us](http://www.osa.state.mn.us)

# **Chisago County Center City, Minnesota**

Year Ended December 31, 2022



**Office of the State Auditor**

Management and Compliance Report

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

# Chisago County Center City, 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  
Chisago County  
Center City, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Chisago County, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 19, 2023.

Our report includes a reference to other auditors who audited the financial statements of the Chisago County Housing and Redevelopment Authority Economic Development Authority as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Chisago 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 opinion 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 a 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. 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.

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chisago 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 Chisago County failed to comply with the provisions of the miscellaneous provisions section 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 item 2022-004. Also, in connection with our audit, nothing came to our attention that caused us to believe that Chisago County failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, and claims and disbursements, 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.

### Chisago County's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on Chisago County's response to the legal compliance finding identified in our audit and described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of This Report

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

September 19, 2023

/s/Chad Struss

Chad Struss, CPA  
Deputy State Auditor



**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  
Chisago County  
Center City, Minnesota

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Chisago 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 Chisago County's major federal programs for the year ended December 31, 2022. Chisago 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 – Coronavirus State and Local Fiscal Recovery Funds***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Chisago County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 – Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2022.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, Chisago County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2022.

***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 Chisago 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Chisago County's compliance with the compliance requirements referred to above.

***Matter Giving Rise to Qualified Opinion on COVID-19 – Coronavirus State and Local Fiscal Recovery Funds***

As described in the accompanying Schedule of Findings and Questioned Costs, Chisago County did not comply with requirements regarding Assistance Listing No. 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2022-002 for Procurement, Suspension, and Debarment.

Compliance with such requirements is necessary, in our opinion, for Chisago 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 Chisago 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 Chisago 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 Chisago 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 Chisago 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 Chisago 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 Chisago 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 2022-001 and 2022-003. 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 Chisago County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Chisago County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 2022-002 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 2022-001 and 2022-003 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 Chisago County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Chisago County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chisago County as of and for the year ended December 31, 2022, and have issued our report thereon dated September 19, 2023, 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*

*/s/Chad Struss*

Julie Blaha  
State Auditor

Chad Struss, CPA  
Deputy State Auditor

September 19, 2023

# Chisago County Center City, Minnesota

## Schedule of Findings and Questioned Costs For the Year Ended December 31, 2022

### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s 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? **None reported**

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

#### Federal Awards

Internal control over the major federal 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 - Coronavirus State and Local Fiscal Recovery Funds, which is qualified.**

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

Identification of the major federal programs:

#### Assistance Listing

Number	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
93.778	Medicaid Cluster

The threshold used to distinguish between Type A and B programs was \$750,000.

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

### Section II – Financial Statement Findings

None.

### Section III – Federal Award Findings and Questioned Costs

2022-001      Eligibility

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

# Chisago County Center City, Minnesota

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

**Program:** 93.778 Medical Assistance Program

**Award Number and Year:** 2205MN5ADM, 2022

**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 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 Chisago County to support the eligibility determination process. In the case files reviewed for eligibility, not all documentation was input correctly into MAXIS. The following was noted in our sample of 40 case files tested for Medical Assistance eligibility:

- One case file did not contain documentation of citizenship, and
- Four case files contained asset documentation that did not match MAXIS and, of the four, one that lacked documentation of the indicated vehicle verification.

**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 Department of Human Services (DHS) contracts with the county social services departments to perform the “intake function” (meeting with the social services client to determine income and categorical eligibility), while the state maintains MAXIS, which supports the eligibility determination process and actually pays the benefits to the participants.

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

**Effect:** The improper input or updating of information into MAXIS increases the risk that program participants will receive benefits when they are not eligible.

**Cause:** Program personnel entering case information into MAXIS did not ensure all required information was input into MAXIS correctly. Due to staffing levels and the pandemic, supervisory reviews of case files were not being performed.

**Recommendation:** We recommend Chisago County implement additional procedures to provide reasonable assurance that all necessary documentation is properly input or updated in MAXIS. In addition, consideration should be given to providing further training to program personnel and performing supervisory case reviews in MAXIS.

**View of Responsible Official:** Concur

**2022-002      Procurement, Suspension, and Debarment**

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

# Chisago County Center City, Minnesota

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**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:** 21.027 COVID-19 Coronavirus State and Local Recovery Funds

**Criteria:** Title 2 U.S. *Code of Federal Regulations* § 200.318(i) states that the County must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. The County must follow further guidance over full and open competition as provided in Title 2 U.S. *Code of Federal Regulations* § 200.319; and performing a cost or price analysis provided in Title 2 U.S. *Code of Federal Regulations* § 200.323. In addition, non-federal entities must follow federal guidance regarding verifying debarment, suspension, and exclusions, as provided in Title 2 U.S. *Code of Federal Regulations* §§ 180.300, 200.213, and 200.318(h), when entering into covered transactions.

**Condition:** The County had one procurement considered a small purchase. For this procurement, the contract file did not have documentation detailing the history of procurement, supporting full and open competition, or that a cost/price analysis was performed. In addition, for three of four covered transactions tested, the verification for suspended or debarred vendors was not performed before entering into the covered transaction.

**Questioned Costs:** None.

**Context:** The threshold used for the procurement testing was a small purchase (\$10,000 to \$250,000). Only one procurement met this requirement.

The suspension and debarment covered transaction threshold is \$25,000. There were nine covered transactions included in the population.

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

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

**Cause:** The County thought that the procurement requirements did not apply to the contractor chosen for procurement testing because they were providing consulting services. Also, vendors selected for suspension and debarment testing were school districts. County staff thought that the school districts did not have to be checked for suspension and debarment since they are government agencies.

**Recommendation:** We recommend that the County maintain records sufficient to detail the history of procurement, provide full and open competition, and perform a cost or price analysis to support compliance with Title U.S. *Code of Federal Regulations* §§ 200.318, 200.319, and 200.323. In addition, we recommend the County maintain documentation to demonstrate that vendors were not debarred, suspended, or otherwise excluded from conducting business with the County; this documentation should be completed prior to entering into a covered transaction.

**View of Responsible Official:** Acknowledge.

# Chisago County

## Center City, Minnesota

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### 2022-003      Reporting

**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

**Federal Agency:** U.S. Department of the Treasury

**Program:** 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

**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:** Of the four quarterly Project and Expenditure Reports, two reports were reported inaccurately.

**Questioned Costs:** None.

**Context:** The current period expenditures for the revenue replacement project in the third quarter report were underreported by \$562,930. The current period expenditures for the broadband project in the fourth quarter report were overreported by \$49,975.

**Effect:** The U.S. Treasury Department did not receive accurate current period expenditures for the third and fourth quarter Project and Expenditure Reports for the revenue replacement and the broadband projects.

**Cause:** When preparing the third and fourth quarter Project and Expenditure Reports, staff decided to reclassify expenditures from the revenue replacement project to the broadband project and simply inserted the wrong current period expenditures on the report. The cumulative expenditure amounts reported for each project were correctly reported. Only the current period expenditure amounts were incorrect.

**Recommendation:** We recommend that the County review its quarterly Project and Expenditure Reports to ensure that the amounts reported are complete and accurate.

**View of Responsible Official:** Concur

### Section IV – Other Findings and Recommendations

### 2022-004      Board Minutes Publication

**Prior Year Finding Number:** N/A

**Repeat Finding Since:** N/A

**Type of Finding:** Minnesota Legal Compliance

**Criteria:** Minnesota Statutes section 375.12 requires that County Board minutes be published within 30 days of the meeting.

**Condition:** Based on review of the affidavits of publication related to the publishing of a summary of Board minutes for 2022, three of the summaries were not published in the County's official newspaper.

## Chisago County Center City, Minnesota

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**Context:** Of the 24 Board meetings, the minutes from three were not published. The minutes were available on the County's website.

**Effect:** Noncompliance with Minn. Stat. § 375.12.

**Cause:** The County indicated not publishing the minutes was an oversight.

**Recommendation:** We recommend the County publish its summaries of the County Board minutes in compliance with Minn. Stat. § 375.12.

**View of Responsible Official:** Acknowledge.



# COUNTY OF CHISAGO

BRIDGITTE KONRAD, COUNTY AUDITOR-TREASURER

**Chisago County Government Center**

313 North Main Street, Room 271

Center City, MN 55012-9663

PHONE: 651-213-8500 FAX: 651-213-8510

## **Representation of Chisago County Center City, Minnesota**

Corrective Action Plan  
For the Year Ended December 31, 2022

**Finding Number: 2022-001**

**Finding Title: Eligibility**

**Program: 93.778 Medical Assistance Program**

Name of Contact Person Responsible for Corrective Action:

Robert Benson

Todd McMurray

Corrective Action Planned:

Chisago County will implement additional procedures to provide reasonable assurance that all necessary documentation is properly inputted or updated in MAXIS. This will include internal staff training/updates at monthly unit meetings on the importance of accuracy in our case files. Our agency will also be implementing internal supervisory case reviews to ensure accuracy practices are being followed.

Anticipated Completion Date:

Our corrective action plan will be implemented immediately and ongoing.

**Finding Number: 2022-002**

**Finding Title: Procurement, Suspension, and Debarment**

**Program: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

Name of Contact Person Responsible for Corrective Action:

Kristin Waddell

Corrective Action Planned:

In the future when the County attempts to obtain services through a contract using Federal grant money, the County will document the entire process of selecting a vendor.

Prior to sending a transaction to a potential vendor, the County will document and verify that the vendor has not been suspended or debarred via the SAM.gov website.

Anticipated Completion Date:

Immediately

**Finding Number: 2022-003**

**Finding Title: Reporting**

**Program: 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

Name of Contact Person Responsible for Corrective Action:

Kristin Waddell

Corrective Action Planned:

The County will have a second review done of the report before filing.

Anticipated Completion Date:

Immediately

**Finding Number: 2022-004**

**Finding Title: Board Minutes Publication**

Name of Contact Person Responsible for Corrective Action:

Chase Burnham

Corrective Action Planned:

We will have multiple employees check to make sure the minutes are sent to the official newspaper. For example, after the minutes are sent to the official paper, multiple parties will be cc'd on the email.

Anticipated Completion Date:

Immediately



# COUNTY OF CHISAGO

BRIDGITTE KONRAD, COUNTY AUDITOR-TREASURER

**Chisago County Government Center**  
313 North Main Street, Room 271  
Center City, MN 55012-9663  
PHONE: 651-213-8500 FAX: 651-213-8510

## **Representation of Chisago County Center City, Minnesota**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022

**Finding Number: 2021-001**

**Year of Finding Origination: 2021**

**Finding Title: Insufficient Collateral**

**Program: N/A**

**Summary of Condition:** The fair market value of collateral pledged to secure uninsured deposits was not sufficient to meet the 110 percent requirement as of December 31, 2021.

**Summary of Corrective Action Previously Reported:** County will continue to monitor collateral on a monthly basis and increase collateral as needed in May and October when tax payments are received.

**Status:** Fully Corrected. Corrective action was taken.

Corrective action taken was not significantly different than the action previously reported.

**Chisago County  
Center City, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Not provided	\$ 181,162
Passed Through Minnesota Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	22MN101S2514	507,878
Passed Through Minnesota Department of Agriculture WIC Farmers' Market Nutrition Program (FMNP)	10.572	Not provided	509
<b>Total U.S. Department of Agriculture</b>			<b>\$ 689,549</b>
<b>U.S. Department of Justice</b>			
Passed Through Minnesota Department of Public Safety Crime Victim Assistance	16.575	A-CVS-2022-CHISAGAO-027	<b>\$ 60,494</b>
<b>U.S. Department of Transportation</b>			
Passed Through Minnesota Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	Not provided	\$ 1,816,848
Passed Through the Minnesota Department of Public Safety Highway Safety Cluster State and Community Highway Safety	20.600	F-ENFRC22-2022-CHISAGSO	14,350
National Priority Safety Programs	20.616	F-ENFRC22-2022-CHISAGSO	13,955
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	F-ENFRC22-2022-CHISAGSO	19,894
<b>Total U.S. Department of Transportation</b>			<b>\$ 1,865,047</b>
<b>U.S. Department of the Treasury</b>			
Direct COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		<b>\$ 1,780,109</b>
<b>U.S. Department of Education</b>			
Passed Through Minnesota Department of Health Special Education – Grants for Infants and Families	84.181	Not provided	<b>\$ 11,410</b>
<b>U.S. Election Assistance Commission</b>			
Passed Through Minnesota Secretary of State COVID-19 – 2018 HAVA Election Security Grants	90.404	MN181-001 - 2018 Elect Sec	<b>\$ 36,791</b>

**Chisago County  
Center City, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	NU90TP922026	\$ 78,373
Early Hearing Detection and Intervention	93.251	H6100035	1,025
Immunization Cooperative Agreements	93.268	NH23IP922628	17,862
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	U01EH001359	10,264
Public Health Emergency Response; Cooperative Agreement for Emergency Response; Public Health Crisis Response	93.354	Not provided	55,362
Temporary Assistance for Needy Families	93.558	2201MNTANF	45,394
(Total Temporary Assistance for Needy Families 93.558 \$334,298)			
Maternal and Child Health Services Block Grant to the States	93.994	B0445224	39,329
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	2101MNF PSS	5,293
Temporary Assistance for Needy Families	93.558	2201MNTANF	288,904
(Total Temporary Assistance for Needy Families 93.558 \$334,298)			
Child Support Enforcement	93.563	2201MNCSES	225,668
Child Support Enforcement	93.563	2201MNCES	474,175
(Total Child Support Enforcement 93.563 \$699,843)			
Refugee and Entrant Assistance – State Administered Programs	93.566	2201MNR CMA	824
Community-Based Child Abuse Prevention Grants	93.590	2102MNBCAP	16,161
CCDF Cluster			
Child Care and Development Block Grant	93.575	2201MNC CDF	23,502
Stephanie Tubbs Jones Child Welfare Services Program	93.645	2001MNC WSS	4,460
Foster Care Title IV-E	93.658	2201MNF OST	240,083
Social Services Block Grant	93.667	2201MNS OSR	267,084
Child Abuse and Neglect State Grants	93.669	2101MNN CAN	10,532
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNC ILP	6,990
COVID-19 – John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2101MNC ILC	947
(Total John H. Chafee Foster Care Program for Successful Transition to Adulthood 93.674 \$7,937)			
Children's Health Insurance Program	93.767	2205MN5021	2,592
Medicaid Cluster			
Medical Assistance Program	93.778	2205MNS ADM	1,313,233
Medical Assistance Program	93.778	2205MNS MAP	20,502
(Total Medical Assistance Program 93.778 \$1,333,735)			
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 3,148,559</b>

**Chisago County  
Center City, Minnesota**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2022  
(Continued)**

Federal Grantor Pass-Through Agency Program or Cluster Title	Assistance Listing Number	Pass-Through Grant Numbers	Expenditures
<b>U.S. Department of Homeland Security</b>			
Passed Through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	R29G70CGBLA19	\$ 7,500
Passed Through Minnesota Department of Public Safety Emergency Management Performance Grants	97.042	Not provided	<u>30,672</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>\$ 38,172</u></b>
<b>Total Federal Awards</b>			<b><u><u>\$ 7,630,131</u></u></b>

Chisago County did not pass any federal awards through to subrecipients during the year ended December 31, 2022.

<b>Totals by Cluster</b>			
Total expenditures for SNAP Cluster			\$ 507,878
Total expenditures for Highway Planning and Construction Cluster			1,816,848
Total expenditures for Highway Safety Cluster			28,305
Total expenditures for CCDF Cluster			23,502
Total expenditures for Medicaid Cluster			1,333,735

# Chisago County Center City, Minnesota

## Notes to the Schedule of Expenditures of Federal Awards As of and for the Year Ended December 31, 2022

### Note 1 – Summary of Significant Accounting Policies

#### Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Chisago County. The County's reporting entity is defined in Note 1 to the financial statements.

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Chisago County under programs of the federal government for the year ended December 31, 2022. 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 Chisago County, it is not intended to and does not present the financial position or changes in net position of Chisago 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.

### Note 2 – De Minimis Cost Rate

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

### Note 3 – Reconciliation to Schedule of Intergovernmental Revenue

Reconciliation to Schedule of Intergovernmental Revenue	
Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 7,699,955
Grants received more than 60 days after year-end, considered unavailable in 2022	
Early Hearing Detection and Intervention (AL No. 93.251)	575
Promoting Safe and Stable Families (AL No. 93.556)	1,367
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	2,438
Community-Based Child Abuse Prevention Grant (AL No. 93.590)	228
Unavailable in 2021, recognized as revenue in 2022	
Promoting Safe and Stable Families (AL No. 93.556)	(772)
Temporary Assistance for Needy Families (AL No. 93.558)	(68,605)
Stephanie Tubbs Jones Child Welfare Services Program (AL No. 93.645)	(703)
Child Abuse and Neglect State Grant (CAPTA) (AL No. 93.669)	(1,547)
Highway Planning and Construction (AL No. 20.205)	(1,869)
Children's Health Insurance Program (AL No. 93.767)	(936)
Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 7,630,131</u>