

State of Minnesota



Office of the State Auditor

Julie Blaha
State Auditor

**Metropolitan Council of
the Twin Cities Area**

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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Metropolitan Council of the Twin Cities Area

Year Ended December 31, 2019



Management and Compliance Report

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

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METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

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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

Members of the Council and Audit Committee
Metropolitan Council of the Twin Cities Area
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 the Metropolitan Council of the Twin Cities Area, a component unit of the State of Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Metropolitan Council's basic financial statements, and have issued our report thereon dated June 17, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Metropolitan Council'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 Metropolitan Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Metropolitan Council'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 Metropolitan

Council'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 a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Metropolitan Council'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 the Metropolitan Council failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters, except as described in the Schedule of Findings and Questioned Costs as item 2019-002. 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 Metropolitan Council's noncompliance with the above referenced provisions, insofar as they relate to accounting matters. Additionally, we tested for compliance with the authority to issue public debt.

Metropolitan Council's Response to Findings

The Metropolitan Council's responses to the internal control and legal compliance findings identified in our audit are described in the Corrective Action Plan. The Metropolitan Council'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.

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 business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Council of the Twin Cities Area, a component unit of the State of Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Metropolitan Council's basic financial statements. We have issued our report thereon dated June 17, 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 the Metropolitan Council'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

June 17, 2020

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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

Members of the Council and Audit Committee
Metropolitan Council of the Twin Cities Area
Saint Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan Council'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 Metropolitan Council's major federal programs for the year ended December 31, 2019. The Metropolitan Council'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 the Metropolitan Council'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 the Metropolitan Council'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 Metropolitan Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Metropolitan Council 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 the Metropolitan Council 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 Metropolitan Council'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 Metropolitan Council'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.

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 Other Political Subdivisions* and the results of that testing, and not to provide an opinion on the effectiveness of the Metropolitan Council'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 Metropolitan Council'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

June 17, 2020

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

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METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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:

Housing Voucher Cluster	
Section 8 Housing Choice Vouchers	CFDA No. 14.871
Mainstream Vouchers	CFDA No. 14.879
Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
Clean Water State Revolving Fund Cluster	
Capitalization Grants for Clean Water State Revolving Funds	CFDA No. 66.458

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

The Metropolitan Council qualified as a low-risk auditee? **Yes**

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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: N/A

Repeat Finding Since: N/A

Access to Computer Systems

Criteria: When employees leave employment with the Metropolitan Council, their access to all computer systems, networks, and data should be removed in a timely manner.

Condition: Access was reviewed for 25 employees who left employment with the Metropolitan Council during 2019. Of those tested, network access was not revoked for three individuals until 14 days or more after that individual's departure date. Additionally, there were four instances where the manager did not submit a termination request to notify Information Technology (IT) of an individual's end of employment.

Context: There is a backup process in place in which employee access should be terminated when the end of employment is reported to Human Resources. However, there is no audit trail, and IT was not able to provide the date of the removal of employee access. The Metropolitan Council has also implemented a process whereby employee access is terminated after 90 days of inactivity.

Effect: When terminated employees have access to the Metropolitan Council's computer systems, networks, and data, it increases the risk that malicious damage to that information, fraud, and/or misstatements may occur.

Cause: The Metropolitan Council uses Tickets to notify IT of an individual's end of employment. Tickets were not requested by the supervisor until after the individual left employment or they were never requested.

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

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

Recommendation: We recommend the Metropolitan Council implement additional procedures to ensure the removal of a terminated employee's network access in a timely manner.

View of Responsible Official: Acknowledged

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

IV. OTHER FINDINGS AND RECOMMENDATIONS

MINNESOTA LEGAL COMPLIANCE

Finding Number: 2019-002

Prior Year Finding Number: 2018-001

Repeat Finding Since: 2018

Contract Compliance

Criteria: Minnesota Statutes, section 471.425, subdivision 4a, states that each contract of a municipality must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the municipality for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of one and one-half percent per month, or any part of a month, to the subcontractor on any undisputed amount not paid on time to the subcontractor.

Condition: In two of the 15 contracts tested, language regarding the requirement for payment of interest by the contractor to the subcontractor if not paid on time was missing.

Context: In all the contracts reviewed, the language regarding the contractor to pay the subcontractors within ten days was present.

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

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

Effect: The Metropolitan Council is not in compliance with Minn. Stat. § 471.425, subd. 4a.

Cause: The Metropolitan Council believed the standard contract template included the required language.

Recommendation: We recommend the Metropolitan Council be compliant with all the contract language requirements in Minn. Stat. § 471.425, subd. 4a.

View of Responsible Official: Acknowledged

**REPRESENTATION OF THE METROPOLITAN COUNCIL
OF THE TWIN CITIES AREA**

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

Finding Number: 2019-001

Finding Title: Access to Computer Systems

Name of Contact Person Responsible for Corrective Action:

Todd Rowley, Director, Talent Management and LOD and
Craig Bantz, Chief Information Officer

Corrective Action Planned:

The Separation of Employees procedure has been updated to include the following verbiage within the Roles and Responsibilities for Managers/Supervisors, “Complete and submit Leaving Service Form to Human Resources within two days of notice of resignation/dismissal”. If a Leaving Service Form is received in HR beyond the two-day timeframe, the HR Assistant will notify the Talent Management Director. The Talent Management Director will discuss the need for timely submission with the manager/supervisor and his/her manager supervisor. If untimely submission of the Leaving Service form continues to be an issue, the manager/supervisor will be subject to discipline.

Human Resources will continue to research options within systems to automate the notification to Human Resources when an employee terminates.

In addition to formalizing our expectations for managers to report separations through the HR process, IT will automate the disablement of network accounts. IT will disable accounts when the separation is entered into our HR systems (PeopleSoft). Further IT will expand the role of the network account to be used for authentication across more critical systems. Expanding the use of the network account will mean that automatically disabled accounts will lose access to more systems simultaneously, reducing the need for human intervention to deprovision access.

Anticipated Completion Date:

September 30, 2020

Finding Number: 2019-002

Finding Title: Contract Compliance

Name of Contact Person Responsible for Corrective Action:

Jody Jacoby, Director Contracts and Procurements

Corrective Action Planned:

Council templates were reviewed to include prompt payment to subcontractors' requirements consistent with Minnesota Statutes, section 471.425. All contracts will require the prime contractor to pay interest of 1½ percent per month or part thereof to the subcontractor on any undisputed amount not paid to the subcontractor within ten days of prime contractor's receipt of payment from the Council. One template, for small bus contracts has been identified as missing the 1½ percent language and has been updated. Staff have been made aware and trained of the necessity to include the correct language. A review of the large bus/LRV Combined RFP Solicitation Template will also take place to ensure we have the correct 1½ percent language.

Anticipated Completion Date:

A review of the large bus/LRV Combined RFP Solicitation Template will occur by June 30, 2020. All other contract templates have been updated.

**REPRESENTATION OF THE METROPOLITAN COUNCIL
OF THE TWIN CITIES AREA**

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

Finding Number: 2018-001

Finding Title: Contract Compliance

Summary of Condition: In four of the ten contracts tested, language regarding the requirement for payment of interest by the contractor to the subcontractor if not paid on time was missing.

Summary of Corrective Action Previously Reported:

The Council will update all contract templates to include prompt payment to subcontractor requirements consistent with Minnesota Statutes, section 471.425. All contracts will require the prime contractor to pay interest of 1½ percent per month or part thereof to the subcontractor on any undisputed amount not paid to the subcontractor within ten days of prime contractor's receipt of payment from the Council.

Status: Partially Corrected.

It was discovered that not all contract templates were updated. A complete review was done to ensure correct contract templates were updated to include the correct wording.

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

Yes _____ No X

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METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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	Contract Number/ Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct				
Shelter Plus Care	14.238	MN0068L5K031710	\$ 66,761	\$ -
Shelter Plus Care	14.238	MN0068L5K031811	125,232	-
Shelter Plus Care	14.238	MN0046L5K011710	184,217	-
Shelter Plus Care	14.238	MN0046L5K011811	356,504	-
Shelter Plus Care	14.238	MN0010L5K001710	785,045	-
Shelter Plus Care	14.238	MN0010L5K001811	1,055,332	-
Total CFDA #14.238			\$ 2,573,091	\$ -
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	MN163VO/MN163AF	\$ 72,913,260	\$ -
Mainstream Vouchers	14.879	MN163DV/MN163F	\$ 570,963	\$ -
Passed Through City of Minneapolis, Minnesota				
Housing Opportunities for Persons with AIDS	14.241	C-01208	\$ 320,598	\$ -
Housing Opportunities for Persons with AIDS	14.241	C-44395	235,577	-
Total CFDA #14.241			\$ 556,175	\$ -
Total U.S. Department of Housing and Urban Development			\$ 76,613,489	\$ -
U.S. Department of Labor				
Passed Through Minnesota Department of Employment and Economic Development				
H-1B Job Training Grants	17.268	METRO02018MAI #144526	\$ 585,000	\$ -
U.S. Department of Transportation				
Direct				
Federal Transit Administration				
Federal Transit Cluster				
Federal Transit Capital Investment Grants				
2000 Section 5309	20.500	MN-03-0101	\$ 386,250	\$ -
2006 Section 5309	20.500	MN-03-0200	127,276	-
2011 Section 5309	20.500	MN-04-0040	62,342	-
2013 Section 5309	20.500	MN-04-0049	27,658	-
2007-2008 Section 5309	20.500	MN-05-0019	350,731	-
2011 Section 5309	20.500	MN-05-0020	53,503	-
2014-2016 Section 5309	20.500	MN-2016-008-04	285,077	285,077
2014-2016 Section 5309	20.500	MN-2016-008-06	13,229	-
2015-2016 Section 5309	20.500	MN-2017-003-05	278,787	-
2015-2016 TOD Section 20005(b)	20.500	MN-2017-003-06	424,902	424,902
2018 Section 5309	20.500	MN-2019-001-00	18,689,806	-
Total CFDA #20.500			\$ 20,699,561	\$ 709,979

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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	Contract Number/ Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Direct				
Federal Transit Administration				
Federal Transit Cluster (Continued)				
Federal Transit Formula Grants				
2003-2005 Section 5307	20.507	MN-90-X226	\$ 16,790	\$ -
2007-2008 Section 5307	20.507	MN-90-X260	63,990	-
2011 Section 5307	20.507	MN-90-X282	(7)	-
2012 Section 5307	20.507	MN-90-X297	31,907	-
2012-2013 Section 5307	20.507	MN-90-X300	41,780	-
2013 Section 5307	20.507	MN-90-X305	170,560	-
2013 Section 5307	20.507	MN-90-X307	215,926	-
2013 Section 5307	20.507	MN-90-X312	346,373	-
2013 Section 5307	20.507	MN-90-X315	17,402	-
2013 Section 5307	20.507	MN-90-X328	127,293	-
2015 Section 5307	20.507	MN-90-X331	40,190	-
2015 Section 5307	20.507	MN-90-X332	89,758	-
2014 Section 5307	20.507	MN-90-X333	85,211	-
2015 Section 5307	20.507	MN-90-X337	285,123	-
2014 Section 5307	20.507	MN-90-X340	27,530	-
2012 CMAQ	20.507	MN-95-X028	166,183	-
2013 Section 5307	20.507	MN-95-X038	56,913	-
2014 CMAQ	20.507	MN-95-X040	40,000	-
2014 CMAQ	20.507	MN-95-X041	793,891	-
2015 CMAQ	20.507	MN-95-X042	12,000	12,000
2015 CMAQ	20.507	MN-95-X044	2,500,892	74,800
2016 CMAQ	20.507	MN-2016-004-02&04	3,375,230	123,733
2016 CMAQ	20.507	MN-2016-004-05	315,405	187,972
2015-2016 Section 5307	20.507	MN-2016-008-05	790,113	-
2015-2016 Section 5307	20.507	MN-2016-008-08	14,339	-
2016 Section 5307	20.507	MN-2017-003-01,02,04	135,209	-
2016-2017 Section 5307	20.507	MN-2017-006-01&02	5,097,093	-
2017 CMAQ	20.507	MN-2017-013-01,02,03	10,227,379	-
2017 CMAQ	20.507	MN-2017-013-04	1,739,325	648,405
2016-2017 Section 5307	20.507	MN-2017-016-09	2,502,006	-
2016-2017 Section 5307	20.507	MN-2017-016-02,03	3,282,842	-
2017 Section 5307	20.507	MN-2017-016-01,08,10,16	5,929,601	-
2017 Section 5307	20.507	MN-2018-003-01,04	35,250	-
2018 CMAQ	20.507	MN-2018-012-01,02,03	2,617,491	1,360,052
2017-2018 Section 5307	20.507	MN-2018-015-07,09,10,11	2,210,878	-
2017-2018 Section 5307	20.507	MN-2018-015-12	6,870,294	-
2018 Section 5307	20.507	MN2019-002-02	26,076	-
2019 Section 5307	20.507	MN2019-007-02	4,850	-
2019 Section 5307	20.507	MN2019-016-15	10,000,000	-
Total CFDA #20.507			\$ 60,303,086	\$ 2,406,962

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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	Contract Number/ Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Direct				
Federal Transit Administration				
Federal Transit Cluster (Continued)				
State of Good Repair Grants Program				
Rail Association Capital Maintenance	20.525	MN-54-0002	\$ 26,419	\$ -
LRT and Facility Upgrades	20.525	MN-54-0005	15,340	-
2015 Rail Projects	20.525	MN-54-0006	699,317	-
2015-2016 Section 5337	20.525	MN-2016-008-03	490,351	-
2016 Section 5337	20.525	MN-2017-003-01	151,366	-
2015 Section 5337	20.525	MN-2017-003-03	463,863	-
2015-2016 Section 5337	20.525	MN-2017-003-07	49,550	-
2016 Section 5337	20.525	MN-2017-005-01	104,727	-
2016 Section 5337	20.525	MN-2017-005-02	531,523	-
		MN-2017-016-05, 07, 08, 12, 14	1,724,612	-
2016-2017 Section 5337	20.525	MN-2017-016-06	24,292	-
2016-2017 Section 5337	20.525	MN-2017-016-13,15	1,285,223	-
2017 Section 5337	20.525	MN-2018-003-03	154,398	-
2017 Section 5337	20.525	MN-2018-003-05	240,000	-
2017 Section 5337	20.525	MN-2018-015-04,05	8,715,031	-
2017-2018 Section 5337	20.525	MN-2019-002-01	240,896	-
2019 Section 5337	20.525	MN-2019-016-03	5,431	-
			<u>14,922,339</u>	<u>-</u>
Total CFDA #20.525			\$ 14,922,339	\$ -
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				
2016 Discretionary Section 5339	20.526	MN-2017-016-04	\$ 79	\$ -
2015-2017 Section 5339	20.526	MN-2017-016-11	4,625,666	-
2017 Section 5339	20.526	MN-2018-003-02	455,312	-
2017-2018 Section 5339	20.526	MN-2018-015-06,08	488,636	-
2018 Section 5339	20.526	MN-2019-002-04	73,051	-
			<u>5,642,744</u>	<u>-</u>
Total CFDA #20.526			\$ 5,642,744	\$ -
Passed Through Minnesota Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction				
2019 Unified Planning Work Program (UPWP)	20.205	1031849	<u>\$ 4,179,556</u>	<u>\$ 212,000</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
Travel Behavior Inventory/Household Survey	20.505	1029618	\$ 782,291	\$ -
2018 Unified Planning Work Program (UPWP)	20.505	1029748	<u>(32,794)</u>	<u>-</u>
			<u>749,497</u>	<u>-</u>
Total CFDA #20.505			\$ 749,497	\$ -

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

**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	Contract Number/ Pass-Through Grant Numbers	Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Passed Through Minnesota Department of Transportation (Continued)				
Formula Grants for Rural Areas and Tribal Transit Program 2018 Section 5311	20.509	1032785	\$ 670,961	\$ -
Passed Through Operation Lifesaver, Inc. Public Transportation Research	20.514	VA-2019-004-00	\$ 15,000	\$ -
Total U.S. Department of Transportation			\$ 107,182,744	\$ 3,328,941
U.S. Environmental Protection Agency				
Passed Through Minnesota Public Facilities Authority Clean Water State Revolving Fund Cluster Capitalization Grants for Clean Water State Revolving Funds State Revolving Funds				
	66.458	MPFA-CWRF-L-012-FY19	\$ 31,975,010	\$ -
U.S. Department of Homeland Security				
Direct				
Rail and Transit Security Grant Program	97.075	EMW-2016-RA00020	\$ 109,897	\$ -
Rail and Transit Security Grant Program	97.075	EMW-2017-RA00007	151,922	-
Rail and Transit Security Grant Program	97.075	EMW-2018-RA00013	117,852	-
Total CFDA #97.075			\$ 379,671	\$ -
Passed Through Minnesota Department of Public Safety Homeland Security Grant Program 2018 State Homeland Security Program	97.067	A-SHSP-2018- METCOUNC-015	\$ 100,000	\$ -
Total U.S. Department of Homeland Security			\$ 479,671	\$ -
Total Federal Awards			\$ 216,835,914	\$ 3,328,941
Totals by Cluster				
Total expenditures for Housing Voucher Cluster			\$ 73,484,223	
Total expenditures for Federal Transit Cluster			101,567,730	
Total expenditures for Highway Planning and Construction Cluster			4,179,556	
Total expenditures for Clean Water State Revolving Fund Cluster			31,975,010	

METROPOLITAN COUNCIL OF THE TWIN CITIES AREA

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 the Metropolitan Council. The Metropolitan Council's reporting entity is defined in Note I.A. to the financial statements.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metropolitan Council 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 Metropolitan Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Metropolitan Council.

Expenditures reported on the schedule are reported on the basis of accounting used by the individual funds of the Metropolitan Council. Governmental funds use the modified basis of accounting. Proprietary funds use the full accrual basis. 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

2. De Minimis Cost Rate

The Metropolitan Council has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.