

# STATE OF MINNESOTA

## Office of the State Auditor



**Rebecca Otto**  
**State Auditor**

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MANAGEMENT AND COMPLIANCE REPORT

**CASS COUNTY**  
**WALKER, MINNESOTA**

YEAR ENDED DECEMBER 31, 2017

## **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 150 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 approximately 650 public pension funds; and

**Tax Increment Financing** - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**CASS COUNTY  
WALKER, MINNESOTA**

**Year Ended December 31, 2017**



**Management and Compliance Report**

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

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**CASS COUNTY  
WALKER, MINNESOTA**

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REBECCA OTTO  
STATE AUDITOR

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

### Independent Auditor's Report

Board of County Commissioners  
Cass County  
Walker, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2017, 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 17, 2018. Our report includes a reference to other auditors who audited the financial statements of the Cass County Housing and Redevelopment Authority and the Pine River Area Sanitary District, the discretely presented component units, as described in our report on Cass County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cass County's internal control over financial reporting 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Finding and Questioned Costs as items 2017-001 and 2017-002, that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cass County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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**

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested in connection with the audit of the County's financial statements: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because Cass County administers no tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that Cass County failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*, except as described in the Schedule of Findings and Questioned Costs as item 2017-003. 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.

### **Other Matters**

Also included in the Schedule of Findings and Questioned Costs is an unresolved other matter described as item 2014-001.

### **Cass County's Response to Findings**

Cass County's responses to the internal control and legal compliance findings and to the other matter 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/Rebecca Otto*

REBECCA OTTO  
STATE AUDITOR

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

July 17, 2018

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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  
Cass County  
Walker, Minnesota

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

We have audited Cass County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2017. Cass County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Cass County's basic financial statements include the operations of the Cass County Housing and Redevelopment Authority component unit, which expended \$412,977 in federal awards during the year ended December 31, 2017, which are not included in the Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of the Cass County Housing and Redevelopment Authority because it was audited by other auditors.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Cass County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government*

*Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cass County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance with those requirements.

#### ***Opinion on Each Major Federal Program***

In our opinion, Cass County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

#### **Report on Internal Control Over Compliance**

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Minnesota, as of and for the year ended December 31, 2017, 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 17, 2018, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Cass County Housing and Redevelopment Authority component unit, which was audited by other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cass County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

### **Purpose of This Report**

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.

*/s/Rebecca Otto*

REBECCA OTTO  
STATE AUDITOR

July 17, 2018

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

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**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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:

Highway Planning and Construction Cluster	
Highway Planning and Construction	CFDA No. 20.205
Child Support Enforcement	CFDA No. 93.563

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

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

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

### INTERNAL CONTROL

#### ITEMS ARISING THIS YEAR

Finding Number 2017-001

#### Journal Entry Approval

**Criteria:** Management is responsible for establishing and maintaining internal controls and for the accuracy and completeness of all financial records and related information including, but not limited to, the controls over initiating, authorizing, recording, and processing journal entries in the general ledger system.

**Condition:** During the review of journal entries, two of the ten journal entries tested were not properly reviewed and approved.

**Context:** Without proper review and approval, errors or irregularities may not be detected in a timely manner.

**Effect:** There is an increased risk errors or irregularities will not be detected in a timely manner.

**Cause:** An employee new to their position was not aware of the requirement to review and approve journal entries entered into the general ledger system.

**Recommendation:** We recommend internal controls be implemented to ensure that all journal entries are reviewed and approved by management before being posted to the general ledger. The review and approval should be documented by signature and date.

**View of Responsible Official:** Acknowledged

Finding Number 2017-002

#### Credit Card Procedures

**Criteria:** Counties have authority to make purchases using credit cards and the County Board has adopted a credit card policy, including management and internal control procedures. Internal control procedures over the use of credit cards includes a system for tracking all credit cards issued by the County as well as requiring all employees who have been issued a County credit card to sign a County-issued credit card user agreement form acknowledging they have read the credit card policy.

**Condition:** During the testing of 25 items, two purchases were found that did not have the proper supporting documentation submitted for payment as required by the County’s credit card policy. Also, the Sheriff’s Department and Road and Bridge Department do not require their employees to sign a credit card user agreement acknowledging that the employee has read the County’s credit card policy.

**Context:** The County does track who is allowed to utilize the credit cards and has procedures for payment of credit cards. However, the County Auditor/Treasurer’s Office paid the credit card company without receiving the proper supporting documentation for the items purchased. Credit card user agreements are also not maintained for the County’s Sheriff’s Department and Road and Bridge Department.

**Effect:** Failure to follow the credit card policy increases the likelihood for misuse of both the credit cards and County funds.

**Cause:** The County is not following its credit card policy.

**Recommendation:** We recommend the County follow the Board-approved credit card policy and ensure that all individuals who utilize credit cards have signed the credit card user agreement and are submitting the proper documentation to the Auditor/Treasurer’s Office for payment.

**View of Responsible Official:** Concur

### III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

None.

### IV. OTHER FINDINGS AND RECOMMENDATIONS

#### A. MINNESOTA LEGAL COMPLIANCE

##### ITEM ARISING THIS YEAR

Finding Number 2017-003

##### Use of Public Funds

**Criteria:** In general, a public entity must have either express or implied statutory authority to make an expenditure. In addition, the expenditure must be made for a public purpose. *See* Minn. Const., art. X, § 1 (“Taxes . . . shall be levied and collected for public purposes.”); *Visina v. Freeman*, 89 N.W.2d 635 (1958)

(courts generally construe “public purpose” to mean “such an activity as will serve as a benefit to the community as a body and which, at the same time, is directly related to the functions of government”); *Tousley v. Leach*, 230 N.W. 788 (1930) (public funds may be used by a public entity “if the purpose is a public one for which tax money may be used, there is authority to make the expenditure, and the use is genuine”).

**Condition:** In the November 21, 2017, Board minutes, the County accepted \$1,500 in donations of gift cards from a local church to be distributed to needy individuals. Once received by the County, funds become public funds and, as such, may only be expended as authorized by law. The County could not provide statutory authority for the distribution of County funds in the form of gift cards to the “needy”.

**Context:** The Health, Human and Veterans Services Department maintains a tracking sheet documenting the distribution of gift cards.

**Effect:** The County is expending public funds without express or implied authority and with questionable public purpose.

**Cause:** The County was not aware it needed statutory authority to distribute donated gift cards.

**Recommendation:** We recommend the County discontinue the practice of spending public funds for expenditures in a manner not authorized by Minnesota statutes.

**View of Responsible Official:** Acknowledged

B. OTHER MATTER

PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding Number 2014-001

Eligibility Testing

**Program:** U.S. Department of Health and Human Services’ Medicaid Cluster (CFDA No. 93.778), Award #05-1705MN5ADM, 2017

**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 the County to support the eligibility determination process. While periodic supervisory case reviews are performed to provide reasonable assurance of compliance with grant requirements for eligibility, the following exceptions were detected in the sample of 16 cases tested:

- In two instances, a client's assets were not recorded in MAXIS. This would have had no effect on the client's eligibility as the asset would have been excluded when calculating the client's total countable assets; and
- In two instances, asset verification was not completed. This information would not have caused the participants to be ineligible.

**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 contracts with the Cass County Health, Human and Veterans Services Department to perform the "intake function" (meeting with social services participants to determine income and categorical eligibility). The state also maintains the MAXIS system used by County intake workers in the determination of participant program eligibility. Based upon the eligibility period determined in MAXIS, the state makes the benefit payments to program participants.

**Effect:** Missing and unverified information increases the risk that participants will receive incorrect benefits or be incorrectly deemed eligible or ineligible for benefits.

**Cause:** Program personnel entering case information into MAXIS did not ensure all required information was entered into MAXIS or that it was verified as required, and supervisory review did not detect the errors.

**Recommendation:** We recommend the County implement additional procedures to provide reasonable assurance that all necessary documentation is obtained and properly input into MAXIS. These procedures should include providing additional training to program personnel and increased supervisory review for new and less experienced staff.

**View of Responsible Official:** Concur

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# Chief Financial Officer

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



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## REPRESENTATION OF CASS COUNTY WALKER, MINNESOTA

### CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

**Finding Number: 2017-001**  
**Finding Title: Journal Entry Approval**

Name of Contact Person Responsible for Corrective Action:  
Accounting Supervisor - Health, Human and Veteran's Services

Corrective Action Planned:  
Approval for journal entries will be signed off by agency director or designee on a monthly basis.

Anticipated Completion Date:  
New process was implemented effective March 30, 2018.

**Finding Number: 2017-002**  
**Finding Title: Credit Card Procedures**

Name of Contact Person Responsible for Corrective Action:  
Sandra Norikane, Chief Financial Officer

Corrective Action Planned:  
The County will review its current policy and update as necessary. For each County employee issued a County charge card, a user agreement will be signed and kept on file.

Anticipated Completion Date:  
December 31, 2018

**Finding Number: 2017-003**  
**Finding Title: Use of Public Funds**

Name of Contact Person Responsible for Corrective Action:  
Office Support Supervisor - Health, Human and Veterans Services

Corrective Action Planned:  
The County will discontinue accepting gift cards to give out to citizens in need.

Anticipated Completion Date:  
December 31, 2018

**Finding Number: 2014-001**  
**Finding Title: Eligibility Testing**  
**Program: U.S. Department of Health and Human Services' Medicaid Cluster (CFDA No. 93.778), Award #05-1705MN5ADM, 2017**

Name of Contact Person Responsible for Corrective Action:  
Income Maintenance Unit Supervisors - Health, Human and Veterans Services

Corrective Action Planned:

1. Increased supervisor reviews.
2. Ongoing training opportunities covered bi-monthly in unit meetings.

Errors have been addressed directly with the workers involved as well as the entire unit. Error rates have been seen to significantly decrease due to our efforts and have confidence this will continue going forward.

Anticipated Completion Date:  
April 10, 2018

# Health, Human and Veteran's Services

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

PO Box 519, 400 Minnesota Avenue, Walker, MN 56484

Phone: 218-547-1340



## REPRESENTATION OF CASS COUNTY SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2017

**Finding Number:** 2014-001

**Finding Title:** Eligibility Testing

**Program:** Medical Assistance Program (CFDA No. 93.778)

### Summary of Condition:

- in one instance, one of the participant's assets was not recorded in MAXIS. This would have had no effect on eligibility, as the asset would have been excluded when calculating the participant's total assets.
- in one instance, asset verification was not completed. This would have had no effect on the participant's eligibility, as the unverified assets would not have caused the participant to exceed their asset limit.

### Summary of Corrective Action Previously Reported:

The County will continue to monitor effective controls that currently exist, as well as work toward a goal of establishing key controls and compensating controls that can minimize risk to an acceptable level.

**Status:** Partially Corrected. The planned corrective actions have been implemented. However, in the follow up reviews conducted, additional errors in documentation were identified. We have seen significantly decreasing errors in cases due to the above efforts and have confidence in case accuracy going forward. The County will continue to increase supervisor reviews and provide ongoing training opportunities at our unit meetings held twice per month. Additionally, both errors have been addressed directly with the case workers involved and shared with the unit as a whole.

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

Yes \_\_\_\_\_ No X\_\_\_\_\_

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**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Direct			
Cooperative Forestry Assistance	10.664		\$ 9,250
Passed Through Minnesota Department of Health Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	182MN004W1003	193,413
Passed Through Minnesota Department of Human Services SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$303,260)	10.561	17MN101S2514	302,460
Passed Through University of Minnesota SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 10.561 \$303,260)	10.561	00046697	800
Passed Through Minnesota Department of Management & Budget Forest Service Schools and Roads Cluster			
Schools and Roads - Grants to States	10.665	G9RUSDFORESTRY	<u>174,488</u>
<b>Total U.S. Department of Agriculture</b>			<b>\$ 680,411</b>
<b>U.S. Department of the Interior</b>			
Direct			
Payments in Lieu of Taxes	15.226		\$ 419,529
Secure Rural Schools and Community Self-Determination	15.234		<u>2,230</u>
<b>Total U.S. Department of the Interior</b>			<b>\$ 421,759</b>
<b>U.S. Department of Justice</b>			
Direct			
Bulletproof Vest Partnership Program	16.607		\$ 3,936
Passed Through Minnesota Department of Public Safety			
Crime Victim Assistance	16.575	A-CVSP-2017-CASSAO-00009	31,879
Crime Victim Assistance (Total Crime Victim Assistance 16.575 \$43,598)	16.575	A-CVSP-2018-CASSAO-00086	<u>11,719</u>
<b>Total U.S. Department of Justice</b>			<b>\$ 47,534</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	00011	\$ 1,930,306

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>
<b>U.S. Department of Transportation (Continued)</b>			
Passed Through Minnesota Department of Public Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	A-ENFRC17-2017-CASSSD-042, 402 Funds	4,846
State and Community Highway Safety (Total State and Community Highway Safety 20.600 \$6,282)	20.600	A-ENFRC17-2017-CASSSD-2525 SFY18	1,436
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-ENFRC17-2017-CASSSD-042, 164 Funds	6,142
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$128,833)	20.608	A-ENFRC17-2017-CASSSD-2525 SFY18	18,298
Highway Safety Cluster			
National Priority Safety Programs	20.616	A-ENFRC17-2017-CASSSD-042, 405B Funds	3,353
National Priority Safety Programs (Total National Priority Safety Programs 20.616 \$3,480)	20.616	A-ENFRC17-2017-CASSSD-2525 SFY18	127
Passed Through Minnesota Trial Courts			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	A-DGCT17-2017-CASSDWI-005	71,297
Minimum Penalties for Repeat Offenders for Driving While Intoxicated (Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$128,833)	20.608	A-DGCT18-2018-CASSDWI-007	<u>33,096</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 2,068,901</u></b>
<b>U.S. Department of Education</b>			
Passed Through Minnesota Department of Health			
Special Education - Grants for Infants and Families	84.181	H181A170029	<b><u>\$ 2,416</u></b>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Minnesota Department of Health			
Public Health Emergency Preparedness	93.069	NU90TP921911	\$ 19,578
Universal Newborn Hearing Screening	93.251	H61MN00035	675
Maternal, Infant, and Early Childhood Home Visiting Cluster			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	D89MC28263	38,214
TANF Cluster			
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$635,512)	93.558	2017G996115	84,933
Maternal, Infant, and Early Childhood Home Visiting Cluster			
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	X10MC31149	42,321
Maternal and Child Health Services Block Grant to the States	93.994	B04MC30621	28,280
Passed Through Minnesota Department of Human Services			
Promoting Safe and Stable Families	93.556	G-1601MNFPPSS	25,994
TANF Cluster			
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families 93.558 \$635,512)	93.558	1601MNTANF	550,579
Child Support Enforcement	93.563	1704MNCSES	730,395

**CASS COUNTY  
WALKER, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Continued)**

<b>Federal Grantor Pass-Through Agency Program or Cluster Title</b>	<b>Federal CFDA 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 Human Services (Continued)			
Refugee and Entrant Assistance - State Administered Programs CCDF Cluster	93.566	1701MNRCA	707
Child Care and Development Block Grant	93.575	1701MNCCDF	7,971
Community-Based Child Abuse Prevention Grants	93.590	G-1502MNFPRG	5,610
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1601MNCWSS	12,934
Foster Care - Title IV-E	93.658	1701MNFOST	337,079
Social Services Block Grant	93.667	G-1701MNSOSR	249,571
Chafee Foster Care Independence Program	93.674	G-1601MNCILP	4,600
Children's Health Insurance Program	93.767	05-1705MN0301	382
Medicaid Cluster			
Medical Assistance Program	93.778	05-1705MN5ADM	1,163,786
Medical Assistance Program	93.778	05-1705MN5MAP	7,513
(Total Medical Assistance Program 93.778 \$1,171,299)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	TI010027-16	1,400
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 3,312,522</b>
<b>U.S. Department of Homeland Security</b>			
Passed Through Minnesota Department of Natural Resources			
Boating Safety Financial Assistance	97.012	R29G40CGFFY16	\$ 12,625
Passed Through Minnesota Department of Public Safety			
Emergency Management Performance Grants	97.042	A-EMPG-2017-CASSCO-011	28,295
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 40,920</b>
<b>Total Federal Awards</b>			<b>\$ 6,574,463</b>
<b>Totals by Cluster</b>			
Total expenditures for SNAP Cluster			\$ 303,260
Total expenditures for Forest Service Schools and Roads Cluster			174,488
Total expenditures for Highway Planning and Construction Cluster			1,930,306
Total expenditures for Highway Safety Cluster			9,762
Total expenditures for TANF Cluster			635,512
Total expenditures for Maternal, Infant, and Early Childhood Home Visiting Cluster			80,535
Total expenditures for CCDF Cluster			7,971
Total expenditures for Medicaid Cluster			1,171,299

The County did not pass any federal awards through to subrecipients during the year ended December 31, 2017.

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**CASS COUNTY  
WALKER, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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1. Reporting Entity

The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by Cass County. The County's reporting entity is defined in Note 1 to the financial statements. This schedule does not include \$412,977 in federal awards expended by the Cass County Housing and Redevelopment Authority component unit, which had a separate audit performed by another auditor.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Cass County under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Cass County, it is not intended to and does not present the financial position or changes in net position of Cass County.

3. Summary of Significant Accounting Policies

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