

# STATE OF MINNESOTA

## Office of the State Auditor



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

---

**MANAGEMENT AND COMPLIANCE REPORT**

**RAMSEY COUNTY**  
**SAINT PAUL, MINNESOTA**

**YEAR ENDED DECEMBER 31, 2015**

## **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 700 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.

Office of the State Auditor  
525 Park Street, Suite 500  
Saint Paul, Minnesota 55103  
(651) 296-2551  
state.auditor@osa.state.mn.us  
www.auditor.state.mn.us

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance; or visit the Office of the State Auditor's web site: [www.auditor.state.mn.us](http://www.auditor.state.mn.us).

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**Year Ended December 31, 2015**



**Management and Compliance Report**

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

This page was left blank intentionally.

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Findings and Questioned Costs	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
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	11
Schedule of Expenditures of Federal Awards	15
Notes to the Schedule of Expenditures of Federal Awards	21

This page was left blank intentionally.

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**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? **Yes**

Type of auditor's report issued on compliance for major programs: **Unmodified**

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

The major programs are:

Special Supplemental Nutrition Program for Women, Infants, and Children	CFDA No. 10.557
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	CFDA No. 10.561
Temporary Assistance for Needy Families	CFDA No. 93.558
Child Support Enforcement	CFDA No. 93.563

The threshold for distinguishing between Types A and B programs was \$2,496,464.

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

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

### INTERNAL CONTROL

#### PREVIOUSLY REPORTED ITEM NOT RESOLVED

Finding 2014-001

#### Financial Statement Preparation

**Criteria:** Management is responsible for preparing the County's Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting principles (GAAP). The CAFR preparation in accordance with GAAP requires internal control over preparing and reporting appropriate government-wide and fund financial statements, including the related notes to the financial statements.

**Condition:** The financial statements, related notes, and supporting documentation were not prepared in a timely manner.

**Context:** The County's Project Management Office assisted in coordinating the timing and preparation of the CAFR. Also, County staff are now using the same trial balance package for all fund types to aid in producing financial statements more timely.

**Effect:** Because the financial statements, related notes, and supporting documentation were not prepared in a timely manner, additional audit hours were necessary to ensure amounts reported were fairly stated and to meet the Government Finance Officers Association deadline for submission of the County's CAFR.

**Cause:** A key staff person transferred to another department, leaving a vacancy in staff available for preparing the financial statements. Also, there are newer staff in departments that lack the necessary experience for financial reporting.

**Recommendation:** We recommend County management continue to train and provide additional staff necessary to prepare the CAFR.

#### Client's Response:

*We agree with the recommendation. The Finance Department is undergoing changes due to loss of experienced staff due to job changes, retirements, and internal transitions. These things impact our capability by losing an experienced talented employee to another department, and another employee resigned before they completed the assigned financial statement. Our CAFR production is planned for all departments to complete their own financial statements, and Finance staff had to flex to take on those to get them completed.*



*The PMO helped to organize, and project management administrative duties of communication activities helped to free up financial reporting staff to concentrate on the production of the CAFR. Other factors, such as task transition, caused some delays that forced financial reporting to have to wait until the task was completed to proceed.*

*The two vacant positions were not filled immediately and would probably have been replaced from outside of the County. New replacements with governmental accounting and financial reporting experience will eventually be hired, but it will take time before they will begin to have an impact in financial reporting. The County will continue to provide training to the department that was unable to complete the two financial statements for 2016.*

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

#### **ITEMS ARISING THIS YEAR**

Finding 2015-001

#### **Eligibility Testing**

**Program:** U.S. Department of Health and Human Services' Temporary Assistance for Needy Families (CFDA No. 93.558), Award #1601MNTANF, 2015

**Pass-Through Agency:** Minnesota Department of Human Services

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

**Condition:** The Minnesota Department of Human Services maintains the computer system, MAXIS, which is used by the County to support the eligibility determination process. Out of 40 case files tested, 4 had missing or incomplete applications, 2 had missing or expired documentation to verify citizenship or current immigration status, and in 1 instance, the income in MAXIS did not agree with the pay check documentation in the case file.

The sample size was based on guidance from Chapter 21 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

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

**Context:** The State of Minnesota contracts with the County’s Community Human Services Division to perform the “intake function” (meeting with the social services client to determine income and categorical eligibility), while the Minnesota Department of Human Services maintains MAXIS, which supports the eligibility determination process and actually pays the benefits to participants. Community Human Services is currently in the process of developing an internal quality control review process.

**Effect:** The lack of proper documentation, follow-up of issues, and updating information in MAXIS increases the risk that clients will receive benefits when they are not eligible.

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

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

Corrective Action Plan:

Name of Contact Person Responsible for Corrective Action:

*Tina Curry, MSW - Director, Financial Assistance Services Department*

Corrective Action Planned:

- *Review the training needs of new and experienced staff and revamp our current training processes.*
- *Development of a Quality Assurance Team. The team will be responsible for doing internal audits reviewing cases for payment accuracy, eligibility, and documentation.*
- *The Department has adopted the use of Blue Zone scripts which alerts the worker to ask and enter pertinent eligibility data.*

Anticipated Completion Date:

*Developing and implementing throughout 2016 with an anticipated completion date of December 31, 2017.*

Finding 2015-002

Reporting and Cash Management

**Programs:** U.S. Department of Agriculture's State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA No. 10.561), Award #15152MN10152514, 2015; and U.S. Department of Health and Human Services' Temporary Assistance for Needy Families (CFDA No. 93.558), Award #1601MNTANF, 2015

**Pass-Through Agency:** Minnesota Department of Human Services (DHS)

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

**Condition:** The County over-reported expenditures by \$154,749 on quarter three of the DHS-2550 report, which resulted in an overpayment of \$106,216 by DHS to the County. Also, supervisor approval of the DHS-2550 reports occurs after the reports have been submitted to DHS.

The sample size was based on guidance from Chapter 21 of the AICPA Audit Guide, *Government Auditing Standards and Single Audits*.

**Questioned Costs:** \$106,216

**Context:** The online DHS-2550 report was duplicating entries entered into the first column of the Direct Charge Expenditure section for the County Attorney's Office into a second column.

**Effect:** The County over-reported expenditures by \$154,749 on the third quarter DHS-2550 report, which resulted in an overpayment of \$106,216 by DHS to the County.

**Cause:** The duplicate entries went unnoticed by staff until the fourth quarter DHS-2550 report was prepared. Staff contacted DHS, who informed the County to print a copy of the report and manually remove the duplicated costs. County staff later discovered that they could override the self-population into the second column. There was no effort to correct the error to the third quarter report until inquiry was made through the audit. The reviewer of the DHS-2550 report was not reviewing it until after the report was submitted to DHS.

**Recommendation:** We recommend the County review the DHS-2550 reports prior to submission to DHS.

Corrective Action Plan:

Name of Contact Person Responsible for Corrective Action:

*Janelle White, Controller, Community Human Services Administrative Services Division*

Corrective Action Planned:

- ***Second Quarter reporting changes:***
  - *The removal of the Administrative Costs*
  - *The removal of the table used to allocate the Administrative Costs based upon the Random Moment Time Study percentage*

***Resolution:***

- *CHS contacted DHS to report the situation. DHS requested that CHS submit the required Administrative Costs by email*
- *DHS stated the Administrative Costs allocation table will no longer be included in the report*

- ***Third Quarter reporting changes:***

- *The Administrative Costs continued to not be included in the report*
- *The entries in the first column of the Direct Charge Expenditure section of the County Attorney's Office (CAO) section were duplicated into the second column*
- *Due to the changes in the report format, the duplicated entries in the second column went unnoticed by the staff person preparing the report*

- ***Fourth Quarter reporting changes:***

- *The ability to enter the Administrative Costs was corrected*
- *The duplication of the first column to the second column of the costs reported in the Direct Charge Expenditure section occurred again*

***Resolution:***

- *Our review of the fourth quarter Cost report discovered the duplication in mid-January 2016*
- *We contacted DHS because we were unable to remove the duplicated costs. DHS instructed us to print a copy and make the changes manually to remove the duplicated costs*
- *A final attempt was made to correct the issue and it was discovered that the cell could not be left blank and that a 0 needed to be entered*

*Our review of the third quarter report discovered an overpayment of \$37,466, due to the duplication of costs reported in the third quarter. In communication with DHS, their instructions were to settle up our over-claiming in future quarters. In discussion with DHS, the third quarter 2015 report has been resubmitted with the corrected numbers.*

*In the future, in order to prevent the potential overstating of expenditures on the DHS-2550 Cost Report, the preparer of the report will have it reviewed by either the Assistant Controller or the Controller prior to the report being submitted to DHS.*

Anticipated Completion Date:

*Completed January 2016*

This page was left blank intentionally.



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

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

### Independent Auditor's Report

Board of County Commissioners  
Ramsey County  
Saint Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ramsey County, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2016.

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

In planning and performing our audit of the financial statements, we considered Ramsey County's internal control over financial reporting 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 a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs, as item 2014-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Ramsey County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the cities administer the tax increment financing districts in Ramsey County.

In connection with our audit, nothing came to our attention that caused us to believe that Ramsey County failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. 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.

## **Ramsey County's Response to Finding**

Ramsey County's response to the internal control finding identified in our audit has been included in the Schedule of Findings and Questioned Costs. 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/Rebecca Otto*

REBECCA OTTO  
STATE AUDITOR

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

June 22, 2016

This page was left blank intentionally.



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
state.auditor@state.mn.us (E-mail)  
1-800-627-3529 (Relay Service)

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

### Independent Auditor's Report

Board of County Commissioners  
Ramsey County  
Saint Paul, Minnesota

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

We have audited Ramsey 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, 2015. Ramsey County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***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 Ramsey 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 Ramsey 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, Ramsey County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

***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 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

Ramsey County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs as Corrective Action Plans. Ramsey County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**Report on Internal Control Over Compliance**

Management of Ramsey 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

Ramsey County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs as Corrective Action Plans. Ramsey County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

#### **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 Ramsey County, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated June 22, 2016, 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 Ramsey 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

*/s/Greg Hierlinger*

GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

June 22, 2016

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Agriculture</b>				
Passed through Minnesota Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	02F701	\$ 39,072	\$ -
National School Lunch Program	10.555	02F701	61,521	-
National School Lunch Program	10.555	02F702	11,598	-
(Total National School Lunch Program 10.555 \$73,119)				
(Total Child Nutrition Cluster \$112,191)				
Passed through Minnesota Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children				
	10.557	12-700-00093	4,198,595	-
Passed through Minnesota Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	15152MN- 10152514	6,243,075	-
Passed through Minnesota Department of Agriculture				
WIC Farmers' Market Nutrition Program (FMNP)				
	10.572	Not Provided	<u>7,746</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>\$ 10,561,607</u></b>	<b><u>\$ -</u></b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct				
Community Development Block Grants/Entitlement Grants				
	14.218		\$ 988,025	\$ 698,117
Supportive Housing Program	14.235		704,533	704,533
Continuum of Care Program	14.267		35,494	-
Passed through Dakota County Community Development Agency				
HOME Investment Partnerships Program				
	14.239	M15-DC-27-0203	1,277,561	-
Passed through Hennepin County				
Lead-Based Paint Hazard Control in Privately-Owned Housing				
	14.900	Not Provided	<u>347,645</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>\$ 3,353,258</u></b>	<b><u>\$ 1,402,650</u></b>

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Justice</b>				
Direct				
State Criminal Alien Assistance Program	16.606		\$ 100,953	\$ -
Equitable Sharing Program	16.922		61,414	-
Passed through Minnesota Department of Public Safety				
Juvenile Accountability Block Grants	16.523	AO-3994	2,976	-
Juvenile Accountability Block Grants	16.523	AO-4457	436	-
Juvenile Accountability Block Grants	16.523	AO-4458	11,904	-
Juvenile Accountability Block Grants	16.523	AO-5175	1,105	-
Juvenile Accountability Block Grants	16.523	AO-5540	557	-
(Total Juvenile Accountability Block Grants 16.523 \$16,978)				
Violence Against Women Formula Grants	16.588	AO-4455	23,250	-
Violence Against Women Formula Grants	16.588	AO-5539	12,625	-
(Total Violence Against Women Formula Grants 16.588 \$35,875)				
Passed through City of Saint Paul				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0912	82,564	-
Passed through Minnesota Trial Courts				
Drug Court Discretionary Grant Program	16.585	Not Provided	80,941	-
<b>Total U.S. Department of Justice</b>			<b>\$ 378,725</b>	<b>\$ -</b>
<b>U.S. Department of Labor</b>				
Passed through Minnesota Department of Employment and Economic Development				
WIA Cluster				
Workforce Investment Act - Adult Programs	17.258	4153100	\$ 450,200	
Workforce Investment Act - Adult Programs	17.258	5153100	54,202	
(Total Workforce Investment Act - Adult Programs 17.258 \$504,402)				\$ 230,259
Workforce Investment Act - Youth Activities	17.259	4153600	326,320	
Workforce Investment Act - Youth Activities	17.259	5153600	527,623	
(Total Workforce Investment Act - Youth Activities 17.259 \$853,943)				396,215
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	4158000	406,070	
Workforce Investment Act - Dislocated Worker Formula Grants	17.278	5158000	265,767	
(Total Workforce Investment Act - Dislocated Worker Formula Grants 17.278 \$671,837)				532,914
(Total WIA Cluster \$2,030,182)				
<b>Total U.S. Department of Labor</b>			<b>\$ 2,030,182</b>	<b>\$ 1,159,388</b>



**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Transportation</b>				
Passed through Minnesota Department of Transportation				
Highway Planning and Construction	20.205	50780	\$ 48,315	\$ -
Highway Planning and Construction	20.205	50781	57,790	-
Highway Planning and Construction	20.205	51551	2,240,833	-
Highway Planning and Construction	20.205	52300	44,438	-
Highway Planning and Construction	20.205	52321	1,119,186	-
Highway Planning and Construction	20.205	52440	860,610	-
Highway Planning and Construction	20.205	52641	820,443	-
Highway Planning and Construction	20.205	52920	21,290	-
Highway Planning and Construction	20.205	52921	725,088	-
Highway Planning and Construction	20.205	53490	166,987	-
Highway Planning and Construction	20.205	53630	742,419	-
(Total Highway Planning and Construction 20.205 \$6,847,399)				
Passed through Metropolitan Council				
Federal Transit - Capital Investment Grants	20.500	MN04x031	13,040	-
Alternatives Analysis	20.522	MN39x002	231,844	-
Passed through Minnesota Department of Public Safety				
State and Community Highway Safety	20.600	SD-0902	54,365	-
State and Community Highway Safety	20.600	SD-1023	6,789	-
State and Community Highway Safety	20.600	SD-1152	46,844	-
(Total State and Community Highway Safety 20.600 \$107,998)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	SD-1023	72,252	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	SD-1152	76,420	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	SD-1299	137,797	-
(Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 \$286,469)				
National Priority Safety Programs	20.616	SD-1152	21,235	-
<b>Total U.S. Department of Transportation</b>			<b>\$ 7,507,985</b>	<b>\$ -</b>
<b>U.S. Environmental Protection Agency</b>				
Direct				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818		<b>\$ 53,476</b>	<b>\$ -</b>

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Direct				
Family Planning Services	93.217		\$ 440,840	\$ -
Passed through Minnesota Department of Human Services				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	SM016024-15	222,323	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	UR3DD000842	17,925	-
Promoting Safe and Stable Families	93.556	1501MNFPS	229,725	182,514
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families CFDA 93.558 \$17,683,118)	93.558	1601MNTANF	16,688,384	8,048,902
Child Support Enforcement	93.563	1604MNCEST	9,592,758	-
Refugee and Entrant Assistance - State-Administered Programs	93.566	1601MNRCA	11,618	-
Child Care and Development Block Grant	93.575	G1601MNCCDF	1,097,526	-
Community Based Child Abuse Prevention Grants	93.590	1402MNFPRG	113,558	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1501MNCWSS	58,714	-
Foster Care - Title IV-E	93.658	1601MNFOST	5,068,394	-
Adoption Assistance	93.659	1601MNADPT	751,749	-
Social Services Block Grant	93.667	1501MNSOSR	3,518,157	-
Child Abuse and Neglect State Grants	93.669	1301MNCA01	2,438	-
Chafee Foster Care Independence Program	93.674	1501MNCILP	30,121	-
Children's Health Insurance Program	93.767	1605MN5021	5,679	-
Medical Assistance Program	93.778	1605MN5ADM	16,475,454	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14B1MNSAPT	937,550	-
Passed through Minnesota Department of Health				
Public Health Emergency Preparedness Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069	Not Provided	310,621	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	Not Provided	18,403	-
Affordable Care Act (ACA) Abstinence Education Program	93.116	U52PS004701	14,643	-
Universal Newborn Hearing Screening	93.235	1501MNAEGP	243,045	-
Immunization Cooperative Agreements	93.251	H61MC00035	6,600	-
	93.268	H23IP000737	96,239	-

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

(Continued)

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through Minnesota Department of Health (Continued)				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	X02MC23111	1,153,108	-
Temporary Assistance for Needy Families (Total Temporary Assistance for Needy Families CFDA 93.558 \$17,683,118)	93.558	1601MNTANF	994,734	-
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	UE1EH001268	12,250	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	Not Provided	2,140	-
HIV Prevention Activities - Health Department Based Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.940	U62PS003701	54,180	-
	93.977	H25PS004255	5,238	-
Maternal and Child Health Services Block Grant to the States	93.994	B04MC28107	248,958	-
Passed through National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	Not Provided	3,500	-
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 58,426,572</b>	<b>\$ -</b>
<b>U.S. Department of Homeland Security</b>				
Passed through Minnesota Department of Public Safety				
Emergency Management Performance Grants	97.042	CO-0771	\$ 201,548	\$ -
Emergency Management Performance Grants (Total Emergency Management Performance Grants CFDA 97.042 \$381,262)	97.042	CO-1208	179,714	-
Homeland Security Grant Program	97.067	0406	94,511	-
Homeland Security Grant Program	97.067	0444	29,763	-
Homeland Security Grant Program	97.067	0446	35,965	-
Homeland Security Grant Program	97.067	0456	3,300	-
Homeland Security Grant Program	97.067	0458	6,242	-
Homeland Security Grant Program	97.067	0465	10,149	-
Homeland Security Grant Program	97.067	0468	96	-
Homeland Security Grant Program	97.067	0481	1,111	-
Homeland Security Grant Program	97.067	0489	24,152	-
Homeland Security Grant Program	97.067	0533	50,104	-
Homeland Security Grant Program	97.067	0535	40,540	-
Homeland Security Grant Program	97.067	0537	88,789	-
Homeland Security Grant Program (Total Homeland Security Grant Program CFDA 97.067 \$434,015)	97.067	0571	49,293	-

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Continued)**

<b>Federal Grantor Pass-Through Agency Grant Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grant Numbers</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Homeland Security (Continued)</b>				
Passed through Minnesota Department of Natural Resources Boating Safety Financial Assistance	97.012	SHRFP-001703	88,400	-
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 903,677</b>	<b>\$ -</b>
<b>Total Federal Awards</b>			<b>\$ 83,215,482</b>	<b>\$ 10,793,454</b>

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

---

---

1. Reporting Entity

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ramsey County under programs of the federal government for the year ended December 31, 2015. 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ramsey 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. Ramsey County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**RAMSEY COUNTY  
SAINT PAUL, MINNESOTA**

---

---

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$	86,955,383
Grants received more than 60 days after year-end, deferred in 2015		
Federal Railroad Administration - HS1PR		680,940
Alternatives Analysis		77,531
Grants deferred in 2014, recognized as revenue in 2015		
Federal Railroad Administration - HS1PR		(4,223,943)
Federal Transit Capital Investment Grants		(133,120)
Alternatives Analysis		(121,669)
HIV Prevention Activities - Health Department Based		(19,640)
		<hr/>
Expenditures Per Schedule of Expenditures of Federal Awards	\$	<hr/> <hr/> 83,215,482