

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

MANAGEMENT AND COMPLIANCE REPORT
PREPARED AS A RESULT OF THE AUDIT OF

ANOKA COUNTY
ANOKA, MINNESOTA

FOR THE YEAR ENDED DECEMBER 31, 2009

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 160 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 730 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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**ANOKA COUNTY
ANOKA, MINNESOTA**

For the Year Ended December 31, 2009



Management and Compliance Report

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

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**ANOKA COUNTY
ANOKA, MINNESOTA**

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**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

I. SUMMARY OF AUDITOR'S RESULTS

- A. Our report expresses unqualified opinions on the basic financial statements of Anoka County.
- B. No matters involving internal control over financial reporting were reported in the "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*."
- C. No instances of noncompliance material to the financial statements of Anoka County were disclosed during the audit.
- D. Significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133." None were material weaknesses.
- E. The Auditor's Report on Compliance for the major federal award programs for Anoka County expresses an unqualified opinion.
- F. Findings relative to a major federal award program for Anoka County were reported in accordance with Section 510(a) of OMB Circular A-133.
- G. The major programs are:

State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster	
State Administrative Matching Grants for SNAP	CFDA #10.561
State Administrative Matching Grants for SNAP - ARRA	CFDA #10.561
Community Development Block Grants - Entitlement Grants	CFDA #14.218
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government - ARRA	CFDA #16.804

Schedule 1
(Continued)

Senior Community Service Employment Program Cluster	
Senior Community Service Employment Program	CFDA #17.235
Senior Community Service Employment Program - ARRA	CFDA #17.235
Workforce Investment Act (WIA) Cluster	
WIA Adult Program	CFDA #17.258
WIA Adult Program - ARRA	CFDA #17.258
WIA Youth Activities	CFDA #17.259
WIA Youth Activities - ARRA	CFDA #17.259
WIA Dislocated Workers	CFDA #17.260
WIA Dislocated Workers - ARRA	CFDA #17.260
Energy Efficiency and Conservation Block Grant Program (EECBG) - ARRA	CFDA #81.128
Child Support Enforcement Cluster	
Child Support Enforcement	CFDA #93.563
Child Support Enforcement - ARRA	CFDA #93.563
Foster Care - Title IV-E Cluster	
Foster Care - Title IV-E	CFDA #93.658
Foster Care - Title IV-E - ARRA	CFDA #93.658

H. The threshold for distinguishing between Types A and B programs was \$1,080,929.

I. Anoka County was determined to be a low-risk auditee.

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

INTERNAL CONTROL

PREVIOUSLY REPORTED ITEM RESOLVED

Audit Adjustments (08-1)

During our audit, we identified material adjustments that affected the Road and Bridge and Community Development Block Grant Special Revenue Funds, the Capital Projects Fund, and the government-wide financial statements. The audit adjustments were reviewed and approved by appropriate County staff and were reflected in the financial statements.

Resolution

We noted no material audit adjustments during the current audit.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS

INTERNAL CONTROL

ITEMS ARISING THIS YEAR

- 09-1 Human Services Reporting (CFDA Nos. 10.561, 10.561 - ARRA, 93.563, 93.563 - ARRA, 93.658, and 93.658 - ARRA)

Questioned Costs: \$139,633

The salaries for two Human Services employees, totaling \$139,633 for 2009, were erroneously reported twice as expenditures to the Minnesota Department of Human Services (DHS), resulting in an overpayment from DHS of \$70,216. The County promptly notified DHS of the error and was informed by DHS that future reimbursements to the County would be reduced by the \$70,216 overpayment. The County's 2009 financial statements reflect this adjustment.

We recommend the County take more care when reporting expenditures to DHS.

Corrective Action Plan:

Contact Person Responsible for Corrective Action:

Paula Bownik, Fiscal Services Operation Manager

Action Planned:

As has been our practice in the past, all reports prepared will continue to be reviewed by a supervisor. This review is done to ensure that the reports are correct and accurate. This review will include a focus on ensuring revenue and expenditures are not duplicated and are not reported incorrectly on any other report.

Completion Date:

Implementation Immediately

09-2 Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government - ARRA (CFDA No. 16.804) - Subrecipient Monitoring

During 2009, the County applied for and received JAG Program funding. The intent of the program is to assist in economic recovery through the purchase of law enforcement and technology based equipment, and the implementation of crime prevention programs. Approximately 80 percent of the grant funds pass through to cities within the County.

The Memorandum of Understanding with each city receiving grant funds did not include language identifying the city's responsibilities to comply with federal grant requirements. Furthermore, the County has no documented monitoring process to determine that its subrecipients have complied with the applicable requirements of the JAG Program. Finally, the County provided no evidence that it had actually performed procedures to determine that subrecipients had complied with the applicable grant requirements.

As the pass-through entity, the County is responsible for: (1) identifying to the subrecipient the federal award information and applicable compliance requirements; (2) monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers the federal award in compliance with federal requirements; (3) ensuring that required audits are performed, if applicable, and requiring the subrecipient to take prompt corrective action on any audit findings; and (4) evaluating the impact of subrecipient activities on the County's ability to comply with applicable federal regulations.

Monitoring activities may take various forms, such as reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and program records and observe operations, reviewing the subrecipient's single audit or program specific audit results, and evaluating audit findings and the subrecipient's corrective action plan.

We recommend the County develop written procedures to adequately monitor subrecipients' administration of the JAG Program. Documentation should exist to support the County's monitoring of and compliance with this requirement.

Corrective Action Plan:

Contact Person Responsible for Corrective Action:

Lt. Paul Sommer, Anoka County Sheriff's Office

Action Planned:

Create a process to include additional language in the Memorandum of Understanding documents addressing the concerns.

Create a checklist for use with suprecipient activity providing documentation that the County performed the requested procedures.

Completion Date:

To change the Memorandum of Understanding with subrecipients requires a change in process and will take some time to have the necessary discussion with all County parties involved.

09-3 Energy Efficiency and Conservation Block Grant (EECBG) Program - ARRA (CFDA No. 81.128) - Davis-Bacon Act, and Procurement, Suspension, and Debarment

During 2009, the County applied for and received EECBG Program funding to fund energy conservation measures, deferred energy equipment maintenance projects, ventilation systems and indoor air quality improvements, and other miscellaneous facility improvements. The County entered into a service agreement with a private firm (grant administrator) to: (1) supervise and direct the work to be performed; (2) be responsible for all construction means, methods, techniques, sequences, and procedures; (3) coordinate all portions of the work under the agreement; and (4) pay for all labor, materials, equipment, tools, construction equipment, machinery, transportation, and other facilities and services necessary for the proper execution and completion of the work.

We noted the following during our audit of the EECBG Program:

- The County had no documented monitoring process for determining compliance with the Davis-Bacon Act, which requires the County to pay prevailing wage rates not less than those established by the U.S. Department of Labor on projects funded by federal dollars.

The grant administrator used the services of two subcontractors during the project. One subcontractor began work on a portion of the project in October 2009, but did not submit weekly certified payrolls to the grant administrator until its portion of the project was completed in February 2010. The second subcontractor began work on a portion of the project in December 2009, but did not submit weekly certified payrolls until its portion of the project was completed in March 2010. It was therefore impossible for the grant administrator to determine whether the subcontractors complied with the provisions of the Davis-Bacon Act while the work was being performed. Furthermore, the County provided no evidence that it, or the grant administrator, had actually performed procedures to determine compliance with the Davis-Bacon Act.

We recommend the County develop written procedures for monitoring compliance with the Davis-Bacon Act. Documentation should exist to support the monitoring of and compliance with this requirement.

- The County had no documented monitoring process for determining compliance with the procurement, suspension, and debarment requirements. Furthermore, evidence was not available to support that the County, or the grant administrator, actually had performed procedures to determine compliance with these requirements.

Federal Regulation 45 CFR 92.35 prohibits any state or agency from purchasing goods and services with federal money from vendors who have been suspended or debarred by the federal government. Compliance with this requirement can be determined by looking up the contractor or vendor in question on the "Excluded Parties List System" via the internet address <http://epls.arnet.gov>.

We recommend the County develop written procedures for monitoring compliance with the procurement, suspension, and debarment requirements. Documentation should exist to support the monitoring of and compliance with these requirements.

Corrective Action Plan:

Contact Person Responsible for Corrective Action:

Andrew Dykstra, Director, Facilities Management and Construction

Action Planned:

Anoka County personnel has met with the contractor, ESG, to discuss and create a corrective documentation action plan. This plan will address the components of the noncompliance comment, specifically the Davis-Bacon Act and the need for weekly certified payroll reports and procurement, suspension and debarment requirements.

Completion Date:

Initial meetings have already taken place with the contractor. Compliance requires a change in process and is being discussed at this time.

IV. OTHER FINDINGS AND RECOMMENDATIONS

OTHER ITEM FOR CONSIDERATION

GASB Statement 54

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of this standard is to enhance the usefulness of information included in the financial report about fund balance through clearer fund balance classifications that can be more consistently applied, as well as to clarify existing governmental fund type definitions.

Fund Balance Reporting

Statement 54 establishes new fund balance classifications based on constraints imposed on how resources can be spent. The existing components of fund balance reserved, unreserved, designated, and undesignated are being replaced by nonspendable, restricted, committed, assigned, and unassigned as defined below:

- *Nonspendable* - amounts that cannot be spent because they are either not spendable form (for example, inventory or prepaid items) or legally or contractually required to be maintained intact (for example, corpus of a permanent fund).
- *Restricted* - amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed* - amounts that can be used only for specific purposes determined by a formal action of a government's highest level of decision-making authority.
- *Assigned* - amounts a government intends to use for a specific purpose that do not meet the criteria to be classified as restricted or committed.
- *Unassigned* - spendable amounts not contained in the other classifications.

Governmental Fund Type Definitions

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified in Statement 54. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The requirements of GASB Statement 54 are effective for the County for the year ending December 31, 2011.



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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*

Board of County Commissioners
Anoka County

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Anoka County's internal control over financial reporting as a basis for designing our auditing procedures 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anoka County's financial statements are free of 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories.

The results of our tests indicate that, for the items tested, Anoka County complied with the material terms and conditions of applicable legal provisions.

Also included in the Schedule of Findings and Questioned Costs is an other item for consideration. We believe this information to be of benefit to the County, and it is reported for that purpose.

This report is intended solely for the information and use of the Board of County Commissioners, Internal Audit Committee, management, others within Anoka County, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 28, 2010



REBECCA OTTO
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
Anoka County

Compliance

We have audited the compliance of Anoka County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. Anoka County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Anoka 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Anoka County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

Management of Anoka County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 09-1 through 09-3. 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 attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anoka County as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2010. Our audit was

performed for the purpose of forming opinions on Anoka County's financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anoka County's corrective action plans to the federal award findings identified in our audit are included in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's corrective action plans and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of County Commissioners, Internal Audit Committee, management and others within Anoka County, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 28, 2010

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**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 2

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Passed through Minnesota Department of Education		
Child Nutrition Cluster		
School Breakfast Program	10.553	\$ 54,393
National School Lunch Program	10.555	85,640
Passed through Minnesota Department of Health		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,113,159
Passed through Minnesota Department of Human Services		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Cluster		
State Administrative Matching Grants for SNAP	10.561	2,354,369
State Administrative Matching Grants for SNAP -- ARRA	10.561	<u>52,004</u>
Total U.S. Department of Agriculture		<u>\$ 3,659,565</u>
U.S. Department of Commerce		
Passed through Metropolitan Emergency Services Board		
Public Safety Interoperable Communications Grant Program	11.555	<u>\$ 84,973</u>
U.S. Department of Housing and Urban Development		
Direct		
Community Development Block Grants - Entitlement Grants	14.218	\$ 2,116,575
Passed through Minnesota Housing Finance Agency		
Community Development Block Grants - Entitlement Grants	14.218	869,565
Passed through Dakota County		
Home Investment Partnerships Program	14.239	<u>651,124</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 3,637,264</u>
U.S. Department of the Interior		
Direct		
Coon Rapids Dam Restoration Project	15.AAT	<u>\$ 39,918</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

**Schedule 2
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Justice		
Direct		
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government -- ARRA	16.804	\$ 320,525
Passed through Minnesota Department of Public Safety		
Juvenile Accountability Block Grants	16.523	31,868
Crime Victim Assistance	16.575	26,846
Public Safety Partnership and Community Policing Grants -- ARRA	16.710	12,669
Enforcing Underage Drinking Laws Program	16.727	1,230
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>240,000</u>
Total U.S. Department of Justice		<u>\$ 633,138</u>
U.S. Department of Labor		
Passed through Minnesota Department of Employment and Economic Development		
Unemployment Insurance	17.225	\$ 17,425
Senior Community Service Employment Program		
Senior Community Service Employment Program	17.235	185,499
Senior Community Service Employment Program -- ARRA	17.235	25,290
Workforce Investment Act (WIA) Cluster		
WIA Adult Program		
WIA Adult Program	17.258	252,936
WIA Adult Program -- ARRA	17.258	50,294
WIA Youth Activities		
WIA Youth Activities	17.259	220,424
WIA Youth Activities -- ARRA	17.259	222,380
WIA Dislocated Workers		
WIA Dislocated Workers	17.260	1,105,887
WIA Dislocated Workers -- ARRA	17.260	<u>641,288</u>
Total U.S. Department of Labor		<u>\$ 2,721,423</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

***Schedule 2
(Continued)***

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Transportation		
Highway Planning and Construction Cluster		
Passed through Minnesota Department of Transportation		
Highway Planning and Construction	20.205	\$ 3,486,856
Passed through Minnesota Department of Natural Resources		
Recreational Trails Program	20.219	100,000
Passed through Metropolitan Council		
Federal Transit Formula Grants	20.507	319,778
Transit Services Programs Cluster		
Job Access/Reverse Commute	20.516	84,563
New Freedom Program	20.521	6,753
Passed through the City of Coon Rapids		
State and Community Highway Safety	20.600	3,915
Passed through Minnesota Department of Public Safety		
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	<u>39,139</u>
Total U.S. Department of Transportation		<u>\$ 4,041,004</u>
U.S. Department of Energy		
Direct		
Energy Efficiency and Conservation Block Grant Program (EECBG) -- ARRA	81.128	<u>\$ 389,248</u>
U.S. Department of Education		
Passed through Centennial School District		
Title I Program for Neglected and Delinquent Children	84.013	\$ 441,326
Passed through Minnesota Department of Employment and Economic Development		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	<u>11,149</u>
Total U.S. Department of Education		<u>\$ 452,475</u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 2
(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services		
Passed through National Association of County and City Health Officials Medical Reserve Corps Small Grant Program	93.008	\$ 14,743
Passed through Metropolitan Area Agency on Aging National Family Caregiver Support, Title III, Part E	93.052	55,000
Passed through Minnesota Department of Human Services		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	23,545
Promoting Safe and Stable Families	93.556	55,350
Temporary Assistance for Needy Families	93.558	4,503,277
Child Support Enforcement Cluster		
Child Support Enforcement	93.563	5,241,539
Child Support Enforcement -- ARRA	93.563	796,489
Refugee and Entrant Assistance - State Administered Program	93.566	5,719
Child Care and Development Cluster		
Child Care and Development Block Grant	93.575	136,202
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	427,319
Refugee and Entrant Assistance -Targeted Assistance Grants	93.584	93,808
Child Welfare Services - State Grants	93.645	99,371
Foster Care - Title IV-E Cluster		
Foster Care - Title IV-E	93.658	1,151,073
Foster Care - Title IV-E -- ARRA	93.658	81,153
Social Service Block Grant	93.667	1,423,645
Chafee Foster Care Independence Program	93.674	30,750
Children's Health Insurance Program	93.767	596
Medical Assistance Program	93.778	4,734,423
Block Grants for Community Mental Health Services	93.958	41,954
Block Grants for Prevention and Treatment of Substance Abuse	93.959	84,604
Passed through Minnesota Department of Health		
Public Health Emergency Preparedness	93.069	198,669
Immunization Grants	93.268	33,263
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	325,093
Temporary Assistance for Needy Families	93.558	306,749
Refugee and Entrant Assistance - Discretionary Grants	93.576	3,998
Maternal and Child Health Services Block Grant to the States	93.994	270,245
Passed through Anoka County Community Action Program		
Community Services Block Grant -- ARRA	93.710	26,453
Total U.S. Department of Health and Human Services		\$ 20,165,030

**ANOKA COUNTY
ANOKA, MINNESOTA**

Schedule 2
(Continued)

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
Corporation for National and Community Service		
Direct		
Retired Senior Volunteer Program	94.002	<u>\$ 36,637</u>
U.S. Department of Homeland Security		
Passed through Minnesota Department of Natural Resources		
Boating Safety Financial Assistance	97.012	\$ 53,470
Passed through Minnesota Department of Public Safety		
Emergency Management Performance Grants	97.042	<u>116,813</u>
Total U.S. Department of Homeland Security		<u>\$ 170,283</u>
Total Federal Awards		<u>\$ 36,030,958</u>

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**ANOKA COUNTY
ANOKA, MINNESOTA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. Reporting Entity

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Anoka County under programs of the federal government for the year ended December 31, 2009. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Anoka County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Anoka 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 the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through grant numbers were not assigned by the pass-through agencies.

4. Reconciliation to Schedule of Intergovernmental Revenue

Federal grant revenue per Schedule of Intergovernmental Revenue	\$ 35,915,727
Grants received more than 120 days after year-end, deferred in 2009	
Energy Efficiency and Conservation Block Grant Program (EECBG) - ARRA	75,313
Coon Rapids Dam Restoration Project	<u>39,918</u>
Expenditures Per Schedule of Expenditures of Federal Awards	<u><u>\$ 36,030,958</u></u>

**ANOKA COUNTY
ANOKA, MINNESOTA**

5. Subrecipients

Of the expenditures presented in the schedule, Anoka County provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government - ARRA	\$ 241,865
93.575	Child Care and Development Block Grant	136,202
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	427,319
	Total	<u>\$ 805,386</u>

6. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act of 2009 (ARRA) requires recipients to clearly distinguish ARRA funds from non-ARRA funding. In the schedule, ARRA funds are denoted by the addition of ARRA to the program name.