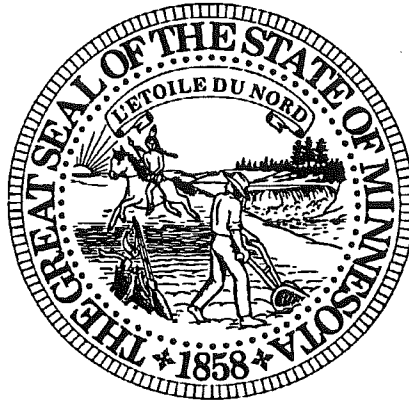


State of Minnesota



Financial and Compliance Report

on

Federally Assisted Programs

for the year ended
June 30, 1991

Prepared Through a Cooperative Agreement Between

Department of Finance

Office of the Legislative Auditor

Office of the State Auditor

U.S. Department of Agriculture

John Gunyou, Commissioner

James R. Nobles, Legislative Auditor

Mark Dayton, State Auditor

Jesse H. Morris, Regional Inspector
General for Audit

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FINANCIAL AND COMPLIANCE REPORT ON FEDERALLY ASSISTED PROGRAMS FOR THE YEAR ENDED JUNE 30, 1991

Release Date: June 26, 1992

The Office of the Legislative Auditor has released the *Financial and Compliance Report on Federally Assisted Programs* for the year ended June 30, 1991. Federal programs totalling \$2.3 billion were covered in the 1991 Statewide Single Audit. The Single Audit was conducted through a cooperative agreement between the Minnesota Department of Finance, the Office of the Legislative Auditor, the Office of the State Auditor, and the U.S. Department of Agriculture - Regional Office of Inspector General. The Single Audit Act of 1984 (Public Law 98-502) and the U.S. Office of Management and Budget's (OMB) Circular A-128 provide the requirements for audits of state and local governments. The Act and OMB circular require annual organizationwide financial and compliance audits for Minnesota and its subrecipients.

This report, which is divided into two sections, is basically technical in nature and is constructed to meet the needs of federal grantor programs administered by the state. The first section contains financial information on over 200 federal grant programs administered by the state. The second section discusses internal control and compliance aspects related to these grant programs.

We reviewed 38 major federal programs, representing 93% of the 1991 federal expenditures. For these major programs, we reviewed internal controls and tested for compliance with various federal legal provisions. We also selected and tested certain nonmajor federal programs. We identified 63 audit findings related to the state's administration of these programs. Many findings (40 of 63) related to the community colleges and state universities administration of student financial aid programs. The remaining 23 audit findings concerned federal programs administered by ten state agencies. These findings are presented in the compliance section of this report, and are discussed in more detail in the individual audit reports issued to the affected state agencies. The federal government is ultimately responsible for resolution of the audit findings.

Contact the Financial Audit Division for additional information.
(612) 296-1730

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STATE OF MINNESOTA

FINANCIAL AND COMPLIANCE REPORT
ON FEDERALLY ASSISTED PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

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State of Minnesota Department of Finance

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
(612) 296-5900

May 1, 1992

The Honorable Arne H. Carlson, Governor

Members of the Legislature

We are submitting the State of Minnesota Financial and Compliance Report for the single audit of federally assisted programs for the year ended June 30, 1991. This report meets the requirements of the Federal Single Audit Act of 1984 and the U.S. Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments."

This single audit report includes all federal assistance received by the state departments and agencies determined to be a part of the state's reporting entity. The criteria used in defining the state's reporting entity are those established by the Governmental Accounting Standards Board. All federal programs within this reporting entity were included under the state's single audit. Because the University of Minnesota is highly autonomous, it is not considered a part of the state's reporting entity, and is not included.

For purposes of the single audit in Minnesota, the organization is the state rather than each state agency. With this approach the single audit can be combined with the annual financial audit. This is an efficient approach for Minnesota because state agencies are all subject to the same centralized controls (the statewide accounting, personnel/payroll and procurement systems).

Management Responsibilities

The Department of Finance is responsible for the accuracy, fairness and completeness of the financial statements, including all disclosures, presented in this report. It is also responsible for the Statewide Accounting System (SWAS), which was used in preparing this report. We believe these statements provide a fair representation of financial activity for federal programs for the year ended June 30, 1991.

The Department of Finance is also responsible for designing and applying the statewide internal control structure. State agencies are responsible for additional internal controls used for the administration of their federal programs. These controls provide reasonable assurance that the state's assets are protected against loss, either intentional or unintentional; that resource use is consistent with laws, regulations and policies; that transactions are executed in accordance with management's authorization; and that the accounting records from which the financial statements were prepared are reliable. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefit derived.

During the single audit an error of \$74,241,000, affecting expenditures and liabilities for the General Fund, was discovered by the Legislative Auditor. For purposes of this report the error was corrected and a portion of these expenditures and liabilities is included as state match for States Family Support Payments, Job Opportunities and Basic Skills, and Medical Assistance programs. The state match funding for these programs was changed by legislation.

Report

This single audit report supplements the state's Comprehensive Annual Financial Report for the year ended June 30, 1991, and includes financial information for federal programs, compiled by the Department of Finance. It is divided into three sections: Transmittal Letter; Financial Section, including the auditor's opinion, expenditure statements and notes to the statements; and Compliance Section, including the auditor's reports on internal control and compliance, and a summary of audit findings.

The financial statements presented are not meant to replace recipient financial reporting currently required for each individual program of federal assistance. Instead these statements are meant to provide a consistent basis for reporting on the expenditures of federal assistance received by state agencies.

In addition to this financial and compliance report, the single audit for the State of Minnesota includes the department management letters and audit reports issued by the Office of the Legislative Auditor and the Report on Audits of Subrecipients issued by the Office of the State Auditor.

Federal Financial Assistance to the State of Minnesota

In fiscal year 1991 the State of Minnesota received approximately \$2.3 billion in federal assistance for its many programs. Included in this amount is \$19.1 million of noncash contributions in the form of food commodities provided for distribution to school districts and other organizations. Major programs include States Family Support Payments, Medical Assistance, Social Service Block Grants in the Department of Human Services; National School Lunch and Child and Adult Care Food in the Department of Education; Highway Planning and Construction in the Departments of Transportation and Public Safety; Lower Income Housing Assistance in the Housing Finance Agency; Special Supplemental Food Program for Woman, Infants and Children in the Department of Health; Pell Grants in the Community College System and in the State University System; and Low Income Home Energy Assistance in the Department of Jobs and Training.

Audits

The Minnesota Office of the Legislative Auditor (OLA) performs an annual statewide audit primarily for the purpose of expressing an audit opinion on the financial statements included in

the state's Comprehensive Annual Financial Report prepared by the Department of Finance. Another purpose of the statewide audit is to provide information to the Governor, Legislature and heads of state agencies concerning financial and accounting issues involving the state and its agencies. In addition, the scope of the annual statewide audit process includes the federal requirements of the Single Audit Act and OMB Circular A-128.

The OLA has audited the financial statements for federal programs, and has issued their opinion on these statements. Also included are their reports on internal control and compliance with laws and regulations for federal programs. The OLA has relied upon the Report on Audits of Subrecipients issued by the Office of the State Auditor.

All subrecipients receiving federal assistance from Minnesota state agencies have been required to have audits in accordance with OMB Circular A-128. State agencies are responsible for assuring that their subrecipients have audits and resolve audit recommendations resulting from these audits. Results of these audits are summarized in the Report on Audits of Subrecipients issued by the Office of the State Auditor.

Responsibilities for Minnesota's Single Audit

Prior to Minnesota's first single audit, the Department of Finance, Office of the Legislative Auditor, Office of the State Auditor and the U.S. Department of Agriculture-Office of Inspector General reached an agreement for conducting audits of federal funds awarded directly to the state and expended either by the state or an authorized subrecipient. Broad issues were agreed upon as well as the specific responsibilities of each organization. Their primary responsibilities are discussed below.

- The *Minnesota Department of Finance* serves as the lead state agency representing all Minnesota state agencies receiving federal funds; coordinates single audit requirements; and is responsible for the preparation of the annual financial statements and supplemental financial statements on all federal grants received by the state.
- The *Minnesota Office of the Legislative Auditor* performs the statewide single audit; prepares the audit report on the annual financial report for the state; provides an audit opinion on the supplemental financial statements on federal grants; issues reports on internal control and compliance with laws and regulations; and issues departmental management letters and audit reports.
- The *Minnesota Office of the State Auditor* establishes guidelines and procedures for subrecipient audits and reviews resulting audit reports.
- The *U.S. Department of Agriculture-Office of Inspector General* serves as the lead cognizant audit agency representing all federal agencies awarding federal assistance to the State of Minnesota and serves as liaison with the three organizations listed above and federal agencies.

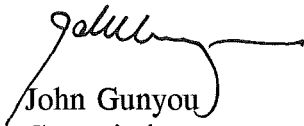
In addition, state agencies have specific responsibilities for federal programs. State

agencies are required to manage and maintain adequate accounting records for their federal programs. They are required by the relevant federal departments and agencies to prepare periodic financial reports. State agencies are also responsible for assuring that organizations to which they subgrant federal funds have the required audits and promptly resolve federal program deficiencies reported as a result of those audits.

Acknowledgements

Although the Department of Finance accepts final responsibility for this report, we would like to acknowledge the significant assistance provided by staff in the many state agencies receiving the federal assistance. The financial schedules they prepared for each of their federal programs were used to compile these financial statements.

Sincerely,



John Gunyou
Commissioner

FINANCIAL SECTION

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STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on Supplementary Information
Schedule of Federal Financial Assistance

Members of the Legislature

The Honorable Arne H. Carlson, Governor


John Gunyou, Commissioner of Finance

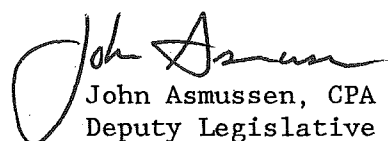
Jesse H. Morris, Regional Inspector General for Audit,
United State Department of Agriculture

We have audited the general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1991 and have issued our report thereon dated November 29, 1991. These general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal expenditures is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

February 28, 1992

STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
AGRICULTURE	FOOD DISTRIBUTION	10.550	EDUCATION	\$14,298,601	\$	\$14,298,601
		10.550	HUMAN SERVICES	694,782		694,782
		10.550	JOBS & TRAINING	3,788,752		3,788,752
			TOTAL PROGRAM 10.550	<u>18,782,135</u>	<u>0</u>	<u>18,782,135</u>
	FOOD STAMPS	10.551	HUMAN SERVICES	19,553,135	4,338,067	23,891,202
	NATIONAL SCHOOL LUNCH PROGRAM	10.555	EDUCATION	45,330,000	4,621,336	49,951,336
	SPECIAL FOOD/WOMEN/INFANTS & CHILDREN	10.557	HEALTH	41,633,574		41,633,574
	CHILD & ADULT CARE FOOD PROGRAM	10.558	EDUCATION	43,544,149		43,544,149
DEFENSE	MILITARY AFFAIRS OPERATIONS	12.00X a	MILITARY AFFAIRS	10,506,941	917,629	11,424,570
EDUCATION	CHAPTER 1-LOCAL EDUCATION AGENCIES	84.010	EDUCATION	51,453,751		51,453,751
	SPECIAL EDUCATION STATE GRANTS	84.027	EDUCATION	32,429,785	6,485,957	38,915,742
		84.027	STATE UNIVERSITY SYSTEM	279,372		279,372
			TOTAL PROGRAM 84.027	<u>32,709,157</u>	<u>6,485,957</u>	<u>39,195,114</u>
	GUARANTEED STUDENT LOANS	84.032 b	HIGHER EDUCATION COORD BD	1,180,874		1,180,874
	PERKINS LOAN-FEDERAL CAPITAL CONTRIBUTION	84.038 c	COMMUNITY COLLEGE SYSTEM	232,869	19,181	252,050
		84.038 c	STATE UNIVERSITY SYSTEM	346,273		346,273
			TOTAL PROGRAM 84.038	<u>579,142</u>	<u>19,181</u>	<u>598,323</u>
	VOCATIONAL EDUCATION-BASIC STATE GRANTS	84.048	HUMAN RIGHTS	2,125		2,125
		84.048	TECHNICAL COLLEGE SYSTEM	13,228,313		13,228,313
			TOTAL PROGRAM 84.048	<u>13,230,438</u>	<u>0</u>	<u>13,230,438</u>

Footnotes: a A correct program number cannot be determined.

b See note 3 on page 25.

c See note 5 on page 26.

STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	PELL GRANT PROGRAM	84.063	COMMUNITY COLLEGE SYSTEM	\$18,298,323	\$	\$18,298,323
		84.063	HUMAN SERVICES	7,144		7,144
		84.063	STATE UNIVERSITY SYSTEM	26,779,140		26,779,140
			TOTAL PROGRAM 84.063	<u>45,084,607</u>	<u>0</u>	<u>45,084,607</u>
	REHABILITATION SERVICES BASIC SUPPORT	84.126	JOBS & TRAINING	35,116,028	8,481,135	43,597,163
	EDUCATIONAL IMPROVEMENT PARTNERSHIPS	84.151	EDUCATION	5,284,807		5,284,807
ENERGY	WEATHERIZATION ASSISTANCE-LOW INCOME	81.042 a	JOBS & TRAINING	12,562,613		12,562,613
ENVIRONMENTAL PROTECTION	CAPITALIZATION GRANTS-STATE REVOLVING FD	66.458 b	TRADE & ECONOMIC DEVELOP	276,979	342,203	619,182
HEALTH & HUMAN SERVICES	STATES FAMILY SUPPORT PAYMENTS	93.020	HUMAN SERVICES	221,898,626	150,992,096	372,890,722
	JOB OPPORTUNITIES & BASIS SKILLS TRAINING	93.021	HUMAN SERVICES	9,614,680	4,703,338	14,318,018
	CHILD SUPPORT ENFORCEMENT	93.023	HUMAN SERVICES	25,325,789	2,506,816	27,832,605
	REFUGEE & ENTRANT ASSISTANCE-STATE ADMIN	93.026	HUMAN SERVICES	7,785,801		7,785,801
	LOW-INCOME HOME ENERGY ASSISTANCE	93.028	JOBS & TRAINING	57,390,019		57,390,019
	COMMUNITY SERVICES BLOCK GRANT	93.031	COMMUNITY COLLEGE SYSTEM	5,919		5,919
		93.031	JOBS & TRAINING	10,591,015		10,591,015
			TOTAL PROGRAM 93.031	<u>10,596,934</u>	<u>0</u>	<u>10,596,934</u>

Footnotes: a See note 7 on page 26.

b See note 6 on page 26.

STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
HEALTH & HUMAN SERVICES (CONTINUED)	AGING SUPPORT SERVICES & SENIOR CENTERS	93.633	HUMAN SERVICES	\$5,935,654	\$769,349	\$6,705,003
		93.633	STATE UNIVERSITY SYSTEM	7,244		7,244
			TOTAL PROGRAM 93.633	<u>5,942,898</u>	<u>769,349</u>	<u>6,712,247</u>
	AGING-TITLE III PART C-NUTRITION SERVICES	93.635	HUMAN SERVICES	6,357,537	2,090,000	8,447,537
	FOSTER CARE - TITLE IV-E	93.658	HUMAN SERVICES	22,416,805	3,382,935	25,799,740
	SOCIAL SERVICES BLOCK GRANT	93.667	HUMAN SERVICES	48,830,211		48,830,211
	MEDICAL ASSISTANCE PROGRAM	93.778	HEALTH	63,036		63,036
		93.778	HUMAN SERVICES	927,510,567	752,405,804	1,679,916,371
			TOTAL PROGRAM 93.778	<u>927,573,603</u>	<u>752,405,804</u>	<u>1,679,979,407</u>
	SOCIAL SECURITY-DISABILITY INSURANCE	93.802	JOBS & TRAINING	9,324,200		9,324,200
	ALCOHOL/DRUG ABUSE/MENTAL HEALTH BLOCK	93.992	ASIAN PACIFIC COUNCIL	9,225		9,225
		93.992	HUMAN SERVICES	5,191,812		5,191,812
			TOTAL PROGRAM 93.992	<u>5,201,037</u>	<u>0</u>	<u>5,201,037</u>
	MATERNAL & CHILD HEALTH SERVICES BLOCK	93.994	HEALTH	10,991,275	4,670,469	15,661,744
HOUSING & URBAN DEVELOPMENT	LOWER INCOME HOUSING ASSIST-SECTION 8	14.156	HOUSING FINANCE	61,383,053		61,383,053
	COMMUNITY DEVELOPMENT BLOCK-STATES	14.228	TRADE & ECONOMIC DEVELOP	17,327,231	415,978	17,743,209
INTERIOR	FISH RESTORATION	15.605	NATURAL RESOURCES	7,034,698	2,337,551	9,372,249
LABOR	EMPLOYMENT SERVICE	17.207	JOBS & TRAINING	11,731,213		11,731,213
	UNEMPLOYMENT INSURANCE	17.225	JOBS & TRAINING	34,335,555		34,335,555
	JOB TRAINING PARTNERSHIP ACT	17.250	JOBS & TRAINING	27,692,031		27,692,031

STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
TRANSPORTATION	AIRPORT IMPROVEMENT	20.106	TRANSPORTATION	\$17,233,479	\$1,401,935	\$18,635,414
	HIGHWAY PLANNING & CONSTRUCTION	20.205	PUBLIC SAFETY	196,940		196,940
		20.205 a	TRANSPORTATION	219,152,628	74,133,745	293,286,373
			TOTAL PROGRAM 20.205	<u>219,349,568</u>	<u>74,133,745</u>	<u>293,483,313</u>
TOTAL MAJOR PROGRAMS				<u>\$2,142,164,573</u>	<u>\$1,025,015,524</u>	<u>\$3,167,180,097</u>

Footnote: a See note 2 on page 25.

STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
AGRICULTURE	TRAILS & WATERWAYS CHALLENGE GRANT	10.00X a	NATURAL RESOURCES	\$5,550	\$	\$5,550
	PLANT/ANIMAL DISEASE/CARE/PEST CONTROL	10.025	AGRICULTURE	42,216	35,957	78,173
		10.025	ANIMAL HEALTH BOARD	196,813		196,813
	ANIMAL DAMAGE CONTROL	10.028	NATURAL RESOURCES	443		443
	COMMODITY LOANS AND PURCHASES	10.051	AGRICULTURE	139,204		139,204
	AGRICULTURAL CONSERVATION PROGRAM	10.063	NATURAL RESOURCES	52,000		52,000
	FORESTRY INCENTIVES PROGRAM	10.064	NATURAL RESOURCES	6,600		6,600
	CONSERVATION RESERVE PROGRAM	10.069	NATURAL RESOURCES	659		659
	FEDERAL-STATE MARKETING IMPROVEMENT	10.156	AGRICULTURE	84,732		84,732
	INSPECTION GRADING & STANDARDIZATION	10.162	AGRICULTURE	235,947		235,947
	MEAT & POULTRY INSPECTION	10.477	AGRICULTURE	116,993		116,993
	SCHOOL BREAKFAST PROGRAM	10.553	EDUCATION	4,654,324		4,654,324
	SPECIAL MILK PROGRAM FOR CHILDREN	10.556	EDUCATION	943,452		943,452
	SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	EDUCATION	1,105,097		1,105,097
	STATE ADMIN EXPENSES FOR CHILD NUTRITION	10.560	EDUCATION	1,530,430	147,800	1,678,230
	NUTRITION EDUCATION & TRAINING PROGRAM	10.564	EDUCATION	80,133		80,133
	COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565	HEALTH	268,176		268,176
	TEMPORARY EMERGENCY FOOD ASSISTANCE	10.568	JOBS & TRAINING	778,510	57,537	836,047
	NUTRITION PROGRAM FOR THE ELDERLY	10.570	HUMAN SERVICES	2,072,566		2,072,566
	FOREIGN AGRICULTURAL MARKET DEVELOPMENT	10.600	NATURAL RESOURCES	10,000		10,000
	COOPERATIVE FORESTRY ASSISTANCE	10.664	NATURAL RESOURCES	651,906	747,279	1,399,185
	SCHOOLS AND ROADS-GRANTS TO STATES	10.665	FINANCE	868,422		868,422
	ADDITIONAL LANDS-GRANTS TO MINNESOTA	10.668	FINANCE	1,250,845		1,250,845
	BOUNDARY WATER CANOE AREA	10.669	NATURAL RESOURCES	1,544,359	308,872	1,853,231
	RESOURCE CONSERVATION & DEVELOPMENT	10.901	NATURAL RESOURCES	4,440	888	5,328
	WATERSHED PROTECTION & FLOOD PREVENTION	10.904	NATURAL RESOURCES	15,980	3,196	19,176
COMMERCE	ECONOMIC DEVELOPMENT-TECHNICAL ASSISTANCE	11.303	STATE UNIVERSITY SYSTEM	78,172	29,705	107,877
	WEATHER & RIVER FORECASTS & WARNING	11.404	PUBLIC SAFETY	19,973		19,973
	INTERJURISDICTIONAL FISHERIES ACT OF 1986	11.407	NATURAL RESOURCES	47,641	15,880	63,521
	FISHERY PRODUCTS INSPECTION/CERTIFICATION	11.413	AGRICULTURE	111,959		111,959

Footnote: a A correct program number cannot be determined.

STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
CONSTITUTION BICENTENNIAL COMMISSION	BICENTENNIAL EDUCATIONAL GRANT PROGRAM	90.001	STATE UNIVERSITY SYSTEM	\$46,146	\$14,305	\$60,451
DEFENSE	FLOOD PLAIN MANAGEMENT SERVICES	12.104	FINANCE	16,640		16,640
	FLOOD CONTROL PROJECTS	12.106	TRANSPORTATION	81,355		81,355
EDUCATION	NATIONAL LIBRARY CONFERENCE	84.00X a	EDUCATION	35,012		35,012
	INTEREST SUBSIDY	84.00X a	STATE TREASURER	217,805		217,805
	ADULT EDUCATION-STATE ADMINISTERED	84.002	EDUCATION	2,423,523	4,998,896	7,422,419
	BILINGUAL EDUCATION	84.003	COMMUNITY COLLEGE SYSTEM	219,993		219,993
		84.003	EDUCATION	76,279		76,279
	DESEGREGATION ASSIST/CIVIL RIGHTS TRAIN	84.004	EDUCATION	361,193		361,193
	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS	84.007	COMMUNITY COLLEGE SYSTEM	900,547	15,229	915,776
		84.007	STATE UNIVERSITY SYSTEM	1,972,365		1,972,365
	HANDICAPPED EDUCATION-STATE SCHOOLS	84.009	EDUCATION	241,609		241,609
	MIGRANT EDUCATION-BASIC STATE FORMULA	84.011	EDUCATION	2,275,224		2,275,224
	EDUCATIONALLY DEPRIVED CHILDREN-STATE ADM	84.012	EDUCATION	411,146		411,146
	CHAPTER 1 NEGLECTED & DELINQUENT CHILDREN	84.013	EDUCATION	256,787		256,787
	UNDERGRADUATE INTERNATIONAL STUDIES	84.016	COMMUNITY COLLEGE SYSTEM	109,568		109,568
	FULBRIGHT HAYS TRAINING PROJECTS ABROAD	84.021	STATE UNIVERSITY SYSTEM	(38)		(38)
	DISABLED-INNOVATION & DEVELOPMENT	84.023	STATE UNIVERSITY SYSTEM	48,178		48,178
	EARLY ED FOR CHILDREN WITH DISABILITIES	84.024	HEALTH	116,974		116,974
	DEAF-BLIND CHILDREN & YOUTH SERVICES	84.025	EDUCATION	55,730		55,730
	SPECIAL EDUCATION PERSONNEL DEVELOPMENT	84.029	EDUCATION	68,554		68,554
		84.029	STATE UNIVERSITY SYSTEM	210,628		210,628
	HIGHER EDUCATION-INSTITUTION AID	84.031	COMMUNITY COLLEGE SYSTEM	788,210		788,210
	COLLEGE WORK-STUDY PROGRAM	84.033	COMMUNITY COLLEGE SYSTEM	1,784,446	772,843	2,557,289
		84.033	STATE UNIVERSITY SYSTEM	3,553,381		3,553,381
	PUBLIC LIBRARY SERVICES	84.034	EDUCATION	2,128,468	5,200,300	7,328,768
	INTERLIBRARY COOP & RESOURCE SHARING	84.035	EDUCATION	339,288		339,288
	STUDENT SUPPORT SERVICES	84.042	COMMUNITY COLLEGE SYSTEM	874,720		874,720
		84.042	STATE UNIVERSITY SYSTEM	489,152		489,152

Footnote: a A correct program number cannot be determined.

STATE OF MINNESOTA
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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	TALENT SEARCH	84.044	COMMUNITY COLLEGE SYSTEM	\$167,944	\$	\$167,944
		84.044	STATE UNIVERSITY SYSTEM	88,686	23,945	112,631
	CONTINUING EDUCATION OUTREACH-STATE ADM	84.046	STATE UNIVERSITY SYSTEM	10,149		10,149
	UPWARD BOUND	84.047	COMMUNITY COLLEGE SYSTEM	520,131		520,131
		84.047	STATE UNIVERSITY SYSTEM	465,663	97,789	563,452
	VOC ED-CONSUMER & HOMEMAKER EDUCATION	84.049	TECHNICAL COLLEGE SYSTEM	505,485		505,485
	VOCATIONAL EDUCATION-STATE COUNCILS	84.053	COUNCIL ON VOC TECH EDUC	124,408		124,408
	HIGHER EDUCATION-COOPERATIVE EDUCATION	84.055	COMMUNITY COLLEGE SYSTEM	59,360	47,256	106,616
	VETERANS EDUCATION OUTREACH PROGRAM	84.064	COMMUNITY COLLEGE SYSTEM	4,350	4,350	8,700
	EDUCATIONAL OPPORTUNITY CENTERS	84.066	COMMUNITY COLLEGE SYSTEM	243,971		243,971
	STATE STUDENT INCENTIVES GRANTS	84.069	HIGHER EDUCATION COORD BD	1,144,304	572,152	1,716,456
	PATRICIA ROBERTS HARRIS FELLOWSHIPS	84.094	STATE UNIVERSITY SYSTEM	163,630		163,630
	IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116	STATE UNIVERSITY SYSTEM	201		201
	REHABILITATION SERVICES PROJECTS	84.128	JOBS & TRAINING	821,910	35,634	857,544
	REHABILITATION TRAINING	84.129	JOBS & TRAINING	70,767	8,464	79,231
		84.129	STATE UNIVERSITY SYSTEM	95,232	64,758	159,990
	CENTERS FOR INDEPENDENT LIVING	84.132	JOBS & TRAINING	547,160	106,975	654,135
	DISABILITY & REHABILITATION RESEARCH	84.133	JOBS & TRAINING	20,895		20,895
	TRANSITION PROGRAM FOR REFUGEE CHILDREN	84.146	EDUCATION	711		711
	BUSINESS & INTERNATIONAL EDUCATION	84.153	COMMUNITY COLLEGE SYSTEM	30,384	30,384	60,768
		84.153	STATE UNIVERSITY SYSTEM	1,139	570	1,709
	PUBLIC LIBRARY CONSTRUCTION/TECHNOLOGY	84.154	EDUCATION	234,116		234,116
	DISABLED-SPECIAL STUDIES & EVALUATION	84.159	EDUCATION	1,086		1,086
	EMERGENCY IMMIGRANT EDUCATION	84.162	EDUCATION	111,435		111,435
	EISENHOWER MATH & SCIENCE EDUCATION-STATE	84.164	EDUCATION	1,253,418		1,253,418
		84.164	HIGHER EDUCATION COORD BD	444,684		444,684
	LIBRARY LITERACY	84.167	EDUCATION	5,411		5,411
	INDEPENDENT LIVING COMPREHENSIVE SERVICES	84.169	JOBS & TRAINING	202,395	18,386	220,781
	SPECIAL EDUCATION-PRESCHOOL GRANTS	84.173	EDUCATION	5,518,180		5,518,180
	VOC ED-COMMUNITY BASED ORGANIZATIONS	84.174	TECHNICAL COLLEGE SYSTEM	177,681		177,681
	PAUL DOUGLAS TEACHER SCHOLARSHIPS	84.176	HIGHER EDUCATION COORD BD	281,234		281,234
	OLDER BLIND INDIVIDUALS INDEPENDENT LIVING	84.177	JOBS & TRAINING	247,458	59,355	306,813
	INFANTS & TODDLERS WITH DISABILITIES	84.181	EDUCATION	839,925		839,925
		84.181	STATE UNIVERSITY SYSTEM	89,876		89,876
	DRUG PREVENTION	84.183	COMMUNITY COLLEGE SYSTEM	42,038		42,038
		84.183	STATE UNIVERSITY SYSTEM	36,413		36,413
	ROBERT C BYRD HONORS SCHOLARSHIPS	84.185	EDUCATION	144,959		144,959
	DRUG FREE SCHOOLS & COMMUNITIES-STATE	84.186	EDUCATION	5,390,268		5,390,268
		84.186	STATE PLANNING	145,215		145,215
	ADULT EDUCATION FOR THE HOMELESS	84.192	EDUCATION	91,431		91,431

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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	DISLOCATED WORKERS TRAINING	84.193	TECHNICAL COLLEGE SYSTEM	\$99,140	\$	\$99,140
	HOMELESS CHILDREN & YOUTH EDUCATION	84.196	EDUCATION	59,686		59,686
	COLLEGE LIBRARY TECHNOLOGY	84.197	STATE UNIVERSITY SYSTEM	25,652	8,465	34,117
	SCHOOL COLLEGE & UNIVERSITY PARTNERSHIP	84.204	STATE UNIVERSITY SYSTEM	223,082	89,233	312,315
	PRIVATE SCHOOL-CAPITAL EXPENSES	84.216	EDUCATION	561,141		561,141
	STATE PROGRAM IMPROVEMENT GRANTS	84.218	EDUCATION	81,871		81,871
	STUDENT LITERACY CORPS	84.219	COMMUNITY COLLEGE SYSTEM	40,838		40,838
	ENGLISH LITERACY PROGRAM	84.223	EDUCATION	23,199		23,199
	TECHNOLOGY RELATED DISABILITIES-STATE	84.224	STATE PLANNING	578,746		578,746
ENERGY	PEAT RESOURCE-RESEARCH & DEVELOPMENT	81.00X a	NATURAL RESOURCES	1,400		1,400
	STATE ENERGY CONSERVATION	81.041 b	ADMINISTRATION	506,268		506,268
		81.041 b	AGRICULTURE	70,000		70,000
		81.041 b	HOUSING FINANCE	300,000		300,000
		81.041 b	PUBLIC SERVICE	3,456,133		3,456,133
	PRE-FRESHMAN ENRICHMENT	81.047	STATE UNIVERSITY SYSTEM	1,905		1,905
	ENERGY EXTENSION SERVICE	81.050	PUBLIC SERVICE	248,542	52,220	300,762
	INSTITUTIONAL BLDGS ENERGY CONSERVATION	81.052	PUBLIC SERVICE	22,000	47,296	69,296
	REGIONAL BIOMASS PROGRAMS	81.079	PUBLIC SERVICE	18,248	26,105	44,353
	STATE HEATING OIL GRANTS	81.090	PUBLIC SERVICE	9,600	9,600	19,200
ENVIRONMENTAL PROTECTION	PUBLIC INFORMATION	66.00X a	PUBLIC SAFETY	23,527	7,842	31,369
	AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001	POLLUTION CONTROL	1,421,557	1,822,872	3,244,429
	STATE INDOOR RADON GRANTS	66.032	HEALTH	11,228	23,070	34,298
	WASTEWATER TREATMENT WORKS CONSTRUCTION	66.418	POLLUTION CONTROL	146,482		146,482
	WATER POLLUTION CONTROL-STATE/INTERSTATE	66.419	AGRICULTURE	15,481		15,481
		66.419	HEALTH	65,357	28,795	94,152
		66.419	POLLUTION CONTROL	1,259,120	2,400,348	3,659,468
	WATER QUALITY CONTROL INFORMATION SYSTEM	66.423	POLLUTION CONTROL	39,180	4,638	43,818
		66.423	STATE UNIVERSITY SYSTEM	5,945	297	6,242
	CONSTRUCTION MANAGEMENT ASSISTANCE	66.438	POLLUTION CONTROL	884,330		884,330

Footnotes: a A correct program number cannot be determined.
b See note 7 on page 26.

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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
ENVIRONMENTAL PROTECTION (CONTINUED)	WATER QUALITY MANAGEMENT PLANNING	66.454	POLLUTION CONTROL	\$365,529	\$72,025	\$437,554
	NONPOINT SOURCE RESERVATION	66.459	AGRICULTURE	25,644	50,818	76,462
	PESTICIDES CONTROL RESEARCH	66.459	POLLUTION CONTROL	918,373	768,670	1,687,043
	WASTEWATER POLLUTION CONTROL-RESEARCH	66.502	AGRICULTURE	117,587	304,072	421,659
		66.505	NATURAL RESOURCES	28,468		28,468
		66.505	POLLUTION CONTROL	424,478	56,764	481,242
	SAFE DRINKING WATER RESEARCH & DEMO	66.506	HEALTH	1,139,455	1,558,436	2,697,891
	ENVIRONMENT PROTECTION SUPPORT GRANTS	66.600	POLLUTION CONTROL	198,124	16,687	214,811
	CONSOLIDATED PESTICIDES COMPLIANCE	66.700	AGRICULTURE	275,996	1,811,851	2,087,847
	TOXIC SUBSTANCES COMPLIANCE MONITORING	66.701	POLLUTION CONTROL	50,344	35,913	86,257
	TOXIC RELEASE INVENTORY	66.750	PUBLIC SAFETY	2,179	806	2,985
	STATE MINE WASTE PROGRAM	66.80X a	NATURAL RESOURCES	57,411		57,411
	HAZARDOUS WASTE MGMT STATE PROGRAM	66.801	ATTORNEY GENERAL	26,002		26,002
		66.801	POLLUTION CONTROL	1,201,588	642,150	1,843,738
	HAZARDOUS SUBSTANCE RESPONSE TRUST FUND	66.802	POLLUTION CONTROL	5,027,872	44,409	5,072,281
	STATE UNDERGROUND STORAGE TANKS	66.804	POLLUTION CONTROL	204,162	56,397	260,559
	UNDERGROUND STORAGE TANK TRUST FUND	66.805	POLLUTION CONTROL	2,635,669	439,630	3,075,299
	SOLID WASTE MANAGEMENT ASSISTANCE	66.808	POLLUTION CONTROL	93,999	359	94,358
	STATE POLLUTION PREVENTION INCENTIVES	66.900	WASTE MANAGEMENT	30,458		30,458
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	EMPLOYMENT DISCRIMINATION-STATE & LOCAL	30.002	HUMAN RIGHTS	414,000		414,000
FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION	NATIONAL FIRE ACADEMY EDUCATIONAL PROGRAM	83.010	PUBLIC SAFETY	5,170		5,170
	STATE ASSISTANCE PROGRAM	83.501	PUBLIC SAFETY	94,217		94,217
	CIVIL DEFENSE-STATE & LOCAL EMERGENCY	83.503	PUBLIC SAFETY	1,334,427	413,783	1,748,210
	STATE DISASTER PREPAREDNESS GRANTS	83.505	PUBLIC SAFETY	41,116	41,116	82,232
	RADIOLOGICAL INSTRUMENTATION	83.508	PUBLIC SAFETY	103,104		103,104
	RADIOLOGICAL DEFENSE PLNG & DEVELOPMENT	83.511	PUBLIC SAFETY	50,555		50,555
	STATE & LOCAL EMERGENCY OPERATING CENTERS	83.512	PUBLIC SAFETY	116,577		116,577
	STATE & LOCAL WARNING COMMUNICATION	83.513	PUBLIC SAFETY	87,403		87,403
	POPULATION PROTECTION PLANNING	83.514	PUBLIC SAFETY	113,609		113,609

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STATE OF MINNESOTA
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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION (CONTINUED)	DISASTER ASSISTANCE	83.516	PUBLIC SAFETY	\$692,371	\$434	\$692,805
	EMERGENCY MGMT INSTITUTE-FIELD TRAINING	83.528	PUBLIC SAFETY	283,681	70,920	354,601
HEALTH & HUMAN SERVICES	HUMAN IMMUNODEFICIENCY VIRUS SERVICES	13.168	HEALTH	97,887		97,887
	JOB OPPORTUNITIES & BASIC SKILLS TRAINING	93.021	JOBS & TRAINING	212,912		212,912
	ASSISTANT PAYMENTS-RESEARCH	93.022	JOBS & TRAINING	2,192,045		2,192,045
	FOOD & DRUG ADMINISTRATION RESEARCH	93.103	AGRICULTURE	39,372		39,372
	MATERNAL & CHILD HEALTH FED CONSOLIDATED	93.110	HEALTH	384,046		384,046
	ENVIRONMENTAL HEALTH HAZARDS	93.112	HEALTH	210,077		210,077
	ENVIRONMENTAL EXPOSURES HEALTH RISKS	93.115	HEALTH	99,123		99,123
	TUBERCULOSIS CONTROL PROGRAMS	93.116	HEALTH	52,932		52,932
	ACQUIRED IMMUNODEFICIENCY SYNDROME	93.118	EDUCATION	232,818		232,818
		93.118	HEALTH	2,713,124		2,713,124
	MENTAL HEALTH PLANNING & DEMONSTRATION	93.125	HUMAN SERVICES	28,716		28,716
	INJURY PREVENTION & CONTROL RESEARCH	93.136	HEALTH	341,529		341,529
	TEMPORARY AIDS DRUG REIMBURSEMENTS	93.146	HUMAN SERVICES	85,901		85,901
	ASSIST IN TRANSITION FROM HOMELESSNESS	93.150	HUMAN SERVICES	333,812	264,897	598,709
	TOXIC SUBSTANCES & DISEASE REGISTRY	93.161	HEALTH	47,041		47,041
	COMMUNITY YOUTH ACTIVITY BLOCK GRANTS	93.171	HUMAN SERVICES	116,169		116,169
	UNIFORM ALCOHOL & DRUG ABUSE DATA-STATE	93.179	HUMAN SERVICES	114,660		114,660
	HEALTH SERVICES RESEARCH & DEVELOPMENT	93.226	HEALTH	84,495		84,495
	MENTAL HEALTH RESEARCH GRANTS	93.242	HUMAN SERVICES	119,949		119,949
		93.242	STATE UNIVERSITY SYSTEM	113,691		113,691
	MENTAL HEALTH CLINIC OR SERVICE TRAINING	93.244	HUMAN SERVICES	81,249		81,249
	CHILDHOOD IMMUNIZATION GRANTS	93.268	HEALTH	384,465		384,465
	CENTER FOR DISEASE CONTROL ASSISTANCE	93.283	HEALTH	496,896		496,896
	ADVANCED NURSE EDUCATION	93.299	STATE UNIVERSITY SYSTEM	10,884		10,884
	NURSE TRAINEESHIPS	93.358	STATE UNIVERSITY SYSTEM	16,735		16,735
	ACADEMIC RESEARCH ENHANCEMENT AWARD	93.390	STATE UNIVERSITY SYSTEM	18,681		18,681
	CANCER CAUSE & PREVENTION RESEARCH	93.393	STATE UNIVERSITY SYSTEM	31,980		31,980
	CANCER CONTROL	93.399	HEALTH	114,904		114,904
	HEAD START ADMINISTRATION	93.600	STATE UNIVERSITY SYSTEM	63,688		63,688
	CHILD WELFARE RESEARCH & DEMONSTRATION	93.608	HUMAN SERVICES	5,336		5,336
	CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIPS	93.614	STATE UNIVERSITY SYSTEM	14,232		14,232
	DEVELOPMENTAL DISABILITIES-BASIC SUPPORT	93.630	STATE PLANNING	959,438	46,000	1,005,438
	DISABILITIES-NATIONAL SIGNIFICANCE	93.631	STATE PLANNING	4,929		4,929

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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
HEALTH & HUMAN SERVICES (CONTINUED)	FRAIL OLDER INDIVIDUALS IN-HOME SERVICES	93.641	HUMAN SERVICES	\$96,187	\$	\$96,187
	CHILDRENS JUSTICE GRANTS TO STATES	93.643	HUMAN SERVICES	270,677		270,677
	CHILD WELFARE SERVICES-STATE GRANTS	93.645	HUMAN SERVICES	5,544,923		5,544,923
	CHILD WELFARE SERVICES TRAINING GRANTS	93.648	STATE UNIVERSITY SYSTEM	2,403		2,403
	ADOPTION OPPORTUNITIES ADMINISTRATION	93.652	HUMAN SERVICES	37,393	9,269	46,662
	TEMPORARY CHILD CARE & CRISIS NURSERIES	93.656	HUMAN SERVICES	52,628		52,628
	RETIRED SENIOR VOLUNTEERS	93.663	HUMAN SERVICES	7,150	25,000	32,150
	SPECIAL AGING PROGRAMS-TITLE IV	93.668	HUMAN SERVICES	33,467		33,467
	CHILD ABUSE & NEGLECT DISCRETIONARY	93.670	HUMAN SERVICES	171,755		171,755
	FAMILY VIOLENCE & PREVENTION SERVICES	93.671	CORRECTIONS	118,879		118,879
	CHILD ABUSE CHALLENGE GRANTS	93.672	PUBLIC SAFETY	51,488		51,488
	DEPENDENT CARE PLANNING & DEVELOPMENT	93.673	EDUCATION	199,044		199,044
	STATE MEDICAID FRAUD CONTROL UNITS	93.775	ATTORNEY GENERAL	576,108	120,122	696,230
	STATE HEALTH CARE PROVIDERS & SUPPLIES	93.777	HEALTH	3,326,397		3,326,397
		93.777	HUMAN SERVICES	3,361,938	396,088	3,758,026
		93.777	PUBLIC SAFETY	329,699	315,537	645,236
	SUPPLEMENTAL SECURITY INCOME	93.807	HUMAN SERVICES	188,037		188,037
	HEALTH CAREERS OPPORTUNITY PROGRAM	93.822	COMMUNITY COLLEGE SYSTEM	102,485		102,485
	BLOOD DISEASES & RESOURCES RESEARCH	93.839	STATE UNIVERSITY SYSTEM	10,951		10,951
	MICROBIOLOGY & INFECTIOUS DISEASES	93.856	HEALTH	550,644		550,644
	MEDICAL LIBRARY ASSISTANCE	93.879	STATE UNIVERSITY SYSTEM	23,803		23,803
	CRITICAL POPULATIONS TREATMENT	93.902	HUMAN SERVICES	274,116		274,116
	HEALTH PROFESSIONS INDIAN RECRUITMENT	93.970	STATE UNIVERSITY SYSTEM	50,882		50,882
	SEXUALLY TRANSMITTED DISEASES CONTROL	93.977	HEALTH	644,966		644,966
	HEALTH PROGRAMS FOR REFUGEES	93.987	HEALTH	143,681		143,681
	STATE DIABETES CONTROL PROGRAMS	93.988	HEALTH	299,551		299,551
	PREVENTIVE HEALTH & SERVICES BLOCK GRANT	93.991	HEALTH	2,339,581		2,339,581
HOUSING & URBAN DEVELOPMENT	LOWER INCOME RENTAL & COOPERATIVE HOUSING	14.103	HOUSING FINANCE	539,331		539,331
	MANUFACTURED HOME CONSTRUCTION & SAFETY	14.171	ADMINISTRATION	17,688		17,688
	COMMUNITY DEVELOPMENT BLOCK-SMALL CITIES	14.219	INDIAN AFFAIRS	2,519		2,519
	RENTAL HOUSING REHABILITATION	14.230	HOUSING FINANCE	1,429,935		1,429,935
	EMERGENCY SHELTER GRANTS PROGRAM	14.231	JOBS & TRAINING	389,715	1,116,614	1,506,329
	EQUAL OPPORTUNITY IN HOUSING	14.400	HUMAN RIGHTS	31,400		31,400
INFORMATION	EDUCATIONAL EXCHANGE-GRADUATE STUDENTS	82.001	STATE UNIVERSITY SYSTEM	5,025		5,025

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INTERIOR	FISH & WILDLIFE COORDINATION ACT	15.00X a	WATER & SOIL RESOURCES BD	\$14,860	\$	\$14,860
	WILDLIFE HABITAT MANAGEMENT ASSISTANCE	15.219	NATURAL RESOURCES	96,196		96,196
	MINERALS-OPEN PIT HYDROLOGY	15.3XX a	NATURAL RESOURCES	12,163		12,163
	UPPER MISSISSIPPI RIVER ENVIRONMENT MGMT	15.6XX a	NATURAL RESOURCES	376,886		376,886
	ANADROMOUS FISH CONSERVATION	15.600	NATURAL RESOURCES	28,635	28,635	57,270
	ENVIRONMENTAL CONTAMINANT	15.607	NATURAL RESOURCES	79,664	14,058	93,722
	WILDLIFE RESEARCH INFORMATION	15.610	NATURAL RESOURCES	99,672		99,672
	WILDLIFE RESTORATION	15.611	NATURAL RESOURCES	3,679,162	1,226,388	4,905,550
	ENDANGERED SPECIES CONSERVATION	15.612	NATURAL RESOURCES	75,366	4,533	79,899
	WOLF STUDY-VOYAGERS NATIONAL PARK	15.9XX a	NATURAL RESOURCES	6,508		6,508
	HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904	HISTORICAL SOCIETY	329,757	329,757	659,514
	OUTDOOR RECREATION-ACQUIS, DEVEL & PLNG	15.916	TRADE & ECONOMIC DEVELOP	310,766		310,766
JUSTICE	MARIJUANA ERADICATION	16.00X a	PUBLIC SAFETY	43,778		43,778
	UNIFORM CRIME REPORTS	16.305	PUBLIC SAFETY	74,652		74,652
	JUVENILE JUSTICE & DELINQUENCY PREVENTION	16.540	JOBS & TRAINING	661,021	92,978	753,999
	MISSING CHILDREN ASSISTANCE	16.543	PUBLIC SAFETY	1,693		1,693
	CRIMINAL JUSTICE STATISTICS DEVELOPMENT	16.550	STATE PLANNING	49,281		49,281
	MARIEL-CUBANS	16.572	CORRECTIONS	17,734		17,734
	CRIME VICTIM ASSISTANCE	16.575	CORRECTIONS	1,140,840		1,140,840
	CRIME VICTIM COMPENSATION	16.576	PUBLIC SAFETY	499,744		499,744
	DRUG CONTROL & SYSTEM IMPROVEMENT	16.579	PUBLIC SAFETY	3,415,006	122,374	3,537,380
		16.579	STATE PLANNING	5,330		5,330
	CRIME VICTIM ASSISTANCE/DISCRETIONARY	16.582	CORRECTIONS	4,000		4,000
LABOR	NATIONAL OCCUPATIONAL INFORMATION	17.00X a	JOBS & TRAINING	112,682		112,682
	LABOR FORCE STATISTICS	17.002	JOBS & TRAINING	1,199,382		1,199,382
	SENIOR COMMUNITY SERVICE EMPLOYMENT	17.235	JOBS & TRAINING	1,651,389	301,252	1,952,641
	TRADE ADJUSTMENT ASSISTANCE-WORKERS	17.245	JOBS & TRAINING	717,879		717,879
	DISLOCATED WORKERS	17.246	JOBS & TRAINING	6,377,379	2,869,554	9,246,933
	OCCUPATIONAL SAFETY & HEALTH	17.500	HEALTH	627,403	408,102	1,035,505
	MINE HEALTH & SAFETY GRANTS	17.600	TECHNICAL COLLEGE SYSTEM	162,457		162,457

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STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
LABOR (CONTINUED)	DISABLED VETERANS OUTREACH PROGRAM	17.801	JOBS & TRAINING	\$1,400,831	\$	\$1,400,831
	VETERANS EMPLOYMENT PROGRAM	17.802	JOBS & TRAINING	128,385	76,925	205,310
	LOCAL VETERANS EMPLOYMENT REPRESENTATIVE	17.804	JOBS & TRAINING	1,594,516		1,594,516
LIBRARY OF CONGRESS	IMPROVING ELEMENTARY TEACHERS	42.051	STATE UNIVERSITY SYSTEM	1,493		1,493
NATIONAL AERONAUTICS & SPACE ADMINISTRATION	PROJECT JOVE	43.00X a	STATE UNIVERSITY SYSTEM	14,885		14,885
NATIONAL FOUNDATION ARTS & HUMANITIES	PROMOTION OF THE ARTS-STATE PROGRAMS	45.007	STATE ARTS BOARD	471,076	490,000	961,076
	PROMOTION OF THE ARTS-EXPANSION ARTS	45.010	STATE ARTS BOARD	176,760	176,760	353,520
	PROMOTION OF THE HUMANITIES-STATE	45.129	STATE UNIVERSITY SYSTEM	(162)		(162)
	MUSEUM SERVICES INSTITUTE	45.301	ZOOLOGICAL GARDEN	2,567		2,567
NATIONAL SCIENCE FOUNDATION	ENGINEERING GRANTS	47.041	STATE UNIVERSITY SYSTEM	37,895	18,948	56,843
	MATHEMATICAL & PHYSICAL SCIENCES	47.049	COMMUNITY COLLEGE SYSTEM	4,426	4,787	9,213
		47.049	STATE UNIVERSITY SYSTEM	28,043		28,043
	ASTRONOMICAL ATMOSPHERIC EARTH & OCEAN	47.050	STATE UNIVERSITY SYSTEM	41,982		41,982
	BIOLOGICAL BEHAVIORAL & SOCIAL SCIENCES	47.051	STATE UNIVERSITY SYSTEM	57,369		57,369
	TEACHER PREPARATION & ENHANCEMENT	47.066	COMMUNITY COLLEGE SYSTEM	51,587		51,587
	MATERIALS DEVELOPMENT & RESEARCH	47.067	STATE UNIVERSITY SYSTEM	6,326		6,326
	UNDERGRADUATE SCIENCE/ENGINEERING/MATH	47.071	STATE UNIVERSITY SYSTEM	92,349	45,303	137,652
	YOUNG SCHOLARS	47.072	STATE UNIVERSITY SYSTEM	82,756	22,344	105,100
		47.072	ZOOLOGICAL GARDEN	27,443		27,443
SMALL BUSINESS ADMINISTRATION	SMALL BUSINESS DEVELOPMENT CENTER	59.037	COMMUNITY COLLEGE SYSTEM	16,107	17,915	34,022

Footnote: a A correct program number cannot be determined.

STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1991

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
SMALL BUSINESS ADMINISTRATION (CONTINUED)	SMALL BUSINESS DEVELOPMENT CENTER	59.037	STATE UNIVERSITY SYSTEM	\$681,667	\$	\$681,667
		59.037	TRADE & ECONOMIC DEVELOP	1,133,740	195,228	1,328,968
TRANSPORTATION	WEATHER OBSERVATION	20.00X a	TRANSPORTATION	13,092	11,620	24,712
	BOATING SAFETY FINANCIAL ASSISTANCE	20.005	NATURAL RESOURCES	1,180,623	1,180,623	2,361,246
	AVIATION EDUCATION	20.100	TRANSPORTATION	2,000,000		2,000,000
	MOTOR CARRIER SAFETY	20.217	PUBLIC SAFETY	241,160		241,160
	MOTOR CARRIER SAFETY ASSISTANCE PROGRAM	20.218	PUBLIC SAFETY	1,122,187	280,547	1,402,734
		20.218	TRANSPORTATION	0	99,255	99,255
	LOCAL RAIL SERVICE ASSISTANCE	20.308	TRANSPORTATION	390,288	1,069,566	1,459,854
	UMTA CAPITAL IMPROVEMENT GRANTS	20.500	TRANSPORTATION	1,544,313	391,966	1,936,279
	UMTA TECHNICAL STUDIES GRANTS	20.505	TRANSPORTATION	139,582		139,582
	PUBLIC TRANSPORTATION NONURBANIZED AREAS	20.509	TRANSPORTATION	1,479,854	2,329,696	3,809,550
	UMTA TECHNICAL ASSISTANCE	20.512	TRANSPORTATION	(6,650)		(6,650)
	STATE & COMMUNITY HIGHWAY SAFETY	20.600	PUBLIC SAFETY	2,437,342		2,437,342
	PIPELINE SAFETY	20.700	PUBLIC SAFETY	239,553	239,553	479,106
VETERANS ADMINISTRATION	STATE HOME FACILITIES CONSTRUCTION GRANTS	64.005	ADMINISTRATION	468,057		468,057
	VETERANS STATE DOMICILIARY CARE	64.014 b	VETERANS AFFAIRS	842,733	842,733	1,685,466
	VETERANS STATE NURSING HOME CARE	64.015 b	VETERANS AFFAIRS	2,521,283	2,521,283	5,042,566
	VETERANS EDUCATIONAL ASSISTANCE	64.111	EDUCATION	197,868		197,868
		64.111	LABOR & INDUSTRY	18,521		18,521
TOTAL NONMAJOR PROGRAMS				<u>\$157,524,648</u>	<u>\$42,030,936</u>	<u>\$199,555,584</u>

Footnotes: a A correct program number cannot be determined.

b Total operating expenditures under programs 64.014 and 64.015 for the period were \$18,911,617. The required 50% match for each program was met.

STATE OF MINNESOTA
NOTES TO THE FEDERAL PROGRAMS FINANCIAL STATEMENTS
JUNE 30, 1991

These notes provide disclosure relevant to the financial statements on the preceding pages.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The reporting policies for fiscal year 1991 conform to the Single Audit Act of 1984 and to the agreements reached with the U.S. Department of Agriculture-Office of Inspector General. Financial statements for federal programs are divided into two sections by type, those for major and those for nonmajor federal programs. The section for major programs includes programs that are material to the State of Minnesota. The section for nonmajor programs includes programs classified as immaterial on a statewide basis. The financial statements for federal programs are presented on an accrual basis and include all federal expenditures and required match.

For purposes of financial reporting, federal programs are identified by the Catalog of Federal Domestic Assistance (CFDA) number from the June 1991 basic edition catalog. Certain CFDA numbers presented are no longer operating programs. They are the result of carryover of funds from previous years. The statements are presented in numeric CFDA order within each federal agency.

Financial Reporting Entity of the State of Minnesota

This report includes federal programs for all the various state departments, agencies, institutions and organizational units which are controlled by or dependent upon the Minnesota Legislature and/or its constitutional officers. These are programs considered to be part of the state's reporting entity, which has been defined in accordance with the standards set by the Governmental Accounting Standards Board. The criteria used to determine the state's reporting entity were degrees of financial interdependence, fiscal accountability, administrative control, and scope of public service. All governmental units not meeting those criteria, and therefore construed to be autonomous from the state, have been excluded from this report.

Basis of Accounting

Accrual basis accounting was used in this report for all federal programs for the State of Minnesota. All financial activity presented is for the state's fiscal year ended June 30, 1991. Most federal financial assistance is accounted for in the statewide accounting system; however, some state agencies maintain additional manual records or separate cost accounting systems to provide additional detail. A few programs are accounted for on separate accounting systems. This report is designed to meet the reporting needs of the single audit and supplements the state's Comprehensive Annual Financial Report.

The state's Comprehensive Annual Financial Report is presented in accordance with generally accepted accounting principles (GAAP) and follows the accrual or modified accrual basis of accounting, as appropriate for the fund structure. Most federal activity is accounted for in the Federal Fund (a special revenue fund), but several other special revenue funds (Trunk Highway, Natural Resources and Miscellaneous Special Revenue Funds) and enterprise funds (Housing Finance Agency Loan, State University Board Revenue and Higher Education Coordinating Board Student Loan Funds, and College and University Activities) include federal activity. The statewide accounting system is the primary source

for financial information. Federal activity as reported in these statements is not traceable to that reported in the state's Comprehensive Annual Financial Report because several funds are used to account for federal activity and because of some commingling of state and federal funds.

Classification of Statement Information

Expenditures are presented for all federal programs. Where match is required, expenditures include both federal funds and state match. Expenditures include all disbursements, transfers-out (subgrants to other state agencies) and accrued expenditures (net of expenditure refunds) for the period July 1, 1990 through June 30, 1991, under the terms of the federal program. Subgrants are contributions by the state to other governmental and nongovernmental organizations, or to individuals, or are payments to a third party on behalf of individuals for whom services were provided. Transfers-out represent subgrants from one state agency to one or more other state agencies.

Match represents the state's required portion of participation in a federal program. Usually a minimum percentage for matching share is prescribed by federal program legislation. Matching share requirements may be cash or in-kind contributions. Match for reporting purposes includes only amounts processed by the state and does not include amounts paid by local governments. State match presented on the financial statements is based on the state's fiscal year. This match may be insufficient as of June 30, 1991. The final match for a federal program is calculated using the grant period rather than the state's fiscal year.

In-kind match represents the value of noncash contributions provided. In-kind contributions may consist of charges for real property, equipment, and the value of goods and services directly benefiting and specifically identifiable to the grant program.

2. MINNESOTA DEPARTMENT OF TRANSPORTATION

The Highway Planning and Construction Program (20.205) for the Minnesota Department of Transportation (MnDOT) operates under various federal reimbursement percentages, depending on the specific grant and agreement involved. The state match required by each agreement was met in all cases.

3. MINNESOTA HIGHER EDUCATION COORDINATING BOARD

The Guaranteed Student Loans Program (84.032) for the Minnesota Higher Education Coordinating Board (MHECB) receives interest income subsidy entitlement grants based on the amount of outstanding guaranteed student loans. The amount of federal grants reported for this program is based on the subsidy provided for fiscal year 1991. Below is a summary of the MHECB guaranteed student loan activity during fiscal year 1991:

Loans Receivable July 1, 1990	\$ 58,550,396
Loan Repayments	(12,739,553)
New Loans Issued	<u>0</u>
Loans Receivable June 30, 1991	<u>\$ 45,810,843</u>

4. OTHER GUARANTEED STUDENT LOANS

Loans are also made by financial institutions for students attending institutions of higher education. Students attending the Minnesota Community College System were issued \$13,523,539 and students attending the State University System were awarded \$37,687,789 of new guaranteed student loans during fiscal year 1991.

5. PERKINS AND NURSING STUDENT LOAN PROGRAMS

The amounts reported on the financial statements for the Perkins Loans (84.038) and the Nursing Student Loans (NSL) Program (93.364), for the Community College System (CCS) and the State University System (SUS) are the administrative and collection costs. Below is a summary of the loan activity for each program during fiscal year 1991:

	PERKINS		NSL	
	CCS	SUS	CCS	SUS
Loans Receivable July 1, 1990	\$5,650,120	\$26,171,116	\$333,298	\$ 91,440
Loan Repayments	(839,870)	(3,727,200)	(58,145)	(25,095)
Loan Cancellations	(36,162)	(180,840)	0	0
Writeoffs	0	(7,227)	0	0
New Loans Issued	<u>1,417,266</u>	<u>4,373,788</u>	<u>126,251</u>	<u>0</u>
Loans Receivable June 30, 1991	<u>\$6,191,354</u>	<u>\$26,629,637</u>	<u>\$401,404</u>	<u>\$ 66,345</u>

6. MINNESOTA DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

The Department of Trade and Economic Development received \$55,696,657 through the Public Facilities Authority (PFA) for the fiscal year ended June 1991 under the Capitalization Grants for State Revolving Funds Program (66.458). The funds will be used primarily as the backup guarantee for bonds which provide funding for loans to municipalities for wastewater treatment facilities. Below is a summary of the PFA loan activity during fiscal year 1991:

Loans Receivable July 1, 1990	\$45,614,339
Loan Repayments	(4,828,895)
New Loans Issued	<u>94,266,237</u>
Loans Receivable June 30, 1991	<u>\$135,051,681</u>

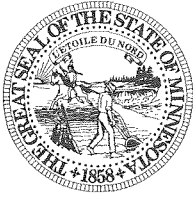
7. OIL OVERCHARGE FUNDING

Grants made from oil overcharge funds are included in this report as federal expenditures for the State Energy Conservation (81.041) and the Weatherization Assistance (81.042) programs. Loans are also administered from these funds by the departments of Finance and Public Service. A summary of the loan activity for fiscal year 1991 is shown below. Amounts for loans from the Department of Finance include state match.

	Finance	Public Service
Loans Receivable July 1, 1990	\$3,404,158	\$ 9,619
Loan Repayments	(569,176)	(2,787)
New Loans Issued	<u>1,944,139</u>	<u>3,544</u>
Loans Receivable June 30, 1991	<u>\$4,799,121</u>	<u>\$10,376</u>

COMPLIANCE SECTION

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STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on the Internal Control Structure
at the Financial Statement Level and the
Federal Financial Assistance Program Level

Members of the Legislature

The Honorable Arne H. Carlson, Governor

John Gunyou, Commissioner of Finance

Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture

We have audited the general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1991, and have issued our report thereon dated November 29, 1991. We have also audited the State of Minnesota's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated February 28, 1992.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the State of Minnesota complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1991, we considered the state's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the state's general purpose financial statements and on its compliance with requirements applicable to major federal financial assistance programs and not to provide assurance on the internal control structure.

The management of the State of Minnesota is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting

Members of the Legislature
The Honorable Arne H. Carlson, Governor
John Gunyou, Commissioner of Finance
Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture
Page 2

principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Applications

- Cash
- Investments
- Loans receivable
- Consumable inventories
- Fixed assets
- Bonded debt
- Revenue/receivables
- Payroll/personnel
- Administrative expenditures
- Grant and aid payments
- Interfund transfers

General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Cost allocation
- Monitoring subrecipients
- Special requirements, if any

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation and we assessed control risk.

Members of the Legislature
The Honorable Arne H. Carlson, Governor
John Gunyou, Commissioner of Finance
Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture
Page 3

During the year ended June 30, 1991 the State of Minnesota expended 93 percent of its total federal financial assistance under major federal financial assistance programs. Because of the large number of nonmajor programs, as identified on pages 14 to 23 of this report, and the decentralized administration of these programs, we perform procedures to obtain an understanding of the internal control structure policies and procedures relevant to nonmajor programs on a cyclical basis.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the state's major federal financial assistance programs, which are identified on pages 10 to 13 of this report for the year ended June 30, 1991. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express an opinion.

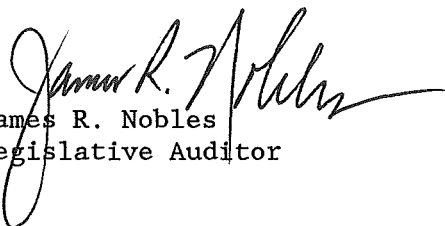
We noted certain matters involving the internal control structure and its operations that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the state's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements or to administer federal financial assistance programs in accordance with applicable laws and regulations. These reportable conditions are described in the audit reports to the applicable state agencies. Those conditions relating to administering federal financial assistance programs of the State of Minnesota are included in the Schedule of Findings Associated With Specific Federal Programs on pages 42 to 57 of this report.

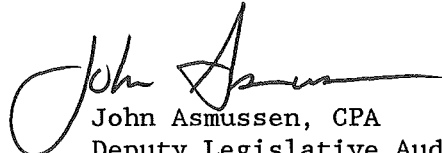
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Members of the Legislature
The Honorable Arne H. Carlson, Governor
John Gunyou, Commissioner of Finance
Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture
Page 4

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe none of the reportable conditions described above is a material weakness in relation to the State of Minnesota's general purpose financial statements. However, we noted certain matters involving the internal control structure and its operation that we consider to be material weaknesses related to the administration of federal financial assistance programs, as shown on the Schedule of Findings Associated With Specific Federal Programs. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in our audit of the State of Minnesota's compliance with requirements applicable to its major federal financial assistance programs for the year ended June 30, 1991, and this report does not affect our report thereon dated February 28, 1992.

This report is intended for the information of the Legislative Audit Commission and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released on June 26, 1992.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 28, 1992
REPORT SIGNED ON: June 16, 1992



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on Compliance
at the Financial Statement Level

Members of the Legislature

The Honorable Arne H. Carlson, Governor

John Gunyou, Commissioner of Finance

Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture

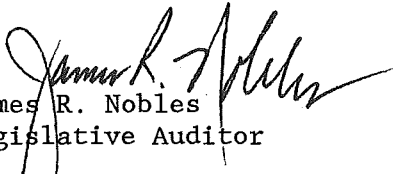
We have audited the general purpose financial statements of the State of Minnesota as of and for the year ended June 30, 1991, and have issued our report thereon dated November 29, 1991.


We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the State of Minnesota, is the responsibility of the state's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the state's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the State of Minnesota complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the state had not complied, in all material respects, with those provisions.

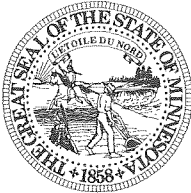
This report is intended for the information of the Legislative Audit Commission and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 26, 1992.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 28, 1992
REPORT SIGNED ON: June 16, 1992

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STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on Compliance With Specific Requirements
Applicable to Major Federal Financial Assistance Programs

Members of the Legislature

The Honorable Arne H. Carlson, Governor

John Gunyou, Commissioner of Finance

Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture

We have audited the State of Minnesota's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; subrecipient monitoring; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs identified on pages 10 to 13 of this report, for the year ended June 30, 1991. The management of the State of Minnesota is responsible for the state's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the State of Minnesota's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our tests of compliance disclosed the material instances of noncompliance shown in the Schedule of Findings Associated With Specific Federal Programs on pages 42 to 57 of this report. Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial activities being audited.

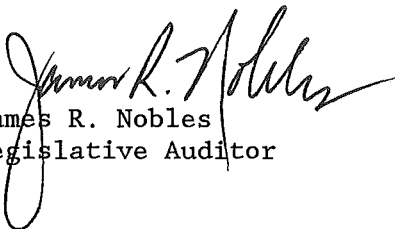
The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described

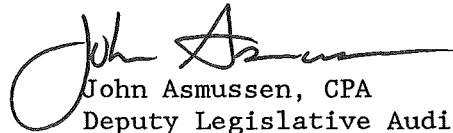
Members of the Legislature
The Honorable Arne H. Carlson, Governor
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Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture
Page 2

in the accompanying Schedule of Findings Associated With Specific Federal Programs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, except for those instances of material noncompliance as discussed in paragraph three, the State of Minnesota complied, in all material respects, with the requirements governing types of services allowed of unallowed; eligibility; matching, level of effort, or earmarking; reporting; subrecipient monitoring; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, for the year ended June 30, 1991.

This report is intended for the information of the Legislative Audit Commission and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 26, 1992.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 28, 1992
REPORT SIGNED ON: June 16, 1992



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on Compliance With the General Requirements
Applicable to Major Federal Financial Assistance Programs

Members of the Legislature

The Honorable Arne H. Carlson, Governor

John Gunyou, Commissioner of Finance

Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture

We have applied procedures to test the State of Minnesota's compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified on pages 10 to 13 of this report, for the year ended June 30, 1991:

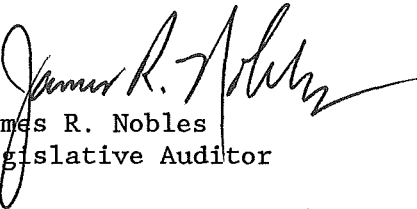
- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

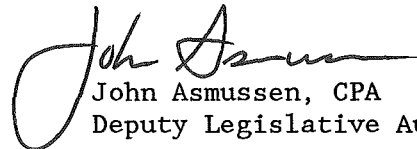
Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the State of Minnesota's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the State of Minnesota had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the Schedule of Findings Associated With Specific Federal Programs on pages 42 to 57 of this report.

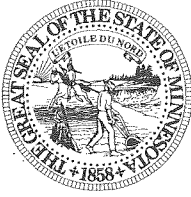
Members of the Legislature
The Honorable Arne H. Carlson, Governor
John Gunyou, Commissioner of Finance
Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture
Page 2

This report is intended for the information of the Legislative Audit Commission, and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 26, 1992.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 28, 1992
REPORT SIGNED ON: June 16, 1992



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708
JAMES R. NOBLES, LEGISLATIVE AUDITOR

Independent Auditor's Report on Compliance With Requirements Applicable
to Nonmajor Federal Financial Assistance Program Transactions

Members of the Legislature

The Honorable Arne H. Carlson, Governor

John Gunyou, Commissioner of Finance

Jesse H. Morris, Regional Inspector General for Audit
United States Department of Agriculture

In connection with our audit of the 1991 general purpose financial statements of the State of Minnesota and with our study and evaluation of the state's internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1991.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the State of Minnesota's compliance with these requirements. Accordingly, we do not express an opinion.

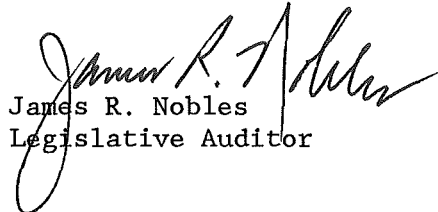
The results of our tests of compliance disclosed the material instances of noncompliance shown in the Schedule of Findings Associated With Specific Federal Programs on pages 42 to 57 of this report. Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial activities being audited.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings Associated With Specific Federal Programs.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, the State of Minnesota complied, in all material respects, with the provisions in the second paragraph of this report, and with respect to the items not tested, nothing came to our attention that caused us to believe that the State of Minnesota had not complied, in all material respects, with those provisions.

Members of the Legislature
The Honorable Arne H. Carlson, Governor
John Gunyou, Commissioner of Finance
Jesse H. Morris, Regional Inspector General for Audit
Page 2

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James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

END OF FIELDWORK: February 28, 1992
REPORT SIGNED ON: June 16, 1992

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT

SCHEDULE OF AUDIT FINDINGS
ASSOCIATED WITH SPECIFIC FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

THE ATTACHED SCHEDULE SUPPLEMENTS THE PRECEDING REPORTS ON
INTERNAL CONTROL AND COMPLIANCE. IT IS INTENDED PRIMARILY TO
REFERENCE OUR AUDIT REPORTS WHICH HAVE BEEN ISSUED TO INDIVIDUAL
STATE AGENCIES. COPIES OF THE INDIVIDUAL REPORTS ARE AVAILABLE
BY CONTACTING OUR OFFICE.

The organization and terminology used in the schedule are
discussed in the attached explanations section on pages 58 to 62.

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U.S. DEPARTMENT OF AGRICULTURE

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
10.025	PLANT/ANIMAL DISEASE/PEST CONTROL	AGRICULTURE	92-23	3	RC			INADEQUATE CONTROLS OVER GRANT ACCOUNTING.	NQ
10.550	FOOD DISTRIBUTION	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
10.551	FOOD STAMPS	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
10.555	NATIONAL SCHOOL LUNCH PROGRAM	CORRECTIONS-RED WING	91-38	3			I	REQUIRED REPORTS NOT FILED.	P
10.555	NATIONAL SCHOOL LUNCH PROGRAM	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
10.557	SPECIAL FOOD/WOMEN/CHILDREN	HEALTH	92-12	1		I		INDIRECT COST PLAN NOT PREPARED TIMELY.	P
10.557	SPECIAL FOOD/WOMEN/CHILDREN	HEALTH	92-12	2			I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
10.558	CHILD & ADULT CARE FOOD PROGRAM	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P

THE ATTACHED EXPLANATION IS AN INTEGRAL PART OF THIS SCHEDULE.

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U.S. DEPARTMENT OF DEFENSE

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
12.000	MILITARY AFFAIRS OPERATIONS	MILITARY AFFAIRS	92-31	1	RC			FEDERAL REIMBURSEMENT CONTROLS NEED IMPROVEMENT.	P

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.002	ADULT EDUCATION-STATE ADMIN	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.003	BILINGUAL EDUCATION	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.004	DESEGREGATION ASSIST/CIVIL RIGHTS	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ANOKA RAMSEY C.C.	91-71	1		I		NONCOMPLIANCE WITH CASH MANAGEMENT REQUIREMENTS.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ANOKA RAMSEY C.C.	91-71	3	RC			CONTROLS OVER FINANCIAL AID CHECKS ARE NOT ADEQUATE.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ANOKA RAMSEY C.C.	91-71	5	RC			FINANCIAL AID REFUND PROCEDURES NEED IMPROVEMENT.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	AUSTIN C.C.	91-42	9			I	COST OF ATTENDANCE ADJUSTMENTS NOT DOCUMENTED.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	CAMBRIDGE C.C.	91-48	3	RC			ACCOUNTING RECORDS NOT ADEQUATELY MAINTAINED.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	CAMBRIDGE C.C.	91-48	6	RC			DISBURSEMENT CONTROLS NEED IMPROVEMENT.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	CAMBRIDGE C.C.	91-48	7		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	INVER HILLS C.C.	91-40	1	RC			FINANCIAL AID COMPUTER SYSTEM NOT ADEQUATELY SECURED.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	INVER HILLS C.C.	91-40	2		I		EXCESSIVE CASH BALANCES.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	METRO STATE UNIV.	91-47	1	RC			FEDERAL REPORT NOT RECONCILED TO ACCOUNTING RECORDS.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	METRO STATE UNIV.	91-47	1	RC			FINANCIAL AID LEDGER NOT RECONCILED TO BANK ACCOUNT.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	METRO STATE UNIV.	91-47	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.007	SUPPLEMENTAL EDUC OPP GRANTS	MINNEAPOLIS C.C.	92-27	11			I	FINANCIAL AID PAID TO AN INELIGIBLE STUDENT.	\$300
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ROCHESTER C.C.	91-64	2		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ROCHESTER C.C.	91-64	4			I	NO NONINSTITUTIONAL FINANCIAL AID REPAYMENT POLICY.	NQ
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ROCHESTER C.C.	92-27	10	RC		I	ACADEMIC PROGRESS POLICY NOT BEING ENFORCED.	\$250
84.007	SUPPLEMENTAL EDUC OPP GRANTS	ROCHESTER C.C.	91-64	1	RC			FINANCIAL AID FILE DOCUMENTATION NEEDS IMPROVEMENT.	P

THE ATTACHED EXPLANATION IS AN INTEGRAL PART OF THIS SCHEDULE.

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.007	SUPPLEMENTAL EDUC OPP GRANTS	SOUTHWEST STATE UNIV.	91-77	7			I	STATE MATCH CALCULATED INCORRECTLY.	\$6,156
84.007	SUPPLEMENTAL EDUC OPP GRANTS	WORTHINGTON C.C.	91-49	4	RC		I	FINANCIAL AID PACKAGING PRACTICES NEED IMPROVEMENT.	NQ
84.009	HANDICAPPED EDUC.-STATE SCHOOLS	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.010	CHAPTER 1-LOCAL EDUCATION AGEN	CORRECTIONS-RED WING	91-38	3			I	REQUIRED REPORTS NOT FILED.	P
84.010	CHAPTER 1-LOCAL EDUCATION AGEN	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
84.010	CHAPTER 1-LOCAL EDUCATION AGEN	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.011	MIGRANT EDUC-BASIC STATE FORMULA	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.012	EDUCATIONALLY DEPRIVED CHILDREN	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.013	CH. 1 NEGLECTED/DELINQUENT CHILD	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.025	DEAF-BLIND CHILDREN/YOUTH SERVICE	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.027	SPECIAL EDUCATION STATE GRANTS	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
84.027	SPECIAL EDUCATION STATE GRANTS	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.029	SPECIAL EDUC. PERSONNEL DEVELOP	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.032	GUARANTEED STUDENT LOANS	ANOKA RAMSEY C.C.	92-27	8	RC			LENDERS NOT NOTIFIED TIMELY OF ENROLLMENT CHANGES.	P

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.032	GUARANTEED STUDENT LOANS	ANOKA RAMSEY C.C.	91-71	5	RC			FINANCIAL AID REFUND PROCEDURES NEED IMPROVEMENT.	P
84.032	GUARANTEED STUDENT LOANS	AUSTIN C.C.	91-42	9			I	COST OF ATTENDANCE ADJUSTMENTS NOT DOCUMENTED.	P
84.032	GUARANTEED STUDENT LOANS	CAMBRIDGE C.C.	91-48	6	RC			DISBURSEMENT CONTROLS NEED IMPROVEMENT.	P
84.032	GUARANTEED STUDENT LOANS	C.C. SYSTEM	92-27	1			M	PROGRESS POLICIES DO NOT MEET FEDERAL GUIDELINES.	NQ
84.032	GUARANTEED STUDENT LOANS	HIBBING C.C.	92-27	12			I	STUDENT RECEIVED AID WHICH EXCEEDED FINANCIAL NEED.	\$460
84.032	GUARANTEED STUDENT LOANS	INVER HILLS C.C.	91-40	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.032	GUARANTEED STUDENT LOANS	INVER HILLS C.C.	91-40	1	RC			FINANCIAL AID COMPUTER SYSTEM NOT ADEQUATELY SECURED.	P
84.032	GUARANTEED STUDENT LOANS	LAKEWOOD C.C.	92-27	13			I	NONCOMPLIANCE WITH TRANSCRIPT REQUIREMENTS.	\$2,625
84.032	GUARANTEED STUDENT LOANS	METRO STATE UNIV.	92-24	1			I	FINANCIAL AID PAID TO AN INELIGIBLE STUDENT.	\$1,000
84.032	GUARANTEED STUDENT LOANS	METRO STATE UNIV.	92-24	3			M	PROGRESS POLICY DOES NOT MEET FEDERAL GUIDELINES.	NQ
84.032	GUARANTEED STUDENT LOANS	METRO STATE UNIV.	91-47	1	RC			FEDERAL REPORT NOT RECONCILED TO ACCOUNTING RECORDS.	P
84.032	GUARANTEED STUDENT LOANS	METRO STATE UNIV.	91-47	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.032	GUARANTEED STUDENT LOANS	MINNEAPOLIS C.C.	92-27	11			I	FINANCIAL AID PAID TO AN INELIGIBLE STUDENT.	\$920
84.032	GUARANTEED STUDENT LOANS	NORTH HENNIPIA C.C.	92-27	7	RC		I	HAS CONFLICTING ACADEMIC PROGRESS POLICIES.	NQ
84.032	GUARANTEED STUDENT LOANS	ROCHESTER C.C.	92-27	10	RC		I	ACADEMIC PROGRESS POLICY NOT BEING ENFORCED.	\$805
84.032	GUARANTEED STUDENT LOANS	ROCHESTER C.C.	91-64	1	RC			FINANCIAL AID FILE DOCUMENTATION NEEDS IMPROVEMENT.	P
84.032	GUARANTEED STUDENT LOANS	ROCHESTER C.C.	91-64	3	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.032	GUARANTEED STUDENT LOANS	ST. CLOUD STATE UNIV.	92-24	4			I	NONCOMPLIANCE WITH TRANSCRIPT REQUIREMENTS.	P
84.032	GUARANTEED STUDENT LOANS	WILLMAR C.C.	92-27	5	RC		I	FINANCIAL AID PAID TO TWO INELIGIBLE STUDENTS.	\$736
84.032	GUARANTEED STUDENT LOANS	WORTHINGTON C.C.	91-49	4	RC		I	FINANCIAL AID PACKAGING PRACTICES NEED IMPROVEMENT.	NQ
84.032	GUARANTEED STUDENT LOANS	WORTHINGTON C.C.	91-49	5			I	FINANCIAL AID DISBURSED TO AN INELIGIBLE STUDENT.	\$5,625
84.032	GUARANTEED STUDENT LOANS	WORTHINGTON C.C.	91-49	8	RC			INADEQUATE SEPARATION OF DUTIES.	P

THE ATTACHED EXPLANATION IS AN INTEGRAL PART OF THIS SCHEDULE.

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.033	COLLEGE WORK-STUDY PROGRAM	ANOKA RAMSEY C.C.	91-71	1		I		NONCOMPLIANCE WITH CASH MANAGEMENT REQUIREMENTS.	NQ
84.033	COLLEGE WORK-STUDY PROGRAM	AUSTIN C.C.	91-42	9			I	COST OF ATTENDANCE ADJUSTMENTS NOT DOCUMENTED.	P
84.033	COLLEGE WORK-STUDY PROGRAM	INVER HILLS C.C.	91-40	1	RC			FINANCIAL AID COMPUTER SYSTEM NOT ADEQUATELY SECURED.	P
84.033	COLLEGE WORK-STUDY PROGRAM	INVER HILLS C.C.	91-40	2		I		EXCESSIVE CASH BALANCES.	NQ
84.033	COLLEGE WORK-STUDY PROGRAM	METRO STATE UNIV.	91-47	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.033	COLLEGE WORK-STUDY PROGRAM	METRO STATE UNIV.	91-47	1	RC			FINANCIAL AID LEDGER NOT RECONCILED TO BANK ACCOUNT.	P
84.033	COLLEGE WORK-STUDY PROGRAM	METRO STATE UNIV.	91-47	1	RC			FEDERAL REPORT NOT RECONCILED TO ACCOUNTING RECORDS.	P
84.033	COLLEGE WORK-STUDY PROGRAM	MINNEAPOLIS C.C.	92-27	11			I	FINANCIAL AID PAID TO AN INELIGIBLE STUDENT.	\$140
84.033	COLLEGE WORK-STUDY PROGRAM	ROCHESTER C.C.	91-64	1	RC			FINANCIAL AID FILE DOCUMENTATION NEEDS IMPROVEMENT.	P
84.033	COLLEGE WORK-STUDY PROGRAM	ROCHESTER C.C.	91-64	2		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ
84.033	COLLEGE WORK-STUDY PROGRAM	ROCHESTER C.C.	92-27	10	RC		I	ACADEMIC PROGRESS POLICY NOT BEING ENFORCED.	\$673
84.033	COLLEGE WORK-STUDY PROGRAM	SOUTHWEST STATE UNIV.	91-77	6			I	PROCEDURES FOR SELECTING STUDENTS NOT WRITTEN.	P
84.033	COLLEGE WORK-STUDY PROGRAM	SOUTHWEST STATE UNIV.	91-77	7			I	STATE MATCH CALCULATED INCORRECTLY.	\$6,156
84.033	COLLEGE WORK-STUDY PROGRAM	WORTHINGTON C.C.	91-49	4	RC		I	FINANCIAL AID PACKAGING PRACTICES NEED IMPROVEMENT.	NQ
84.034	PUBLIC LIBRARY SERVICES	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.035	INTERLIBRARY COOP/RES SHARING	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ANOKA RAMSEY C.C.	91-71	1		I		NONCOMPLIANCE WITH CASH MANAGEMENT REQUIREMENTS.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ANOKA RAMSEY C.C.	91-71	3	RC			CONTROLS OVER FINANCIAL AID CHECKS ARE NOT ADEQUATE.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ANOKA RAMSEY C.C.	91-71	4	RC			LOAN SYSTEM ENTRIES NOT RECONCILED TO DISBURSEMENTS.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	AUSTIN C.C.	91-42	9			I	COST OF ATTENDANCE ADJUSTMENTS NOT DOCUMENTED.	P

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	C.C. SYSTEM	92-27	1			M	PROGRESS POLICIES DO NOT MEET FEDERAL GUIDELINES.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	C.C. SYSTEM	92-27	2	RC			ACCESS TO LOAN MANAGEMENT SYSTEM NEEDS TO BE IMPROVED.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	C.C. SYSTEM	92-27	3			I	LOAN GRACE PERIODS INACCURATE.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	INVER HILLS C.C.	91-40	1	RC			PROMISSORY NOTES SIGNED BEFORE TIME OF DISBURSEMENT.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	INVER HILLS C.C.	91-40	1	RC			FINANCIAL AID COMPUTER SYSTEM NOT ADEQUATELY SECURED.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	METRO STATE UNIV.	91-47	1	RC			FINANCIAL AID LEDGER NOT RECONCILED TO BANK ACCOUNT.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	METRO STATE UNIV.	91-47	1	RC			FEDERAL REPORT NOT RECONCILED TO ACCOUNTING RECORDS.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	METRO STATE UNIV.	91-47	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	METRO STATE UNIV.	91-47	2	RC			REPAYMENTS NOT RETURNED TO ORIGINAL FUNDING SOURCES.	\$3,000
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	METRO STATE UNIV.	92-24	3			M	PROGRESS POLICY DOES NOT MEET FEDERAL GUIDELINES.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	NORTH HENNIPIN C.C.	92-27	7	RC		I	HAS CONFLICTING ACADEMIC PROGRESS POLICIES.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ROCHESTER C.C.	91-64	1	RC			FINANCIAL AID FILE DOCUMENTATION NEEDS IMPROVEMENT.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ROCHESTER C.C.	91-64	2		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ROCHESTER C.C.	92-27	10	RC		I	ACADEMIC PROGRESS POLICY NOT BEING ENFORCED.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	SOUTHWEST STATE UNIV.	91-77	6			I	PROCEDURES FOR SELECTING STUDENTS NOT WRITTEN.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ST. CLOUD STATE UNIV.	92-24	4			I	NONCOMPLIANCE WITH TRANSCRIPT REQUIREMENTS.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	ST. CLOUD STATE UNIV.	92-24	5			I	REPAYMENTS APPLIED TO BORROWER ACCOUNTS INCORRECTLY.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	WINONA STATE UNIV.	92-24	5			I	REPAYMENTS APPLIED TO BORROWER ACCOUNTS INCORRECTLY.	P
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	WORTHINGTON C.C.	91-49	4	RC		I	FINANCIAL AID PACKAGING PRACTICES NEED IMPROVEMENT.	NQ
84.038	PERKINS LOAN-FEDERAL CAP CONTRIB	WORTHINGTON C.C.	91-49	7	RC			PACKAGING AND ACCOUNTING PROCEDURES NEED IMPROVEMENT.	P
84.063	PELL GRANT PROGRAM	ANOKA RAMSEY C.C.	91-71	1		I		NON-COMPLIANCE WITH CASH MANAGEMENT REQUIREMENTS.	NQ
84.063	PELL GRANT PROGRAM	ANOKA RAMSEY C.C.	91-71	3	RC			CONTROLS OVER FINANCIAL AID CHECKS ARE NOT ADEQUATE.	NQ

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.063	PELL GRANT PROGRAM	ANOKA RAMSEY C.C.	91-71	5	RC			FINANCIAL AID REFUND PROCEDURES NEED IMPROVEMENT.	P
84.063	PELL GRANT PROGRAM	AUSTIN C.C.	91-42	9			I	COST OF ATTENDANCE ADJUSTMENTS NOT DOCUMENTED.	P
84.063	PELL GRANT PROGRAM	CAMBRIDGE C.C.	91-48	3	RC			ACCOUNTING RECORDS NOT ADEQUATELY MAINTAINED.	P
84.063	PELL GRANT PROGRAM	CAMBRIDGE C.C.	91-48	6	RC			DISBURSEMENT CONTROLS NEED IMPROVEMENT.	P
84.063	PELL GRANT PROGRAM	CAMBRIDGE C.C.	91-48	7		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ
84.063	PELL GRANT PROGRAM	CAMBRIDGE C.C.	91-48	8			I	FEDERAL ACCOUNT CHARGED FOR INAPPROPRIATE EXPENSES.	\$442
84.063	PELL GRANT PROGRAM	C.C. SYSTEM	92-27	1			M	PROGRESS POLICIES DO NOT MEET FEDERAL GUIDELINES.	NQ
84.063	PELL GRANT PROGRAM	FERGUS FALLS C.C.	92-27	4			I	DID NOT RESOLVE CONFLICTS IN A STUDENT FILE.	\$1,502
84.063	PELL GRANT PROGRAM	INVER HILLS C.C.	91-40	1	RC			GRANT DISBURSEMENT DATES NOT DOCUMENTED.	P
84.063	PELL GRANT PROGRAM	INVER HILLS C.C.	91-40	1	RC			FINANCIAL AID COMPUTER SYSTEM NOT ADEQUATELY SECURED.	P
84.063	PELL GRANT PROGRAM	INVER HILLS C.C.	91-40	2		I		EXCESSIVE CASH BALANCES.	NQ
84.063	PELL GRANT PROGRAM	LAKEWOOD C.C.	92-27	13			I	NONCOMPLIANCE WITH TRANSCRIPT REQUIREMENTS.	\$3,640
84.063	PELL GRANT PROGRAM	METRO STATE UNIV.	91-47	1	RC			FEDERAL REPORT NOT RECONCILED TO ACCOUNTING RECORDS.	P
84.063	PELL GRANT PROGRAM	METRO STATE UNIV.	91-47	1	RC			FINANCIAL AID LEDGER NOT RECONCILED TO BANK ACCOUNT.	P
84.063	PELL GRANT PROGRAM	METRO STATE UNIV.	91-47	1	RC			INADEQUATE SEPARATION OF DUTIES.	P
84.063	PELL GRANT PROGRAM	METRO STATE UNIV.	92-24	2			I	INADEQUATE CONTROLS OVER REFUNDS.	\$145
84.063	PELL GRANT PROGRAM	METRO STATE UNIV.	92-24	3		M		PROGRESS POLICY DOES NOT MEET FEDERAL GUIDELINES.	NQ
84.063	PELL GRANT PROGRAM	MINNEAPOLIS C.C.	92-27	11		I		FINANCIAL AID PAID TO AN INELIGIBLE STUDENT.	\$766
84.063	PELL GRANT PROGRAM	NORTH HENNIPIN C.C.	92-27	6			I	DID NOT RESOLVE CONFLICTS IN A STUDENT FILE.	\$1,175
84.063	PELL GRANT PROGRAM	NORTH HENNIPIN C.C.	92-27	7	RC		I	HAS CONFLICTING ACADEMIC PROGRESS POLICIES.	NQ
84.063	PELL GRANT PROGRAM	ROCHESTER C.C.	92-27	10	RC		I	ACADEMIC PROGRESS POLICY NOT BEING ENFORCED.	\$800
84.063	PELL GRANT PROGRAM	ROCHESTER C.C.	91-64	1	RC			FINANCIAL AID FILE DOCUMENTATION NEEDS IMPROVEMENT.	P
84.063	PELL GRANT PROGRAM	ROCHESTER C.C.	91-64	2		I		FEDERAL CASH MANAGEMENT NEEDS IMPROVEMENT.	NQ

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.063	PELL GRANT PROGRAM	ROCHESTER C.C.	91-64	4			I	NO NONINSTITUTIONAL FINANCIAL AID REPAYMENT POLICY.	NQ
84.063	PELL GRANT PROGRAM	ST. CLOUD STATE UNIV.	92-24	4			I	NONCOMPLIANCE WITH TRANSCRIPT REQUIREMENTS.	P
84.063	PELL GRANT PROGRAM	WILLMAR C.C.	92-27	5	RC		I	FINANCIAL AID PAID TO TWO INELIGIBLE STUDENTS.	\$107
84.063	PELL GRANT PROGRAM	WORTHINGTON C.C.	91-49	4	RC		I	FINANCIAL AID PACKAGING PRACTICES NEED IMPROVEMENT.	NQ
84.063	PELL GRANT PROGRAM	WORTHINGTON C.C.	91-49	5			I	FINANCIAL AID DISBURSED TO AN INELIGIBLE STUDENT.	\$1,399
84.063	PELL GRANT PROGRAM	WORTHINGTON C.C.	91-49	6	RC		I	FEDERAL REPORTS WERE NOT ACCURATE.	NQ
84.063	PELL GRANT PROGRAM	WORTHINGTON C.C.	92-27	9			I	DID NOT RESOLVE CONFLICTS IN STUDENT FILES.	\$218
84.146	TRANSITION PROG FOR REFUGEE CHILD	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.151	EDUC IMPROVEMENT PARTNERSHIPS	EDUCATION	92-21	2	RC		I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P
84.151	EDUC IMPROVEMENT PARTNERSHIPS	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.154	PUBLIC LIBRARY CONST/TECH	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.159	DISABLED-SPECIAL STUDIES & EVAL	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.162	EMERGENCY IMMIGRANT EDUCATION	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.164	EISENHOWER MATH/SCI EDUC	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.167	LIBRARY LITERACY	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF EDUCATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
84.173	SPECIAL EDUCATION-PRESCHOOL	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.181	INFANTS/TODDLERS WITH DISABILITIES	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.185	ROBERT C BYRD HONORS SCHOLARSHIP	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.186	DRUG FREE SCHOOL & COMMUNITIES	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.192	ADULT EDUCATION FOR THE HOMELESS	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.196	HOMELESS CHILDREN & YOUTH EDUC	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.216	PRIVATE SCHOOL-CAPITAL EXPENSES	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P
84.218	STATE PROGRAM IMPROVEMENT	EDUCATION	92-21	4			M	FINANCIAL STATUS REPORTS ARE NOT FILED TIMELY.	P

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
93.020	STATES FAMILY SUPPORT PAYMENTS	HUMAN SERVICES	92-29	1	RC			ELIGIBILITY AND PAYMENT CONTROLS NEED IMPROVEMENT.	NQ
93.020	STATES FAMILY SUPPORT PAYMENTS	HUMAN SERVICES	92-29	3	RC		I	NOT USING A INCOME/ELIGIBILITY VERIFICATION SYSTEM.	NQ
93.020	STATES FAMILY SUPPORT PAYMENTS	HUMAN SERVICES	92-29	4			I	DUPLICATES AND OVERPAYMENTS NOT CORRECTLY ALLOCATED.	NQ
93.020	STATES FAMILY SUPPORT PAYMENTS	HUMAN SERVICES	92-29	5			I	STALE DATED WARRANTS ARE NOT CANCELLED.	NQ
93.020	STATES FAMILY SUPPORT PAYMENTS	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.021	JOBS OPPORTUNITIES/STRIDE	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.021	JOBS OPPORTUNITIES/STRIDE	HUMAN SERVICES	92-29	11	RC			SUBRECIPIENT MONITORING PROCESS IS INCOMPLETE.	NQ
93.023	CHILD SUPPORT ENFORCEMENT	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.026	REFUGEE & ENTRANT ASSISTANCE	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.364	NURSING LOANS	ANOKA RAMSEY C.C.	91-71	1			I	FEDERAL FUNDS NOT RETURNED.	NQ
93.633	AGING SUPPORT SERVICES/SEN CEN	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.635	AGING - TITLE III-C NUTRITION SERV	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.658	FOSTER CARE - TITLE IV-E	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.667	SOCIAL SERVICES BLOCK GRANT	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
93.778	MEDICAL ASSISTANCE	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.992	ALCOHOL/DRUG/MENTAL HEALTH	HUMAN SERVICES	92-29	8	RC			ADJUSTMENTS TO COST ALLOCATION PLAN NOT DOCUMENTED.	NQ
93.992	ALCOHOL/DRUG/MENTAL HEALTH	HUMAN SERVICES	92-29	9			I	INADEQUATE MONITORING OF SPENDING REQUIREMENTS.	NQ
93.992	ALCOHOL/DRUG/MENTAL HEALTH	HUMAN SERVICES	92-29	10	RC			SUBRECIPIENT MONITORING PROCESS IS INCOMPLETE.	NQ
93.994	MATERNAL & CHILD HEALTH BLOCK	HEALTH	92-12	1			I	INDIRECT COST PLAN NOT PREPARED TIMELY.	P
93.994	MATERNAL & CHILD HEALTH BLOCK	HEALTH	92-12	2			I	SUBRECIPIENT MONITORING SYSTEM NEEDS IMPROVEMENT.	P

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
14.156	LOWER INCOME HOUSING ASSISTANCE	HOUSING FINANCE	CPA				I	TENANT'S IMPUTED INCOME INCORRECTLY CALCULATED.	NQ
14.156	LOWER INCOME HOUSING ASSISTANCE	HOUSING FINANCE	CPA				I	TENANT'S OTHER ASSETS INCORRECTLY CALCULATED.	NQ
14.156	LOWER INCOME HOUSING ASSISTANCE	HOUSING FINANCE	CPA				I	TENANT'S MEDICAL EXPENSES INCORRECTLY CALCULATED.	NQ
14.156	LOWER INCOME HOUSING ASSISTANCE	HOUSING FINANCE	CPA				I	TENANT'S STATUS BASED ON INCORRECT INCOME LIMITS.	NQ

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U.S. DEPARTMENT OF LABOR

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
17.225	UNEMPLOYMENT INSURANCE	JOBS AND TRAINING	92-25	1	RC		I	INADEQUATE INTERNAL CONTROLS OVER CLAIMS PROCESSING.	P
17.225	UNEMPLOYMENT INSURANCE	JOBS AND TRAINING	92-25	3	RC		I	INADEQUATE INTERNAL CONTROLS OVER BENEFIT ACCOUNT.	P

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U. S. NATIONAL FOUNDATION FOR THE ARTS AND THE HUMANITIES

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
45.007	PROMOTION OF ARTS-STATE PROG	STATE ARTS BOARD	91-45	1		I		EXCESSIVE CASH BALANCES.	NQ
45.010	PROMOTION OF ARTS-EXPANSION ARTS	STATE ARTS BOARD	91-45	1		I		EXCESSIVE CASH BALANCES.	NQ

OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

U.S. DEPARTMENT OF TRANSPORTATION

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INTERNAL CONTROL	COMPLIANCE		PROBLEM	FIN IMPACT
						GEN	SPEC		
20.100	AVIATION EDUCATION	TRANSPORTATION	92-16	1			I	UNABLE TO IMPLEMENT A CURRENT INDIRECT COST PLAN.	NQ
20.205	HIGHWAY RESEARCH/PLANNING/CONST.	TRANSPORTATION	IA	2	RC			NEED TO MONITOR CONTRACTOR'S PAYROLL.	P
20.205	HIGHWAY RESEARCH/PLANNING/CONST.	TRANSPORTATION	IA	3	RC			NEED TO MONITOR MATERIAL ON HAND PAYMENTS.	P
20.205	HIGHWAY RESEARCH/PLANNING/CONST.	TRANSPORTATION	IA	4	RC			NEED TO MONITOR FUNDED FRINGE BENEFITS.	P
20.205	HIGHWAY RESEARCH/PLANNING/CONST.	TRANSPORTATION	IA	5	RC			NEED TO RECONCILE FEDERAL FUNDS TO GENERAL LEDGER.	P
20.217	MOTOR CARRIER SAFETY	TRANSPORTATION	92-16	1			I	UNABLE TO IMPLEMENT A CURRENT INDIRECT COST PLAN.	NQ
20.500	UMTA CAPITAL IMPROVEMENT GRANTS	TRANSPORTATION	92-16	1			I	UNABLE TO IMPLEMENT A CURRENT INDIRECT COST PLAN.	NQ
20.505	UMTA TECHNICAL STUDIES GRANTS	TRANSPORTATION	92-16	1			I	UNABLE TO IMPLEMENT A CURRENT INDIRECT COST PLAN.	NQ
20.509	PUBLIC TRANSPORT, NONURBAN AREAS	TRANSPORTATION	92-16	1			I	UNABLE TO IMPLEMENT A CURRENT INDIRECT COST PLAN.	NQ

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OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT

SCHEDULE OF AUDIT FINDINGS
ASSOCIATED WITH SPECIFIC FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1991

EXPLANATION OF THE SCHEDULE

I. PURPOSE

This schedule is presented to accommodate the federal inspectors general, program staff and other federal officials in resolving audit findings associated with specific major and nonmajor federal programs. This schedule is intended primarily to be a reference to the individual audit reports which we have issued to each affected state agency.

All audit report findings associated with major and nonmajor federal programs are included in this schedule. We classified findings separately related to internal control, and program specific, or general compliance.

This schedule is not intended to replace the individual audit reports and the respective state agency responses. The audit reports contain a detailed discussion of each finding, as well as the state agency's formal response to the findings. Therefore, users of this report are encouraged to utilize the schedule in conjunction with those documents.

II. SCHEDULE FORMAT

A. Identification of Federal Programs -- "CFDA NO." and "PROGRAM NAME"

The internal control and compliance findings are summarized in the schedule by federal grantor agency and program. The federal agency responsible for administration of the program is identified on the schedule in the upper left corner of each page. The federal program is identified by its Catalog of Federal Domestic Assistance number (CFDA No.) and name in the first two columns. The federal programs are listed in numerical sequence for each federal agency.

B. Reference to Audit Report -- "STATE AGENCY AND REPORT NUMBERS" and "FINDING NUMBERS"

The third through fifth columns provide the reference to our fiscal year 1991 audit reports which contain discussion of the respective audit finding. The name of the state agency and audit report number are shown in the third and fourth columns. The finding number, as identified in the audit report, is shown in the fifth column.

Audit reports are issued to state agencies during the Statewide Financial and Compliance Audit (Statewide Single Audit), and to state agencies during our interim audit period. The state agency is allowed the opportunity to respond to the audit report. When their written response is received, it becomes an integral attachment to the audit report.

Column 4 refers to the number assigned to the audit report on the date of issuance. The first two digits identify the calendar year of issuance. The last two digits specify the report number. Column 5 refers to the 1991 finding number in the respective audit report which contains the discussion of the problem area. In addition to audit report and finding numbers, appearing in columns 4 and 5, occasionally the notations "IA," and "CPA" are used. "IA" signifies that the finding was contained in a state agency's internal auditor's report and that we have reviewed and relied upon the work of the internal auditor. Such reliance occurred in the Department of Transportation. "CPA" denotes the audit report was completed by a certified public accounting firm for the Housing Finance Agency.

III. *AUDIT FINDINGS*

A. Internal Control

Internal control findings are referenced in the sixth column. The internal control findings are characterized as either reportable conditions (RC) or material weaknesses (MW) relative to the federal program. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the state's ability to administer a federal financial assistance program in accordance with applicable laws and regulations. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level of risk that noncompliance with laws and regulations that would be material to a federal program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The weaknesses reported in the schedule are material to the financial activities of the individual federal programs. These items are not material in relation to the financial activities of the state as a whole. The reader should refer to the individual state agency audit report to judge the materiality of these weaknesses at the state agency level.

B. Compliance - General and Specific Requirements

Compliance findings are referenced in the seventh and eighth columns. Compliance findings relate to either the specific program requirements or the general requirements related to federal laws and regulations. Most of these requirements are outlined in the U.S. Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Compliance findings are categorized into immaterial (I) and material (M) noncompliance with federal laws and regulations. Material instances of noncompliance are failures to follow requirements or violations of prohibition, contained in laws, regulations, contracts, or grants, that cause the auditor to conclude that the aggregation of misstatements resulting from those failures or violations is material to a federal program. These items are not material in relation to the financial activities of the state as a whole. The reader should also refer to the individual audit report to judge the materiality of these issues at the state agency level.

C. Finding Summary -- "PROBLEM"

Column 9 contains a brief discussion of the specific problem cited in state agencies. This discussion should be interpreted cautiously because of its brevity. We encourage users of this report to refer to the audit report comments for any items which may interest them.

D. Finding Quantification -- "FINANCIAL IMPACT"

The tenth column indicates the financial impact of the finding for 1991. We have utilized three standard references in this column:

P Indicates a procedural finding which normally relates to a weakness in internal control or a nonfinancial instance of noncompliance. The area is generally not subject to quantification and it is unlikely that a measurable financial impact accrues to the finding. However, leaving the finding unresolved subjects the state agency to a higher than normal risk of errors, irregularities, or inefficiencies.

NQ Indicates that there is the likelihood of some financial benefits or losses, but the amount was not readily quantifiable. We either did not believe that quantifying the problem would enhance the finding, or records were not available to determine the financial impact.

[Amount] Signifies that a finding results in a quantifiable amount, which indicates the potential dollar impact resulting from noncompliance or inconsistency with the requirements set forth in contracts, awards, loan agreements, statutes, or regulations governing the allocation, allowance, or reasonableness of costs charged to specific programs. Examples of quantifiable amounts include: (1) no supporting documentation existed for an amount charged to a federal program or for required nonfederal match, (2) costs charged to the federal program were not allowed by the program guidelines, (3) costs were not approved in advance by the federal grantor agency, if required, (4) costs charged to the federal program were unreasonable compared to either federal or state guidelines, (5) the appropriate disposition of unexpended funds in federal accounts has not been determined, and (6) subrecipient questioned costs not collected by the respective state agency.

Quantifying an amount requires that a problem be either isolated to particular transactions or so prevalent that an entire set of transactions is affected. Most audits do not normally provide any absolute assurances or the capacity to quantify all problem areas. Rather, an audit will normally disclose that because of internal control weaknesses, a particular area is vulnerable to a higher than normal risk of errors or problems. Quantifying a problem is not to be misinterpreted as an indication of absolute liability on behalf of the state.

For example, the absence of supporting documentation does not necessarily indicate that an expenditure was for an unauthorized purpose. However, certain quantified amounts may result in the state's having to repay some part of its federal grant monies. The determination of any potential liability is subject to the audit resolution process of the responsible federal grantor agency and negotiations with the affected state agency.

Concerns which are not amenable to quantification may be misconstrued as lesser problems, although this conclusion often may be erroneous. For example, the absence of documentation of student costs related to the student financial aid and loan programs may subject a federal grant to overcharges or undercharges. The potential effect of this problem is simply not readily quantifiable. However, the absence of supporting documentation for a particular expenditure may be readily quantifiable. The extent of such a problem is often isolated and not indicative of a prevalent problem area. Accordingly, report readers are urged to avoid judging the severity of any cited problems based solely on whether or not an item was identified as a quantified amount.

III. SUBRECIPIENTS

Subrecipient single audits and related findings are shown in the State Auditor's Report on Federally Assisted Programs of Subrecipients of the State of Minnesota for the Year Ended June 30, 1991.

IV. CONCLUSIONS

This was the ninth year for Minnesota's Statewide Single Audit. The statewide approach to conducting the Single Audit of Minnesota enabled us to observe various internal control and compliance concerns related to the state's administration of federal financial assistance programs. These issues are to be resolved between the federal officials and state agencies.

If anyone has any questions or comments on the Minnesota Statewide Single Audit, please direct them to this office.

STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
FINANCIAL AUDIT DIVISION

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