

State of Minnesota



Financial and Compliance Report

on

Federally Assisted Programs

for the year ended

June 30, 1994

Prepared Through a Cooperative Agreement Between

Department of Finance

Office of the Legislative Auditor

Office of the State Auditor

U.S. Department of Agriculture

Laura M. King, Commissioner

James R. Nobles, Legislative Auditor

Judith H. Dutcher, State Auditor

Floyd D. Deidiker, Acting Regional
Inspector General for Audit

SUMMARY

State of Minnesota
Office of the Legislative Auditor
Centennial Office Building • St. Paul, MN 55155
612/296-4708

Financial and Compliance Report on Federally Assisted Programs

For the Year Ended June 30, 1994

Public Release Date: June 28, 1995

The Office of the Legislative Auditor has released the *Financial and Compliance Report on Federally Assisted Programs* for the year ended June 30, 1994. Federal programs totaling \$3.2 billion were covered in the 1994 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 organization-wide 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 approximately 300 federal programs administered by the state. The second section discusses internal control and compliance aspects related to these grant programs.

We reviewed 32 major federal programs, representing 93 percent of the 1994 federal expenditures. For these major programs, we reviewed internal controls and tested for compliance with various federal legal provisions. We also tested certain nonmajor federal program transactions.

We identified 83 audit findings related to the state's administration of federal programs. Seventy of these findings related to student financial aid programs. Of the student financial aid findings, 38 were previously reported in the Community College System and State University System audit reports for the year ended June 30, 1993. The remaining 13 audit findings concerned federal programs administered by six 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.
296-1235

State of Minnesota
Financial and Compliance Report
On Federally Assisted Programs
Fiscal Year Ended June 30, 1994

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State of Minnesota Department of Finance

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April 18, 1995

The Honorable Arne H. Carlson, Governor

Members of the Legislature

I am submitting the State of Minnesota Financial and Compliance Report for the single audit of federally assisted programs for the year ended June 30, 1994. 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."

New accounting standards established by the Governmental Accounting Standards Board, effective with this report, require a redefined reporting entity for the state of Minnesota. This single audit report includes all federal assistance received by the state agencies determined to be a part of the state's primary government and the blended component units. All federal programs within this reporting entity were included under the state's single audit. The Housing Finance Agency and the Minnesota Public Facilities Authority are no longer considered part of the primary government or its blended component units and therefore are not included in this report.

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. I believe these statements provide a fair representation of financial activity for federal programs for the year ended June 30, 1994.

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.

Federal Financial Assistance to the State of Minnesota

In fiscal year 1994 the State of Minnesota received approximately \$3.2 billion in federal assistance for its many programs. Included in this amount is \$21 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 Grant, and Foster Care in the Department of Human Services; National School Lunch, Child and Adult Care Food, and Local Educational Agencies Chapter 1 Programs in the Department of Education; Highway Planning and Construction in the Departments of Transportation and Public Safety; 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, Unemployment Insurance, and rehabilitation Services Basic Support in the Department of Economic Security.

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.

Report

This single audit report supplements the state's Comprehensive Annual Financial Report for the year ended June 30, 1994, 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.

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.

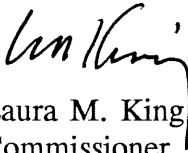
- The *Minnesota Department of Finance* serves as the lead state agency representing all Minnesota state agencies receiving federal funds; coordinates single audit requirements; and is responsible for the preparation of the annual financial statements and supplemental financial statements on all federal 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.

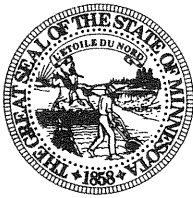
Warmest regards,



Laura M. King
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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994. 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.

A handwritten signature in cursive script, reading "James R. Nobles".

James R. Nobles
Legislative Auditor

A handwritten signature in cursive script, reading "John Asmussen".

John Asmussen, CPA
Deputy Legislative Auditor

April 18, 1995

**STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
AGRICULTURE	FOOD DISTRIBUTION	10.550	ECONOMIC SECURITY	\$3,774,941	\$	\$3,774,941
		10.550	EDUCATION	15,281,533		15,281,533
			TOTAL PROGRAM 10.550	19,056,474		19,056,474
	FOOD STAMPS	10.551 a	HUMAN SERVICES	4,761,158		4,761,158
	NATIONAL SCHOOL LUNCH PROGRAM	10.555	EDUCATION	55,604,789	4,780,306	60,385,095
	SPECIAL FOOD/WOMEN/INFANTS & CHILDREN	10.557	HEALTH	53,802,547		53,802,547
	CHILD & ADULT CARE FOOD PROGRAM	10.558	EDUCATION	58,654,070		58,654,070
	STATE ADMIN MATCHING GRANTS—FOOD STAMP	10.561 a	HUMAN SERVICES	23,886,185	7,094,961	30,981,146
DEFENSE	MILITARY AFFAIRS OPERATIONS	12.00X b	MILITARY AFFAIRS	12,152,334	1,059,748	13,212,082
EDUCATION	CHAPTER 1—LOCAL EDUCATION AGENCIES	84.010	EDUCATION	74,614,113		74,614,113
	SPECIAL EDUCATION STATE GRANTS	84.027	EDUCATION	30,470,705		30,470,705
		84.027	STATE UNIVERSITY SYSTEM	14,175		14,175
			TOTAL PROGRAM 84.027	30,484,880		30,484,880
	FEDERAL FAMILY EDUCATION LOANS	84.032 c	HIGHER EDUCATION COORD BD	486,595		486,595
	FEDERAL PERKINS LOAN PROGRAM	84.038 d	COMMUNITY COLLEGE SYSTEM	107,990		107,990
		84.038 d	STATE UNIVERSITY SYSTEM	189,907		189,907
			TOTAL PROGRAM 84.038	297,897		297,897
	VOCATIONAL EDUCATION—BASIC STATE GRANTS	84.048	TECHNICAL COLLEGE SYSTEM	15,698,585		15,698,585

Footnotes: a. See note 6.
b. A correct program number cannot be determined.
c. See note 3.
d. See note 5.

**STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	FEDERAL PELL GRANT PROGRAM	84.063	COMMUNITY COLLEGE SYSTEM	\$19,280,542	\$	\$19,280,542
		84.063	STATE UNIVERSITY SYSTEM	20,708,597		20,708,597
			TOTAL PROGRAM 84.063	<u>39,989,139</u>		<u>39,989,139</u>
	REHABILITATION SERVICES BASIC SUPPORT	84.126	ECONOMIC SECURITY	43,707,909	9,881,816	53,589,725
FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION	DISASTER ASSISTANCE	83.516	ECONOMIC SECURITY	18,703,153		18,703,153
		83.516	PUBLIC SAFETY	25,127,496	2,844,488	27,971,984
			TOTAL PROGRAM 83.516	<u>43,830,649</u>	<u>2,844,488</u>	<u>46,675,137</u>
HEALTH & HUMAN SERVICES	STATES FAMILY SUPPORT PAYMENTS	93.560	EDUCATION	418,262		418,262
		93.560	HUMAN SERVICES	245,091,581	151,393,807	396,485,388
			TOTAL PROGRAM 93.560	<u>245,509,843</u>	<u>151,393,807</u>	<u>396,903,650</u>
	JOB OPPORTUNITIES & BASIC SKILLS TRAINING	93.561	HUMAN SERVICES	13,764,425	7,286,958	21,051,383
	CHILD SUPPORT ENFORCEMENT	93.563	HUMAN SERVICES	33,521,890	10,626,115	44,148,005
	LOW-INCOME HOME ENERGY ASSISTANCE	93.568	ECONOMIC SECURITY	74,370,156		74,370,156
	CHILD CARE ASSISTANCE	93.575	HUMAN SERVICES	11,007,725		11,007,725
	FOSTER CARE – TITLE IV–E	93.658	HUMAN SERVICES	41,047,690	1,851,168	42,898,858
	SOCIAL SERVICES BLOCK GRANT	93.667	HUMAN SERVICES	48,315,390		48,315,390
	MEDICAL ASSISTANCE PROGRAM	93.778	HEALTH	97,492		97,492
		93.778	HUMAN SERVICES	1,355,396,799	1,069,983,036	2,425,379,835
			TOTAL PROGRAM 93.778	<u>1,355,494,291</u>	<u>1,069,983,036</u>	<u>2,425,477,327</u>
	SOCIAL SECURITY–DISABILITY INSURANCE	93.802	ECONOMIC SECURITY	12,358,472		12,358,472
	SUBSTANCE ABUSE PREV TREATMENT BLOCK	93.959	HUMAN SERVICES	16,042,764		16,042,764

**STATE OF MINNESOTA
MAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
HOUSING & URBAN DEVELOPMENT	COMMUNITY DEVELOPMENT BLOCK – STATES	14.228	TRADE & ECONOMIC DEVELOP	\$22,073,287	\$244,192	\$22,317,479
LABOR	EMPLOYMENT SERVICE	17.207	ECONOMIC SECURITY	16,355,992		16,355,992
	UNEMPLOYMENT INSURANCE	17.225	ECONOMIC SECURITY	125,333,740		125,333,740
	DISLOCATED WORKERS	17.246	ECONOMIC SECURITY	12,918,605		12,918,605
	JOB TRAINING PARTNERSHIP ACT	17.250	ECONOMIC SECURITY	29,972,540		29,972,540
		17.250	EDUCATION	3,062		3,062
			TOTAL PROGRAM 17.250	<u>29,975,602</u>	<u></u>	<u>29,975,602</u>
TRANSPORTATION	AIRPORT IMPROVEMENT	20.106	TRANSPORTATION	23,328,131	1,134,755	24,462,886
	HIGHWAY PLANNING & CONSTRUCTION	20.205	PUBLIC SAFETY	87,501		87,501
		20.205 a	TRANSPORTATION	<u>272,233,371</u>	<u>77,508,912</u>	<u>349,742,283</u>
			TOTAL PROGRAM 20.205	<u>272,320,872</u>	<u>77,508,912</u>	<u>349,829,784</u>
TOTAL MAJOR PROGRAMS				<u><u>\$2,830,766,199</u></u>	<u><u>\$1,345,690,262</u></u>	<u><u>\$4,176,456,461</u></u>

Footnotes: a. See note 2

**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
AGRICULTURE	PLANT/ANIMAL DISEASE/CARE/PEST CONTROL	10.025	AGRICULTURE	\$25,989	\$28,903	\$54,892
		10.025	ANIMAL HEALTH BOARD	534,801		534,801
	COMMODITY LOANS AND PURCHASES	10.051	AGRICULTURE	126,201		126,201
	FEDERAL-STATE MARKETING IMPROVEMENT	10.156	AGRICULTURE	146,483	52,296	198,779
	INSPECTION GRADING & STANDARDIZATION	10.162	AGRICULTURE	157,075		157,075
	AGRICULTURAL COMPETITIVE RESEARCH	10.206	STATE UNIVERSITY SYSTEM	33,062		33,062
	MEAT & POULTRY INSPECTION	10.477	AGRICULTURE	81,656		81,656
	COOPERATIVE EXTENSION SERVICE	10.500	PHARMACY BOARD	2,299		2,299
		10.500	STATE UNIVERSITY SYSTEM	56,063	17,380	73,443
	SCHOOL BREAKFAST PROGRAM	10.553	EDUCATION	8,584,676		8,584,676
	SPECIAL MILK PROGRAM FOR CHILDREN	10.556	EDUCATION	859,667		859,667
	SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	EDUCATION	2,267,633		2,267,633
	STATE ADMIN EXPENSES FOR CHILD NUTRITION	10.560	EDUCATION	2,293,532		2,293,532
	NUTRITION EDUCATION & TRAINING PROGRAM	10.564	EDUCATION	176,157		176,157
	COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565	HEALTH	521,306		521,306
	TEMPORARY EMERGENCY FOOD ASSISTANCE	10.568	ECONOMIC SECURITY	599,956	46,941	646,897
	NUTRITION PROGRAM FOR THE ELDERLY	10.570	HUMAN SERVICES	3,249,078		3,249,078
	FOREIGN AGRICULTURAL MARKET DEVELOPMENT	10.600	NATURAL RESOURCES	13,000		13,000
	FORESTRY RESEARCH	10.652	NATURAL RESOURCES	21,310		21,310
	COOPERATIVE FORESTRY ASSISTANCE	10.664	NATURAL RESOURCES	1,979,920		1,979,920
	SCHOOLS AND ROADS-GRANTS TO STATES	10.665	FINANCE	1,404,483		1,404,483
	ADDITIONAL LANDS-GRANTS TO MINNESOTA	10.668	FINANCE	1,263,251		1,263,251
	BOUNDARY WATER CANOE AREA	10.669	NATURAL RESOURCES	305,111		305,111
	MULTIRESOURCE FOREST MANAGEMENT PROJECT	10.6XX a	IRON RANGE RESOURCE/REHB	10,000		10,000
		10.6XX a	NATURAL RESOURCES	13,194		13,194
	RESOURCE CONSERVATION & DEVELOPMENT	10.901	NATURAL RESOURCES	36,866	14,600	51,466
	WATERSHED PROTECTION & FLOOD PREVENTION	10.904	NATURAL RESOURCES	6,977		6,977
COMMERCE	TRADE DEVELOPMENT	11.110	TRADE & ECONOMIC DEVELOP	26,425		26,425
	ECONOMIC DEVELOPMENT-TECHNICAL ASSIST	11.303	STATE UNIVERSITY SYSTEM	100,004	28,001	128,005
	STATE & LOCAL ECONOMIC DEVELOPMENT PLNG	11.305	TRADE & ECONOMIC DEVELOP	51,403		51,403
	ECONOMIC DEVELOPMENT & ADJUSTMENT PRGM	11.307	TRADE & ECONOMIC DEVELOP	285,451		285,451
	WEATHER & RIVER FORECASTS & WARNINGS	11.404	PUBLIC SAFETY	24,302		24,302
	INTERJURISDICTIONAL FISHERIES ACT OF 1986	11.407	NATURAL RESOURCES	8,498		8,498

Footnotes: a. A correct program number cannot be determined.

**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
COMMERCE (CONTINUED)	FISHERY PRODUCTS INSPECTION/CERTIFICATION	11.413	AGRICULTURE	\$108,749	\$	\$108,749
	COASTAL ZONE MANAGEMENT ADMIN AWARDS	11.419	NATURAL RESOURCES	68,854	37,211	106,065
	MEASUREMENT & ENGINEERING RES & STANDARDS	11.609	STATE UNIVERSITY SYSTEM	138,394		138,394
CORPORATION FOR NATIONAL SERVICE	RETIRED SENIOR VOLENTEER PROGRAM	72.002	HUMAN SERVICES	8,273		8,273
DEFENSE	FLOOD PLAIN MANAGEMENT SERVICES	12.104	FINANCE	16,571		16,571
	REIMBURSEMENT OF TECHNICAL SERVICES	12.113	POLLUTION CONTROL	372,951		372,951
EDUCATION	INTEREST SUBSIDY	84.00X a	STATE TREASURER	135,699		135,699
	NATIONAL LIBRARY CONFERENCE	84.XXX a	EDUCATION	18,085		18,085
	ADULT EDUCATION—STATE ADMINISTERED	84.002	EDUCATION	3,107,232		3,107,232
	BILINGUAL EDUCATION	84.003	COMMUNITY COLLEGE SYSTEM	831		831
		84.003	EDUCATION	75,426		75,426
	DESEGREGATION ASSIST/CIVIL RIGHTS TRAIN	84.004	EDUCATION	296,168		296,168
	SUPPLEMENTAL EDUCATION OPPORTUNITY GRANT	84.007	COMMUNITY COLLEGE SYSTEM	1,216,414	135,158	1,351,572
		84.007	STATE UNIVERSITY SYSTEM	2,799,287	502,910	3,302,197
	HANDICAPPED EDUCATION—STATE SCHOOLS	84.009	EDUCATION	438,825		438,825
	MIGRANT EDUCATION—BASIC STATE FORMULA	84.011	EDUCATION	1,835,674		1,835,674
	EDUCATIONALLY DEPRIVED CHILDREN—STATE ADM	84.012	EDUCATION	466,796		466,796
	CHAPTER 1 NEGLECTED & DELINQUENT CHILDREN	84.013	EDUCATION	225,459		225,459
	UNDERGRADUATE INTERNATIONAL STUDIES	84.016	COMMUNITY COLLEGE SYSTEM	107,047		107,047
		84.016	STATE UNIVERSITY SYSTEM	7,025		7,025
	FULBRIGHT HAYS TRAINING PROJECTS ABROAD	84.021	STATE UNIVERSITY SYSTEM	42,099		42,099
	SERVICES FOR CHILDREN WITH DEAF—BLINDNESS	84.025	EDUCATION	159,007		159,007
	PERSONNEL DEVELOPMENT & PARENT TRAINING	84.029	EDUCATION	160,784		160,784
		84.029	STATE UNIVERSITY SYSTEM	53,282		53,282
	HIGHER EDUCATION—INSTITUTIONAL AID	84.031	COMMUNITY COLLEGE SYSTEM	158,362		158,362
		84.031	STATE UNIVERSITY SYSTEM	703,880		703,880
	FEDERAL WORK—STUDY PROGRAM	84.033	COMMUNITY COLLEGE SYSTEM	1,885,627	647,812	2,533,439
		84.033	STATE UNIVERSITY SYSTEM	2,831,920	485,063	3,316,983

Footnotes: a. A correct program number cannot be determined.

STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	PUBLIC LIBRARY SERVICES	84.034	EDUCATION	\$1,480,895	\$	\$1,480,895
	INTERLIBRARY COOP & RESOURCE SHARING	84.035	EDUCATION	337,981		337,981
	STUDENT SUPPORT SERVICES	84.042	COMMUNITY COLLEGE SYSTEM	2,086,549		2,086,549
		84.042	STATE UNIVERSITY SYSTEM	745,955	130,228	876,183
	TALENT SEARCH	84.044	COMMUNITY COLLEGE SYSTEM	189,283		189,283
		84.044	STATE UNIVERSITY SYSTEM	150,282	36,045	186,327
	UPWARD BOUND	84.047	COMMUNITY COLLEGE SYSTEM	1,552,056		1,552,056
		84.047	STATE UNIVERSITY SYSTEM	137,850	21,011	158,861
	VOC ED--CONSUMER & HOMEMAKER EDUCATION	84.049	TECHNICAL COLLEGE SYSTEM	499,768		499,768
	VOCATIONAL EDUCATION--STATE COUNCILS	84.053	COUNCIL ON VO--TECH EDUC	143,920		143,920
		84.053	TECHNICAL COLLEGE SYSTEM	141,123		141,123
	HIGHER EDUCATION--COOPERATIVE EDUCATION	84.055	COMMUNITY COLLEGE SYSTEM	977		977
	VETERANS EDUCATION OUTREACH PROGRAM	84.064	COMMUNITY COLLEGE SYSTEM	833	5,580	6,413
	EDUCATIONAL OPPORTUNITY CENTERS	84.066	COMMUNITY COLLEGE SYSTEM	264,233		264,233
	STATE STUDENT INCENTIVES GRANTS	84.069	HIGHER EDUCATION COORD BD	1,409,234	704,617	2,113,851
	CAREER EDUCATION	84.074	STATE UNIVERSITY SYSTEM	140,493	13	140,506
	DISABLED PERSONS POSTSECONDARY EDUCATION	84.078	COMMUNITY COLLEGE SYSTEM	265,273		265,273
	SPECIAL EDUCATION--SEVERELY DISABLED PROG	84.086	EDUCATION	66,324		66,324
	IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116	COMMUNITY COLLEGE SYSTEM	3,106		3,106
		84.116	EDUCATION	21,614		21,614
		84.116	STATE UNIVERSITY SYSTEM	111,818	7,700	119,518
	REHABILITATION SERVICES PROJECTS	84.128	ECONOMIC SECURITY	491,797	86,120	577,917
	REHABILITATION LONG TERM TRAINING	84.129	STATE UNIVERSITY SYSTEM	149,913	66,427	216,340
	CENTERS FOR INDEPENDENT LIVING	84.132	ECONOMIC SECURITY	309,596	(8,231)	301,365
	EDUCATIONAL IMPROVEMENT PARTNERSHIPS	84.151	EDUCATION	4,118,634		4,118,634
	PUBLIC LIBRARY CONSTRUCTION/TECHNOLOGY	84.154	EDUCATION	232,695		232,695
	TRANSITIONAL SERVICES FOR DISABLED YOUTH	84.158	EDUCATION	444,830		444,830
	DISABLED--SPECIAL STUDIES & EVALUATION	84.159	EDUCATION	122,896		122,896
	EISENHOWER MATH & SCIENCE EDUC--STATE	84.164	EDUCATION	2,822,997		2,822,997
		84.164	HIGHER EDUCATION COORD BD	870,213		870,213
		84.164	STATE UNIVERSITY SYSTEM	487,184	11,464	498,648
	INDEPENDENT LIVING SERVICES	84.169	ECONOMIC SECURITY	505,283	261,896	767,179
	SPECIAL EDUCATION--PRESCHOOL GRANTS	84.173	EDUCATION	7,245,380		7,245,380
		84.173	STATE UNIVERSITY SYSTEM	111,062		111,062
	VOC ED--COMMUNITY BASED ORGANIZATIONS	84.174	TECHNICAL COLLEGE SYSTEM	196,249		196,249
	DOUGLAS TEACHER SCHOLARSHIPS	84.176	HIGHER EDUCATION COORD BO	292,835		292,835
	INFANTS & TODDLERS WITH DISABILITIES	84.181	ADMINISTRATION	17,532		17,532
		84.181	EDUCATION	1,478,456		1,478,456
		84.181	STATE UNIVERSITY SYSTEM	73,847		73,847
	DRUG PREVENTION	84.183	COMMUNITY COLLEGE SYSTEM	9,809		9,809

**STATE OF MINNESOTA
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STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
EDUCATION (CONTINUED)	DRUG PREVENTION	84.183	STATE UNIVERSITY SYSTEM	\$18,197	\$	\$18,197
	BYRD HONORS SCHOLARSHIPS	84.185	EDUCATION	174,000		174,000
	DRUG FREE SCHOOLS & COMMUNITIES—STATE	84.186	EDUCATION	5,412,015		5,412,015
	HOMELESS CHILDREN & YOUTH ED STATE/LOCAL	84.196	EDUCATION	205,268		205,268
	DRUG FREE SCHOOLS & PERSONNEL TRAINING	84.207	COMMUNITY COLLEGE SYSTEM	40,022		40,022
	EVEN START—STATE EDUCATION AGENCIES	84.213	EDUCATION	747,909		747,909
	SECRETARY'S FUND FOR INNOVATION IN ED	84.215	EDUCATION	213,895		213,895
	CAPITAL EXPENSES	84.216	EDUCATION	913,268		913,268
	STATE PROGRAM IMPROVEMENT GRANTS	84.218	EDUCATION	173,515		173,515
	STUDENT LITERACY CORPS & MENTORING CORPS	84.219	STATE UNIVERSITY SYSTEM	35,263		35,263
	TECHNOLOGY RELATED DISABILITIES—STATE	84.224	ADMINISTRATION	722,202		722,202
	CHILDREN & YOUTH EMOTIONAL DISTURBANCE	84.237	EDUCATION	63,981		63,981
	TECH—PREP EDUCATION	84.243	TECHNICAL COLLEGE SYSTEM	1,935,607		1,935,607
	FOREIGN LANGUAGE ASSISTANCE	84.249	EDUCATION	149,537		149,537
	SUPPLEMENTARY STATE GRANTS	84.253	TECHNICAL COLLEGE SYSTEM	61,223		61,223
	STATE LITERACY RESOURCE CENTERS	84.254	EDUCATION	93,626		93,626
	LITERACY FOR INCARCERATED ADULTS	84.255	CORRECTION	20,511		20,511
	STATE VOC REHAB UNIT IN—SERVICE TRAINING	84.265	ECONOMIC SECURITY	86,959	8,696	95,655
	STATE POST SECONDARY REVIEW	84.267	HIGHER EDUCATION COORD BD	83,919		83,919
ENERGY	STATE ENERGY CONSERVATION	81.041 a	ADMINISTRATION	1,274,276		1,274,276
		81.041 a	FINANCE	2,371,766	2,743,958	5,115,724
		81.041 a	PUBLIC SERVICE	267,761	17,000	284,761
	LOW INCOME PERSONS WEATHERIZATION ASSIST	81.042 a	ECONOMIC SECURITY	9,105,001		9,105,001
	BASIS ENERGY SCIENCES—UNIVER & SCIENCE ED	81.049	STATE UNIVERSITY SYSTEM	19,013		19,013
	ENERGY EXTENSION SERVICE	81.050	PUBLIC SERVICE	1,886,526	45,000	1,931,526
	INSTITUTIONAL BLDGS ENERGY CONSERVATION	81.052	PUBLIC SERVICE	52,676	47,000	99,676
	REGIONAL BIOMASS PROGRAMS	81.079	PUBLIC SERVICE	111,535	19,996	131,531
ENVIRONMENTAL PROTECTION	MINERALS STATE MINE WASTE	66.XXX b	NATURAL RESOURCES	24,256		24,256
	AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001	POLLUTION CONTROL	2,244,827	3,548,954	5,793,781

Footnotes: a. See note 7.

b. A correct program number cannot be determined.

**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
ENVIRONMENTAL PROTECTION (CONTINUED)	STATE INDOOR RADON GRANTS	66.032	HEALTH	\$96,201	\$	\$96,201
	WATER POLLUTION CONTROL—STATE/INTERSTATE	66.419	AGRICULTURE	48,003		48,003
		66.419	HEALTH	161,497		161,497
		66.419	POLLUTION CONTROL	1,714,290	2,775,082	4,489,372
	STATE & LOCAL MANPOWER PROGRAM DEVEL	66.420	POLLUTION CONTROL	54,461	18,071	72,532
	WATER QUALITY CONTROL INFORMATION SYSTEM	66.423	POLLUTION CONTROL	37,869	10,517	48,386
		66.423	STATE UNIVERSITY SYSTEM	1,934		1,934
	MANAGEMENT PLANNING	66.426	POLLUTION CONTROL	132,876		132,876
	LAKE RESTORATION COOPERATIVE AGREEMENT	66.435	POLLUTION CONTROL	75,913		75,913
	CONSTRUCTION MANAGEMENT ASSISTANCE	66.438	POLLUTION CONTROL	277,411		277,411
	WATER QUALITY MANAGEMENT PLANNING	66.454	POLLUTION CONTROL	157,636		157,636
	NONPOINT SOURCE RESERVATION	66.459	POLLUTION CONTROL	1,441,953	283,010	1,724,963
	NONPOINT SOURCE IMPLEMENTATION	66.460	POLLUTION CONTROL	315,901	80,466	396,367
	WETLANDS PROTECTION—STATE DEVEL GRANTS	66.461	NATURAL RESOURCES	39,917		39,917
		66.461	POLLUTION CONTROL	90,776	20,956	111,732
	GREENHOUSE GAS INVENTORY	66.5XX a	POLLUTION CONTROL	23,053	4,744	27,797
	PESTICIDES CONTROL RESEARCH	66.502	AGRICULTURE	90,412	229,662	320,074
	WASTEWATER POLLUTION CONTROL—RESEARCH	66.505	AGRICULTURE	38,942	5,480	44,422
		66.505	NATURAL RESOURCES	62,274		62,274
		66.505	POLLUTION CONTROL	777,853	82,261	860,114
	SAFE DRINKING WATER RESEARCH & DEMO	66.506	HEALTH	2,215,655	3,074,517	5,290,172
	ENVIRONMENT PROTECTION SUPPORT GRANTS	66.600	POLLUTION CONTROL	309,633	12,015	321,648
	CONSOLIDATED PESTICIDES COMPLIANCE	66.700	AGRICULTURE	478,720	1,761,772	2,240,492
	TOXIC SUBSTANCES COMPLIANCE MONITORING	66.701	HEALTH	50,602	325,448	376,050
		66.701	POLLUTION CONTROL	77,595	38,979	116,574
	HAZARDOUS WASTE MGMT STATE PROGRAM	66.801	POLLUTION CONTROL	1,314,847	728,988	2,043,835
	HAZARDOUS SUBSTANCE RESPONSE TRUST FUND	66.802	POLLUTION CONTROL	2,916,369	107,256	3,023,625
		66.802	WASTE MANAGEMENT	3,226		3,226
	STATE UNDERGROUND STORAGE TANKS	66.804	POLLUTION CONTROL	159,392	103,910	263,302
	UNDERGROUND STORAGE TANK TRUST FUND	66.805	POLLUTION CONTROL	2,053,358	190,921	2,244,279
	SOLID WASTE MANAGEMENT ASSISTANCE	66.808	WASTE MANAGEMENT	52,520		52,520
	POLLUTION PREVENTION GRANTS	66.900	POLLUTION CONTROL	19,894		19,894
		66.900	WASTE MANAGEMENT	74,605		74,605
	EPA ASSISTANCE AGREEMENT	66.901	PUBLIC SERVICE	60,464	9,405	69,869
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	FAIR EMPLOYMENT PRACTICES AGCY CONTRACTS	30.002	HUMAN RIGHTS	286,953		286,953

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**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION	SURVIVAL CRISIS MGMT	83.XXX a	PUBLIC SAFETY	\$1,730	\$	\$1,730
	STATE ASSISTANCE PROGRAM	83.501	PUBLIC SAFETY	88,164		88,164
	CIVIL DEFENSE—STATE & LOCAL EMERGENCY	83.503	PUBLIC SAFETY	1,373,520	325,376	1,698,896
	STATE DISASTER PREPAREDNESS GRANTS	83.505	PUBLIC SAFETY	46,002	66,376	112,378
	RADIOLOGICAL INSTRUMENTATION	83.508	PUBLIC SAFETY	27,178		27,178
	RADIOLOGICAL DEFENSE PLNG & DEVELOPMENT	83.511	PUBLIC SAFETY	632		632
	NUCLEAR CIVIL PROTECTION PLANNING	83.514	PUBLIC SAFETY	30,956		30,956
	EMERGENCY MGMT INSTITUTE—FIELD TRAINING	83.528	PUBLIC SAFETY	212,984		212,984
	STATE & LOCAL EMERGENCY MANAGEMENT ASSIS	83.531	PUBLIC SAFETY	184,388		184,388
	FACILITIES & EQUIPMENT	83.532	PUBLIC SAFETY	278,006		278,006
18	GENERAL SERVICES ADMINISTRATION	FEDERAL SURPLUS PERSONAL PROPERTY DONAT	39.003	ADMINISTRATION	304,351	304,351
HEALTH & HUMAN SERVICES	PUBLIC HEATH & SOCIAL SERVICES EMRGCY FUND	93.003	ECONOMIC SECURITY	464,802		464,802
		93.003	HEALTH	972		972
		93.003	HUMAN SERVICES	1,523,150		1,523,150
	OLDER INDVLS ABUSE/NEGLECT/EXPLOITATION	93.041	HUMAN SERVICES	40,477		40,477
	OLDER INDVLS LONG—TERM CARE OMBUDSMAN	93.042	HUMAN SERVICES	65,084		65,084
	PREVENTION OF HEALTH—TITLE III PART F	93.043	HUMAN SERVICES	506,902		506,902
	AGING SUPPORT SERVICES & SENIOR CENTERS	93.044	HUMAN SERVICES	6,501,990	581,541	7,083,531
	AGING—TITLE III PART C—NUTRITION SERVICES	93.045	HUMAN SERVICES	6,706,719	2,290,000	8,996,719
	FRAL OLDER INDIVIDUALS IN—HOME SERVICES	93.046	HUMAN SERVICES	125,644		125,644
	SPECIAL AGING PROGRAMS—TITLE IV	93.048	HUMAN SERVICES	84,041		84,041
	FOOD & DRUG ADMINISTRATION RESEARCH	93.103	AGRICULTURE	45,322		45,322
	MATERNAL & CHILD HEALTH FED CONSOLIDATED	93.110	HEALTH	132,852		132,852
	ENVIRONMENTAL HEALTH HAZARDS	93.112	HEALTH	290,589		290,589
	ENVIRONMENTAL EXPOSURES HEALTH RISKS	93.115	HEALTH	16,528		16,528
	TUBERCULOSIS CONTROL PROGRAMS	93.116	HEALTH	221,795		221,795
	ACQUIRED IMMUNODEFICIENCY SYNDROME	93.118	EDUCATION	193,042		193,042
		93.118	HEALTH	2,338,968		2,338,968
	MENTAL HEALTH PLANNING & DEMONSTRATION	93.125	AGRICULTURE	46,935	44,649	91,584
		93.125	HUMAN SERVICES	180,063		180,063

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**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
HEALTH & HUMAN SERVICES (CONTINUED)	EMERGENCY MEDICAL SERVICES FOR CHILDREN	93.127	HEALTH	\$30,790	\$	\$30,790
	MENTAL HEALTH STATISTICS IMPR PROGRAM	93.128	HUMAN SERVICES	85,077		85,077
	PRIMARY CARE SERVICES	93.130	HEALTH	122,217		122,217
	INJURY PREVENTION & CONTROL RESEARCH	93.136	HEALTH	307,247		307,247
	ASSIST IN TRANSITION FROM HOMELESSNESS	93.150	HUMAN SERVICES	317,769	404,179	721,948
	TOXIC SUBSTANCES & DISEASE REGISTRY	93.161	HEALTH	55,916		55,916
	GRANTS FOR STATE LOAN REPAYMENTS	93.165	HEALTH	2,814		2,814
	COMMUNITY YOUTH ACTIVITY BLOCK GRANTS	93.171	HUMAN SERVICES	11,059		11,059
	UNIFORM ALCOHOL & DRUG ABUSE DATA-STATE	93.179	HUMAN SERVICES	43,959		43,959
	MENTAL HEALTH RESEARCH GRANTS	93.242	STATE UNIVERSITY SYSTEM	47,756		47,756
	MENTAL HEALTH CLINIC OR SERVICE TRAINING	93.244	HUMAN SERVICES	34,012		34,012
	OCCUPATIONAL SAFETY & HEALTH GRANTS	93.262	HEALTH	59,755		59,755
	CHILDHOOD IMMUNIZATION GRANTS	93.268	HEALTH	1,549,474		1,549,474
	CENTER FOR DISEASE CONTROL & PREVENTION	93.283	HEALTH	3,179,200		3,179,200
	ADVANCED NURSE EDUCATION	93.299	STATE UNIVERSITY SYSTEM	52,536		52,536
	PROFESSIONAL NURSE TRAINEESHIPS	93.358	STATE UNIVERSITY SYSTEM	14,832		14,832
	CANCER CONTROL	93.399	HEALTH	1,252,794		1,252,794
	ASSISTANT PAYMENTS-RESEARCH	93.562	ECONOMIC SECURITY	158,676		158,676
	REFUGEE & ENTRANT ASSISTANCE-STATE ADMIN	93.566	HUMAN SERVICES	7,797,889		7,797,889
	REFUGEE AND ENTRANT ASSISTANCE	93.567	ECONOMIC SECURITY	32,210		32,210
	COMMUNITY SERVICES BLOCK GRANT	93.569	ECONOMIC SECURITY	6,584,534		6,584,534
	HEAD START	93.600	ECONOMIC SECURITY	56,340		56,340
	CHILD WELFARE RESEARCH & DEMONSTRATION	93.614	ECONOMIC SECURITY	158,676		158,676
		93.614	STATE UNIVERSITY SYSTEM	9,379		9,379
	RUNAWAY & HOMELESS YOUTH	93.623	HUMAN SERVICES	30,730		30,730
	DEVELOPMENTAL DISABILITIES-BASIC SUPPORT	93.630	ADMINISTRATION	944,568		944,568
	DISABILITIES-NATIONAL SIGNIFICANCE	93.631	ADMINISTRATION	79,399		79,399
	CHILDRENS JUSTICE GRANTS TO STATES	93.643	HUMAN SERVICES	215,769		215,769
	CHILD WELFARE SERVICES-STATE GRANTS	93.645	HUMAN SERVICES	4,585,328	5,180,279	9,765,607
	ADOPTION OPPORTUNITIES	93.652	HUMAN SERVICES	128,523		128,523
	TEMPORARY CHILD CARE & CRISIS NURSERIES	93.656	HUMAN SERVICES	512,400		512,400
	YOUTH INITIATIVE/YOUTH GANGS	93.660	HUMAN SERVICES	733,763	758,733	1,492,496
	CHILD ABUSE & NEGLECT DISCRETIONARY	93.670	HUMAN SERVICES	323,106		323,106
	FAMILY VIOLENCE & PREVENTION SERVICES	93.671	CORRECTION	265,919		265,919
	COMMUNITY-BASED PREVENTION PROGRAM	93.672	HUMAN SERVICES	61,467		61,467
	DEPENDENT CARE PLANNING & DEVELOPMENT	93.673	EDUCATION	162,268		162,268
	STATE MEDICAID FRAUD CONTROL UNITS	93.775	ATTORNEY GENERAL	449,304		449,304
	STATE HEALTH CARE PROVIDERS SURVEY	93.777	HEALTH	3,046,780		3,046,780
		93.777	HUMAN SERVICES	2,941,217	926,530	3,867,747
	HEALTH CARE FINANCING RESEARCH/DEMO/EVAL	93.779	HUMAN SERVICES	185,313		185,313

**STATE OF MINNESOTA
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FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
HEALTH & HUMAN SERVICES (CONTINUED)	SUPPLEMENTAL SECURITY INCOME	93.807	HUMAN SERVICES	\$161,468	\$	\$161,468
	ARTHRITIS/MUSCULOSKELETAL & SKIN DISORDER	93.846	STATE UNIVERSITY SYSTEM	13,255		13,255
	DIGESTIVE DISEASES & NUTRITION RESEARCH	93.848	STATE UNIVERSITY SYSTEM	15,483		15,483
	MICROBIOLOGY & INFECTIOUS DISEASES RESCH	93.856	HEALTH	416,913		416,913
	ANTERIOR SEGMENT DISEASES RESEARCH	93.868	STATE UNIVERSITY SYSTEM	9,689		9,689
	CRITICAL POPULATIONS DRUG ABUSE	93.902	HUMAN SERVICES	32,245		32,245
	RURAL HEALTH SERVICE OUTREACH	93.912	HEALTH	62,113		62,113
	RURAL HEALTH OPERATION OFFICES—STATE	93.913	HEALTH	87,875		87,875
	HIV CARE FORMULA GRANTS	93.917	HEALTH	613,016		613,016
	STATE TRAUMA CARE	93.953	HEALTH	92,725		92,725
	COMMUNITY MENTAL HEALTH SERVICES BLOCK	93.958	HUMAN SERVICES	2,909,096		2,909,096
	HEALTH PROFESSIONS INDIAN RECRUITMENT	93.970	STATE UNIVERSITY SYSTEM	37,991		37,991
	SEXUALLY TRANSMITTED DISEASES CONTROL	93.977	HEALTH	580,585		580,585
	MENTAL HEALTH DISASTER ASSIST/PREVENTIVE	93.982	HUMAN SERVICES	1,918,974		1,918,974
	HEALTH PROGRAMS FOR REFUGEES	93.987	HEALTH	72,988		72,988
	STATE DIABETES CONTROL PROGRAMS	93.988	HEALTH	177,886		177,886
	PREVENTIVE HEALTH & SERVICES BLOCK GRANT	93.991	HEALTH	3,374,959		3,374,959
	ALCOHOL/DRUG ABUSE/MENTAL HEALTH BLOCK	93.992	HUMAN SERVICES	256,712		256,712
	MATERNAL & CHILD HEALTH SERVICES BLOCK	93.994	HEALTH	8,155,062	5,623,698	13,778,760
HOUSING & URBAN DEVELOPMENT	MANUFACTURED HOME CONSTRUCTION & SAFETY	14.171	ADMINISTRATION	43,097		43,097
	SPECIAL PURPOSE GRANTS/TECHNICAL ASSIST	14.227	TRADE & ECONOMIC DEVELOP	118,837		118,837
	EMERGENCY SHELTER GRANTS PROGRAM	14.231	ECONOMIC SECURITY	749,411	789,366	1,538,777
	COMMUNITY DEVELOPMENT WORK—STUDY PROG	14.234	STATE UNIVERSITY SYSTEM	161,455		161,455
	HOUSING FOR PEOPLE WITH AIDS	14.241	HEALTH	3,306		3,306
INTERIOR	FOREST/MINES/MISSISSIPPI/WILDLIFE	15.XXX a	NATURAL RESOURCES	333,988		333,988
	WILDLIFE HABITAT MANAGEMENT ASSISTANCE	15.219	NATURAL RESOURCES	2,198		2,198
	MINERALS PREDICTING ACID MINE DRAINAGE	15.3XX a	NATURAL RESOURCES	4,501		4,501
	WILDLIFE — LAKES	15.6XX a	NATURAL RESOURCES	1,067,696		1,067,696
		15.6XX a	WATER & SOIL RESOURCES	153,937		153,937
	SPORT FISH RESTORATION	15.605	NATURAL RESOURCES	6,401,613		6,401,613

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**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
INTERIOR (CONTINUED)	WILDLIFE RESEARCH INFORMATION	15.610	NATURAL RESOURCES	\$12,570	\$	\$12,570
	WILDLIFE RESTORATION	15.611	NATURAL RESOURCES	4,485,421	1,495,140	5,980,561
	ENDANGERED SPECIES CONSERVATION	15.612	NATURAL RESOURCES	51,009		51,009
	OUTDOOR RECREATION—ACQUIS, DEVEL & PLNG	15.916	NATURAL RESOURCES	713,007		713,007
JUSTICE	MARIJUANA EDUCATION	16.00X a	PUBLIC SAFETY	79,450		79,450
	JUVENILE JUSTICE & DELINQUENCY PREVENTION	16.540	ECONOMIC SECURITY	1,353,311	54,680	1,407,991
	JUVENILE JUSTICE & DELINQUENCY PREVENTION	16.540	STATE UNIVERSITY SYSTEM	3,563		3,563
	CRIMINAL JUSTICE STATISTICS DEVELOPMENT	16.550	PUBLIC SAFETY	123,926		123,926
		16.550	STRATEGIC & LONG RANGE PLN	65,132		65,132
	CRIME VICTIM ASSISTANCE	16.575	CORRECTION	1,184,918		1,184,918
	CRIME VICTIM COMPENSATION	16.576	PUBLIC SAFETY	644,822	1,845,320	2,490,142
	DRUG CONTROL & SYSTEM IMPROVEMENT	16.579	JUDICIAL	284,340		284,340
		16.579	PUBLIC SAFETY	7,496,878	721,458	8,218,336
	DRUG CONTROL & SYSTEM IMPROVEMENT DISC	16.580	PUBLIC SAFETY	32,325		32,325
	CRIME VICTIM ASSISTANCE/DISCRETIONARY	16.582	CORRECTION	15,248		15,248
LABOR	NATIONAL OCCUPATIONAL INFORMATION	17.00X a	ECONOMIC SECURITY	122,898		122,898
	LABOR FORCE STATISTICS	17.002	ECONOMIC SECURITY	1,236,357		1,236,357
	SENIOR COMMUNITY SERVICE EMPLOYMENT	17.235	ECONOMIC SECURITY	1,787,960	296,997	2,084,957
	TRADE ADJUSTMENT ASSISTANCE—WORKERS	17.245	ECONOMIC SECURITY	1,224,304		1,224,304
	OCCUPATIONAL SAFETY & HEALTH	17.500	LABOR & INDUSTRY	3,231,620	2,481,726	5,713,346
	MINE HEALTH & SAFETY GRANTS	17.600	TECHNICAL COLLEGE SYSTEM	160,293		160,293
	DISABLED VETERANS OUTREACH PROGRAM	17.801	ECONOMIC SECURITY	1,617,958		1,617,958
	VETERANS EMPLOYMENT PROGRAM	17.802	ECONOMIC SECURITY	117,763	151,457	269,220
	LOCAL VETERANS EMPLOYMENT REPRESENTIVE	17.804	ECONOMIC SECURITY	1,798,635		1,798,635
LIBRARY OF CONGRESS	IMPROVING ELEMENTARY TEACHERS	42.051	STATE UNIVERSITY SYSTEM	70		70

Footnotes: a. A correct program number cannot be determined.

**STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994**

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
NATIONAL FOUNDATION ARTS & HUMANITIES	PROMOTION OF THE ARTS—STATE/REGIONAL	45.007	STATE ARTS BOARD	\$729,912	\$730,000	\$1,459,912
	PROMOTION OF THE ARTS—EXPANSION ARTS	45.010	STATE ARTS BOARD	161,200	161,200	322,400
	MUSEUM SERVICES INSTITUTE	45.301	STATE UNIVERSITY SYSTEM	1,224		1,224
	ENGINEERING GRANTS	47.041	STATE UNIVERSITY SYSTEM	26,408		26,408
	MATHEMATICAL & PHYSICAL SCIENCES	47.049	STATE UNIVERSITY SYSTEM	37,672		37,672
	GEOSCIENCES	47.050	STATE UNIVERSITY SYSTEM	264,425		264,425
	BIOLOGICAL SCIENCES	47.074	STATE UNIVERSITY SYSTEM	159,345	39,310	198,655
	EDUCATION & HUMAN RESOURCES	47.076	STATE UNIVERSITY SYSTEM	79,298	37,215	116,513
		47.076	ZOOLOGICAL GARDENS	40,867	9,145	50,012
NATIONAL & COMMUNITY SERVICE COMMISSION	COMMUNITY SERVICE GRANT	94.001	ADMINISTRATION	158,107		158,107
		94.001	COMMUNITY COLLEGE SYSTEM	35,625	53,702	89,327
		94.001	STATE UNIVERSITY SYSTEM	22,728		22,728
	LIBRARY LITERACY PROGRAM	94.003	EDUCATION	68,198		68,198
	FLOOD RECOVERY	94.007	NATURAL RESOURCES	41,958		41,958
PERSONNEL MANAGEMENT	INTERGOVERNMENTAL PERSONNEL ACT MOBILITY	27.011	NATURAL RESOURCES	19,408		19,408
SMALL BUSINESS ADMINISTRATION	PROCUREMENT ASSISTANCE TO SMALL BUSINESS	59.009	NATURAL RESOURCES	354,540		354,540
	SMALL BUSINESS DEVELOPMENT CENTER	59.037	COMMUNITY COLLEGE SYSTEM	22,884	22,985	45,869
		59.037	STATE UNIVERSITY SYSTEM	478,484	163,115	641,599
		59.037	TRADE & ECONOMIC DEVELOPMENT	1,191,019	216,551	1,407,570
	NATURAL RESOURCE DEVELOPMENT	59.045	NATURAL RESOURCES	62,450		62,450
TRANSPORTATION	BOATING SAFETY FINANCIAL ASSISTANCE	20.005	NATURAL RESOURCES	1,107,726	1,054,501	2,162,227
	JOINT FUEL TAX PROJECT	20.025	REVENUE	29,509		29,509
	AVIATION EDUCATION	20.100	TRANSPORTATION	2,000,000		2,000,000
	MOTOR CARRIER SAFETY	20.217	PUBLIC SAFETY	96,832		96,832
	MOTOR CARRIER SAFETY ASSISTANCE PROGRAM	20.218	PUBLIC SAFETY	2,406,754	4,067,861	6,474,615
	MOTOR CARRIER SAFETY ASSISTANCE PROGRAM	20.218	TRANSPORTATION		119,681	119,681
	LOCAL RAIL FREIGHT ASSISTANCE	20.308	TRANSPORTATION	2,344,021	3,018,192	5,362,213
	FEDERAL TRANSIT CAPITAL IMPROVEMENT	20.500	TRANSPORTATION	2,481,432	221,202	2,702,634

STATE OF MINNESOTA
NONMAJOR FEDERAL PROGRAMS
STATEMENT OF EXPENDITURES
YEAR ENDED JUNE 30, 1994

FEDERAL AGENCY	FEDERAL PROGRAM NAME	CFDA NUMBER	STATE AGENCY	FEDERAL EXPENDITURES	STATE MATCH	TOTAL EXPENDITURES
TRANSPORTATION (CONTINUED)	FEDERAL TRANSIT TECHNICAL STUDIES GRANTS	20.505	TRANSPORTATION	\$701,766	\$49,283	\$751,049
	PUBLIC TRANSPORTATION NONURBANIZED AREAS	20.509	TRANSPORTATION	3,461,217	3,479,610	6,940,827
	STATE & COMMUNITY HIGHWAY SAFETY	20.600	PUBLIC SAFETY	2,324,042	163,915	2,487,957
	PIPELINE SAFETY	20.700	PUBLIC SAFETY	333,956	782,048	1,116,004
	INTERAGENCY HAZARDOUS MAT- PUBLIC SECTOR	20.703	PUBLIC SAFETY	13,284		13,284
VETERANS AFFAIRS	STATE HOME FACILITIES CONSTRUCTION GRANTS	64.005	ADMINISTRATION	876,999		876,999
		64.005	STATE ARTS BOARD	8,400	8,400	16,800
	VETERANS STATE DOMICILIARY CARE	64.014 a	VETERANS AFFAIRS	874,960	874,960	1,749,920
	VETERANS STATE NURSING HOME CARE	64.015 a	VETERANS AFFAIRS	4,064,139	4,064,139	8,128,278
	VETERANS EDUCATIONAL ASSISTANCE	64.111	EDUCATION	329,411		329,411
		64.111	LABOR & INDUSTRY	11,329		11,329
TOTAL NONMAJOR PROGRAMS				<u>\$258,615,816</u>	<u>\$62,987,729</u>	<u>\$321,603,545</u>

Footnotes: a. Total operating expenditures under programs 64.014 and 64.015 for the period were \$23,635,661. The required 50% match for each program was met.

STATE OF MINNESOTA
NOTES TO THE FEDERAL PROGRAMS FINANCIAL STATEMENTS
JUNE 30, 1994

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 1994 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 1994 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. The state, a primary government, has also considered for inclusion all potential component units for which it may be financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the report to be to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be used in determining financial accountability. These criteria include the state's ability to appoint a voting majority of an organization's governing body and either the ability of the state to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the state.

The programs included in this report are considered to be part of the state's primary government and the blended component units. Blended component units are entities which are legally separate from the state, but are so intertwined with the state that they are, in substance, the same as the state. The Housing Finance Agency and the Public Facilities Authority are no longer included in this report. Based upon the current reporting requirements, these entities are not considered part of the primary government or blended component units.

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, 1994. 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 (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, 1993 through June 30, 1994, 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, 1994. 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. HIGHWAY PLANNING AND CONSTRUCTION PROGRAM

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. FEDERAL FAMILY EDUCATION LOANS PROGRAM

The Federal Family Education 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 1994. Below is a summary of the MHECB guaranteed student loan activity during fiscal year 1994:

Loans Receivable July 1, 1993	\$23,782,819
Loan Repayments	(7,589,078)
New Loans Issued	<u>0</u>
Loans Receivable June 30, 1994	<u>\$16,193,741</u>

4. OTHER FEDERAL FAMILY EDUCATION LOANS PROGRAMS

Loans are also made by financial institutions for students attending institutions of higher education. Students attending the Minnesota Community College System (CCS) were issued \$22,362,372 and students attending the State University System (SUS) were awarded \$72,748,861 of new guaranteed student loans during fiscal year 1994. Below is a summary of the guaranteed student loan programs.

	<u>CCS</u>	<u>SUS</u>
Federal Stafford Loan Program:		
Subsidized	\$18,160,356	\$58,645,490
Unsubsidized	2,369,335	12,039,254
Federal Supplemental Loans for Students	<u>1,832,681</u>	<u>2,064,117</u>
Totals	<u>\$22,362,372</u>	<u>\$72,748,861</u>

5. PERKINS AND NURSING STUDENT LOANS 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 1994:

	<u>PERKINS</u>		<u>NSL</u>	
	<u>CCS</u>	<u>SUS</u>	<u>CCS</u>	<u>SUS</u>
Loans Receivable July 1, 1993	\$6,297,437	\$27,775,494	\$372,089	\$33,178
Loan Repayments	(877,520)	(3,969,674)	(86,921)	(10,948)
Loan Cancellations	(42,991)	(260,334)	0	0
Writeoffs	0	0	0	(1,883)
New Loans Issued	<u>1,307,058</u>	<u>4,111,193</u>	<u>76,197</u>	<u>0</u>
Loans Receivable June 30, 1994	<u>\$6,683,984</u>	<u>\$27,656,679</u>	<u>\$361,365</u>	<u>\$20,347</u>

6. FOOD STAMPS PROGRAM

The amounts reported on the financial statement for the Food Stamps Program (10.551) and for the State Administrative Matching Grants for Food Stamp Program (10.561) are for emergency cash payments to individuals for food and for the state and county administrative costs. The state Department of Human Services issues food coupons centrally to all county recipients. For fiscal year 1994 the state issued food coupons to recipients totalling \$192,594,484. Inventory of food stamps on hand at June 30, 1994, is valued at \$44,242,058.

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 1994 is shown below. Amounts for loans from the Department of Finance include state match.

	<u>Finance</u>	<u>Public Service</u>
Loans Receivable July 1, 1993	\$5,411,101	\$ 77,504
Loan Repayments	(1,253,817)	(35,732)
New Loans Issued	<u>5,115,723</u>	<u>379,636</u>
Loans Receivable June 30, 1994	<u>\$9,273,007</u>	<u>\$421,408</u>

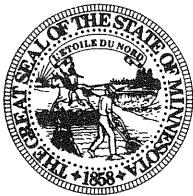
8. WIC REBATES

The Supplemental Food Program for Women, Infants, and Children (WIC) for the Minnesota Department of Health receives cash rebates from infant formula manufacturers. The rebates are used for program purposes. During fiscal year 1994, Minnesota received a total rebate of \$12,220,813 on sales of formula to participants in the WIC program.

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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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994. 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 April 18, 1995.

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, 1994, 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 principles, and

Members of the Legislature

The Honorable Arne H. Carlson, Governor

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting Regional Inspector General for Audit

United States Department of Agriculture

Page 2

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

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

Members of the Legislature

The Honorable Arne H. Carlson, Governor

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting Regional Inspector General for Audit

United States Department of Agriculture

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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. Because of the large number of nonmajor programs, as identified on pages 13 to 23 of this report, we performed some procedures to obtain an understanding of the internal control structure policies and procedures relevant to nonmajor programs.

During the year ended June 30, 1994, the State of Minnesota expended 93 percent of its total federal financial assistance under major federal financial assistance programs.

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. These policies and procedures exist to prevent or detect 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. These programs are identified on pages 10 to 12 of this report for the year ended June 30, 1994. 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 such 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 Audit Findings for Federal Programs on pages 44 to 54 of this report.

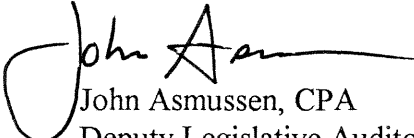
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements 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
Laura M. King, Commissioner of Finance
Floyd D. Deidiker, Acting Regional Inspector General for Audit
United States Department of Agriculture
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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 or to the federal financial assistance programs.

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 28, 1995.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 18, 1995

Report Signed On: June 22, 1995



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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994.

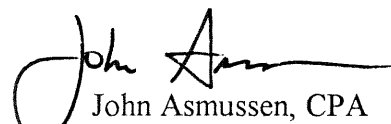
We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial 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 28, 1995.

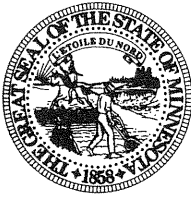

James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 18, 1995

Report Signed On: June 22, 1995

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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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994.

We have also 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 12 of this report for the year ended June 30, 1994. 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 audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Audit Findings for Federal Programs on pages 44 to 54. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

Members of the Legislature

The Honorable Arne H. Carlson, Governor

Laura M. King, Commissioner of Finance

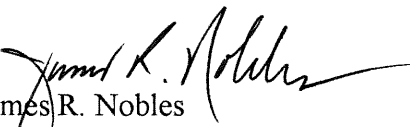
Floyd D. Deidiker, Acting Regional Inspector General for Audit


United States Department of Agriculture

Page 2

In our opinion, the State of Minnesota complied, in all material respects, 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 for the year ended June 30, 1994.

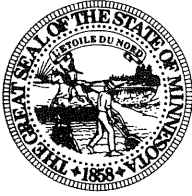
This report is intended for the information of the Legislative Audit Commission and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 28, 1995.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 18, 1995

Report Signed On: June 22, 1995



STATE OF MINNESOTA

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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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994.

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 12 of this report, for the year ended June 30, 1994:

- 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

Members of the Legislature

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United States Department of Agriculture

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requirements, which are described in the Schedule of Audit Findings for Federal Programs on pages 44 to 54 of this report.

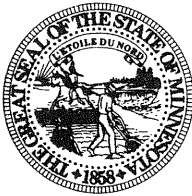
This report is intended for the information of the Legislative Audit Commission and the management of affected state and federal agencies. This restriction is not intended to limit the distribution of this report, which was released as a public document on June 28, 1995.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 18, 1995

Report signed On: June 22, 1995



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

Laura M. King, Commissioner of Finance

Floyd D. Deidiker, Acting 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, 1994, and have issued our report thereon dated December 13, 1994.

In connection with our audit of the general purpose financial statements of the State of Minnesota and with our consideration of the state's control structure 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, 1994.

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.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. 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 accompanying Schedule of Audit Findings for Federal Programs on pages 44 to 54 of this report.

Members of the Legislature

The Honorable Arne H. Carlson, Governor


Laura M. King, Commissioner of Finance

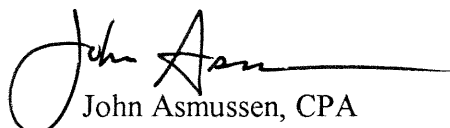
Floyd D. Deidiker, Acting Regional Inspector General for Audit

United States Department of Agriculture

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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 28, 1995.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 18, 1995

Report Signed On: June 22, 1995

**Office of the Legislative Auditor
Statewide Single Audit**

**Schedule of Audit Findings
for Federal Programs
Fiscal Year Ended June 30, 1994**

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 55 to 59.

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994

<i>U. S. Department of Agriculture</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE		PROBLEM	FIN IMPACT
10.550	Food Distribution	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$148
10.555	National School Lunch Program	Education	95-14	2			I	Inadequate cash management procedures	NQ
10.557	Women/Infants/Children Supp. Food	Health	95-11	2			I	Subrecipient monitoring system needs improvement	P
10.557	Women/Infants/Children Supp. Food	Health	95-11	1			I	Duplicate employee travel payment	\$416
10.557	Women/Infants/Children Supp. Food	Health	95-11	6			I	Payroll for split-funded employee not adjusted	\$13,788
10.558	Child/Adult Care Food Program	Education	95-14	2			I	Inadequate cash management procedures	NQ
10.565	Commodity Supplemental Food	Health	95-11	6			I	Payroll for split-funded employee not adjusted	\$24,237

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994

<i>U. S. Department of Defense</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC		PROBLEM	FIN IMPACT
12.000	Military Affairs Operations	Military Affairs	95-27	3		I		Improper relationship and subrecipient monitoring	NQ

**MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994**

U. S. Department of Education

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT
46	84.007 Supplemental Educational Opportunity Grants	Anoka Ramsey C.C.	94-29	38	RC	I	Financial aid transcripts not obtained	NQ
	84.007 Supplemental Educational Opportunity Grants	Bemidji State University	94-26	11	RC	I	Cash management procedures need improvement	NQ
	84.007 Supplemental Educational Opportunity Grants	Brainerd C.C.	95-26	9	RC		Bank reconciliations not independent and timely	P
	84.007 Supplemental Educational Opportunity Grants	Cambridge C.C.	95-26	12	RC	I	Noncompliance with cash management requirements	NQ
	84.007 Supplemental Educational Opportunity Grants	Fergus Falls C.C.	94-29	21		I	Progress policy does not meet federal guidelines	NQ
	84.007 Supplemental Educational Opportunity Grants	Inver Hills C. C.	94-29	27		I	Academic progress not monitored during summer sessions	NQ
	84.007 Supplemental Educational Opportunity Grants	Inver Hills C. C.	94-29	28		I	Conflicting information not resolved	NQ
	84.007 Supplemental Educational Opportunity Grants	Inver Hills C. C.	94-29	29	RC	I	Financial aid transcripts not obtained	NQ
	84.007 Supplemental Educational Opportunity Grants	Mankato State University	94-26	9	RC	I	Cash management procedures need improvement	NQ
	84.007 Supplemental Educational Opportunity Grants	Minneapolis C.C.	94-29	31	RC		Inadequate controls over financial aid packaging	NQ
	84.007 Supplemental Educational Opportunity Grants	Minneapolis C.C.	94-29	34		I	Progress policy does not meet federal guidelines	NQ
	84.007 Supplemental Educational Opportunity Grants	Minneapolis C.C.	95-26	17	RC	I	Noncompliance with cash management requirements	NQ
	84.007 Supplemental Educational Opportunity Grants	Moorhead State University	94-26	1	RC	I	Cash management procedures need improvement	NQ
	84.007 Supplemental Educational Opportunity Grants	Moorhead State University	94-26	3	RC	I	Federal cash transaction reports are not accurate	NQ
	84.007 Supplemental Educational Opportunity Grants	Moorhead State University	94-26	4	RC		Inadequate documentation supporting dependency status	P
	84.007 Supplemental Educational Opportunity Grants	North Hennepin C.C.	94-29	11		I	Conflicting information not resolved	NQ
	84.007 Supplemental Educational Opportunity Grants	North Hennepin C.C.	94-29	13	RC	I	Noncompliance with cash management requirements	NQ
	84.007 Supplemental Educational Opportunity Grants	Northland C.C.	94-29	25	RC	I	Inadequate financial aid reporting	NQ
	84.007 Supplemental Educational Opportunity Grants	Northland C.C.	94-29	26	RC	I	Financial aid transcripts not obtained	NQ
	84.007 Supplemental Educational Opportunity Grants	Rochester C.C.	94-29	1		I	Conflicting information not resolved	NQ
	84.007 Supplemental Educational Opportunity Grants	Rochester C.C.	94-29	8		I	Noncompliance with cash management requirements	NQ
	84.007 Supplemental Educational Opportunity Grants	St. Cloud State University	94-26	5	RC	I	Cash management procedures need improvement	NQ
	84.007 Supplemental Educational Opportunity Grants	St. Cloud State University	94-26	7	RC		Access controls over financial aid system need improvement	P
	84.007 Supplemental Educational Opportunity Grants	Willmar C.C.	94-29	16		I	Progress policy does not meet federal guidelines	NQ
	84.007 Supplemental Educational Opportunity Grants	Willmar C.C.	94-29	19	RC	I	Noncompliance with cash management requirements	NQ
	84.007 Supplemental Educational Opportunity Grants	Willmar C.C.	94-29	18	RC	I	Inadequate separation of duties over financial aid	NQ
	84.007 Supplemental Educational Opportunity Grants	Worthington C.C.	95-26	24		I	Aid paid to ineligible student	\$600
	84.007 Supplemental Educational Opportunity Grants	Worthington C.C.	95-26	25		I	Unreasonable and inaccurate costs of attendance used	NQ
	84.007 Supplemental Educational Opportunity Grants	Worthington C.C.	95-26	27	RC	I	Financial aid transcripts not obtained	P
	84.010 Educationally Deprived Children	Education	95-14	2		I	Inadequate cash management procedures	NQ
	84.027 Handicapped State Grants	Education	95-14	2		I	Inadequate cash management procedures	NQ
	84.032 Family Education Loan Program	Anoka Ramsey C.C.	94-29	38	RC	I	Financial aid transcripts not obtained	NQ
	84.032 Family Education Loan Program	Austin C.C.	95-26	3	RC		Inadequate controls over incoming checks	P
	84.032 Family Education Loan Program	Brainerd C.C.	95-26	7	RC	I	Loan certified over annual limit	\$104
	84.032 Family Education Loan Program	Brainerd C.C.	95-26	8	RC		Inadequate controls over incoming checks	NQ
	84.032 Family Education Loan Program	Fergus Falls C.C.	94-29	20	RC		Inadequate controls over incoming checks	P

**MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994**

U. S. Department of Education

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT
84.032	Family Education Loan Program	Fergus Falls C.C.	94-29	21		I	Progress policy does not meet federal guidelines	NQ
84.032	Family Education Loan Program	Inver Hills C. C.	94-29	27		I	Academic progress not monitored during summer sessions	NQ
84.032	Family Education Loan Program	Inver Hills C. C.	94-29	28		I	Conflicting information not resolved	NQ
84.032	Family Education Loan Program	Inver Hills C. C.	94-29	29	RC	I	Financial aid transcripts not obtained	NQ
84.032	Family Education Loan Program	Inver Hills C.C.	95-26	14		I	SLS loan improperly certified	\$2,000
84.032	Family Education Loan Program	Mankato State University	95-25	1		I	Loan disbursed in excess of annual limit	\$7,000
84.032	Family Education Loan Program	Mankato State University	95-25	3	RC	I	Nonresident vs resident cost of attendance budget used	P
84.032	Family Education Loan Program	Metro State University	95-25	5		I	Inadequate controls over student financial aid packaging	P
84.032	Family Education Loan Program	Metro State University	95-25	6		I	No financial aid refund policy	P
84.032	Family Education Loan Program	Minneapolis C.C.	94-29	30		I	Stafford loan improperly certified	\$442
84.032	Family Education Loan Program	Minneapolis C.C.	94-29	31	RC		Inadequate controls over financial aid packaging	NQ
84.032	Family Education Loan Program	Minneapolis C.C.	94-29	34		I	Progress policy does not meet federal guidelines	NQ
84.032	Family Education Loan Program	Minneapolis C.C.	95-26	15		I	Counseling procedures not adequate	P
84.032	Family Education Loan Program	Moorhead State University	94-26	4	RC		Inadequate documentation supporting dependency status	P
84.032	Family Education Loan Program	North Hennepin C.C.	94-29	10	RC		Inadequate controls over incoming checks	P
84.032	Family Education Loan Program	North Hennepin C.C.	94-29	11		I	Conflicting information not resolved	NQ
84.032	Family Education Loan Program	Northland C.C.	94-29	24	RC		Inadequate controls over incoming checks	P
84.032	Family Education Loan Program	Northland C.C.	94-29	25	RC	I	Inadequate financial aid reporting	NQ
84.032	Family Education Loan Program	Northland C.C.	94-29	26	RC		Financial aid transcripts not obtained	NQ
84.032	Family Education Loan Program	Rochester C.C.	94-29	1		I	Conflicting information not resolved	\$1,380
84.032	Family Education Loan Program	Rochester C.C.	94-29	3		I	Counseling procedures not adequate	P
84.032	Family Education Loan Program	Rochester C.C.	94-29	5	RC		Inadequate controls over incoming checks	P
84.032	Family Education Loan Program	St. Cloud State University	94-26	7	RC		Access controls over financial aid system need improvement	P
84.032	Family Education Loan Program	St. Cloud State University	95-25	8		I	Noncompliance with financial aid transcript requirements	P
84.032	Family Education Loan Program	St. Cloud State University	95-25	9		I	Noncompliance with requirements for loan exit counseling	P
84.032	Family Education Loan Program	Willmar C.C.	94-29	16		I	Progress policy does not meet federal guidelines	NQ
84.032	Family Education Loan Program	Willmar C.C.	94-29	18	RC		Inadequate controls over incoming checks	P
84.032	Family Education Loan Program	Worthington C.C.	95-26	23		I	Loans improperly certified	\$8,335
84.032	Family Education Loan Program	Worthington C.C.	95-26	24		I	Aid paid to ineligible student	\$9,171
84.032	Family Education Loan Program	Worthington C.C.	95-26	25		I	Unreasonable and inaccurate costs of attendance used	NQ
84.032	Family Education Loan Program	Worthington C.C.	95-26	27	RC	I	Financial aid transcripts not obtained	P
84.033	Federal Work Study Program	Anoka Ramsey C.C.	94-29	38	RC	I	Financial aid transcripts not obtained	NQ
84.033	Federal Work Study Program	Bemidji State University	94-26	11	RC	I	Cash management procedures need improvement	NQ
84.033	Federal Work Study Program	Brainerd C.C.	95-26	9	RC		Bank reconciliations not independent and timely	P
84.033	Federal Work Study Program	Cambridge C.C.	95-26	12	RC	I	Noncompliance with cash management requirements	NQ
84.033	Federal Work Study Program	Fergus Falls C.C.	94-29	21		I	Progress policy does not meet federal guidelines	NQ
84.033	Federal Work Study Program	Inver Hills C. C.	94-29	27		I	Academic progress not monitored during summer sessions	NQ

**MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994**

U. S. Department of Education

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT
84.033	Federal Work Study Program	Inver Hills C. C.	94-29	28		I	Conflicting information not resolved	NQ
84.033	Federal Work Study Program	Inver Hills C. C.	94-29	29	RC	I	Financial aid transcripts not obtained	NQ
84.033	Federal Work Study Program	Mankato State University	94-26	9	RC	I	Cash management procedures need improvement	NQ
84.033	Federal Work Study Program	Minneapolis C.C.	94-29	31	RC		Inadequate controls over financial aid packaging	NQ
84.033	Federal Work Study Program	Minneapolis C.C.	94-29	34		I	Progress policy does not meet federal guidelines	NQ
84.033	Federal Work Study Program	Minneapolis C.C.	95-26	17	RC	I	Noncompliance with cash management requirements	NQ
84.033	Federal Work Study Program	Moorhead State University	94-26	1	RC	I	Cash management procedures need improvement	NQ
84.033	Federal Work Study Program	Moorhead State University	94-26	3	RC	I	Federal cash transaction reports are not accurate	NQ
84.033	Federal Work Study Program	Moorhead State University	94-26	4	RC		Inadequate documentation supporting dependency status	P
84.033	Federal Work Study Program	North Hennepin C.C.	94-29	11		I	Conflicting information not resolved	NQ
84.033	Federal Work Study Program	North Hennepin C.C.	94-29	13	RC	I	Noncompliance with cash management requirements	NQ
84.033	Federal Work Study Program	Northland C.C.	94-29	25	RC	I	Inadequate financial aid reporting	NQ
84.033	Federal Work Study Program	Northland C.C.	94-29	26	RC		Financial aid transcripts not obtained	NQ
84.033	Federal Work Study Program	Rochester C.C.	94-29	1		I	Conflicting information not resolved	NQ
84.033	Federal Work Study Program	Rochester C.C.	94-29	8		I	Noncompliance with cash management requirements	NQ
84.033	Federal Work Study Program	St. Cloud State University	94-26	5	RC	I	Cash management procedures need improvement	NQ
84.033	Federal Work Study Program	St. Cloud State University	94-26	7	RC		Access controls over financial aid system need improvement	P
84.033	Federal Work Study Program	Willmar C.C.	94-29	16		I	Progress policy does not meet federal guidelines	NQ
84.033	Federal Work Study Program	Willmar C.C.	94-29	19	RC	I	Noncompliance with cash management requirements	NQ
84.033	Federal Work Study Program	Willmar C.C.	94-29	18	RC	I	Inadequate separation of duties over financial aid	P
84.033	Federal Work Study Program	Worthington C.C.	95-26	25		I	Unreasonable and inaccurate costs of attendance used	NQ
84.033	Federal Work Study Program	Worthington C.C.	95-26	27	RC	I	Financial aid transcripts not obtained	P
84.038	Federal Perkins Loan Program	Anoka Ramsey C.C.	94-29	38	RC	I	Financial aid transcripts not obtained	NQ
84.038	Federal Perkins Loan Program	Austin C.C.	95-26	4		I	State match not deposited timely	NQ
84.038	Federal Perkins Loan Program	Bemidji State University	94-26	11	RC	I	Cash management procedures need improvement	NQ
84.038	Federal Perkins Loan Program	Brainerd C.C.	95-26	9	RC		Bank reconciliations not independent and timely	P
84.038	Federal Perkins Loan Program	Cambridge C.C.	95-26	12	RC	I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	Fergus Falls C.C.	94-29	21		I	Progress policy does not meet federal guidelines	NQ
84.038	Federal Perkins Loan Program	Inver Hills C. C.	94-29	27		I	Academic progress not monitored during summer sessions	NQ
84.038	Federal Perkins Loan Program	Inver Hills C. C.	94-29	28		I	Conflicting information not resolved	NQ
84.038	Federal Perkins Loan Program	Inver Hills C. C.	94-29	29	RC	I	Financial aid transcripts not obtained	NQ
84.038	Federal Perkins Loan Program	Mankato State University	94-26	9	RC	I	Cash management procedures need improvement	NQ
84.038	Federal Perkins Loan Program	Mankato State University	94-26	10	RC	I	State match not deposited timely	P
84.038	Federal Perkins Loan Program	Mankato State University	95-25	3	RC	I	Nonresident vs resident cost of attendance budget used	P
84.038	Federal Perkins Loan Program	Minneapolis C.C.	94-29	31	RC		Inadequate controls over financial aid packaging	NQ
84.038	Federal Perkins Loan Program	Minneapolis C.C.	94-29	32		I	Excess cash in account	NQ
84.038	Federal Perkins Loan Program	Minneapolis C.C.	94-29	34		I	Progress policy does not meet federal guidelines	NQ

**MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994**

U. S. Department of Education

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT
84.038	Federal Perkins Loan Program	Minneapolis C.C.	95-26	16	RC		Inappropriate access to loan management system	P
84.038	Federal Perkins Loan Program	Minneapolis C.C.	95-26	17	RC	I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	Minneapolis C.C.	95-26	18		I	Inadequate management of federal funds	NQ
84.038	Federal Perkins Loan Program	Moorhead State University	94-26	1	RC	I	Cash management procedures need improvement	NQ
84.038	Federal Perkins Loan Program	Moorhead State University	94-26	3	RC	I	Federal cash transaction reports are not accurate	NQ
84.038	Federal Perkins Loan Program	Moorhead State University	94-26	4	RC		Inadequate documentation supporting dependency status	P
84.038	Federal Perkins Loan Program	Moorhead State University	95-25	7		I	Noncompliance with requirements for loan exit counseling	P
84.038	Federal Perkins Loan Program	North Hennepin C.C.	94-29	9		I	Cash management inadequate	NQ
84.038	Federal Perkins Loan Program	North Hennepin C.C.	94-29	11		I	Conflicting information not resolved	NQ
84.038	Federal Perkins Loan Program	North Hennepin C.C.	94-29	13	RC	I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	Northland C.C.	94-29	23		I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	Northland C.C.	94-29	25	RC	I	Inadequate financial aid reporting	NQ
84.038	Federal Perkins Loan Program	Northland C.C.	94-29	26	RC	I	Financial aid transcripts not obtained	NQ
84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	1		I	Conflicting information not resolved	NQ
49 84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	3		I	Counseling procedures not adequate	P
84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	4	RC		Loan reconciliations not performed	P
84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	6	RC		Cash management inadequate	NQ
84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	7		I	Inadequate management of federal funds	NQ
84.038	Federal Perkins Loan Program	Rochester C.C.	94-29	8		I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	St. Cloud State University	94-26	5	RC	I	Cash management procedures need improvement	NQ
84.038	Federal Perkins Loan Program	St. Cloud State University	94-26	7	RC		Access controls over financial aid system need improvement	P
84.038	Federal Perkins Loan Program	Vermilion C.C.	95-26	19		I	Loan improperly posted	P
84.038	Federal Perkins Loan Program	Willmar C.C.	94-29	16		I	Progress policy does not meet federal guidelines	NQ
84.038	Federal Perkins Loan Program	Willmar C.C.	94-29	17		I	Exceptional need not defined	NQ
84.038	Federal Perkins Loan Program	Willmar C.C.	94-29	19	RC	I	Noncompliance with cash management requirements	NQ
84.038	Federal Perkins Loan Program	Willmar C.C.	94-29	18	RC	I	Inadequate separation of duties over financial aid	P
84.038	Federal Perkins Loan Program	Winona State University	95-25	11		I	Noncompliance with requirements for exceptional needs	P
84.038	Federal Perkins Loan Program	Winona State University	95-25	12		I	Noncompliance with loan repayment requirements	P
84.038	Federal Perkins Loan Program	Worthington C.C.	95-26	22	RC	I	Errors in federal reports	NQ
84.038	Federal Perkins Loan Program	Worthington C.C.	95-26	24		I	Aid paid to ineligible student	\$1,030
84.038	Federal Perkins Loan Program	Worthington C.C.	95-26	25		I	Unreasonable and inaccurate costs of attendance used	NQ
84.038	Federal Perkins Loan Program	Worthington C.C.	95-26	26		I	Exceptional need not defined	NQ
84.038	Federal Perkins Loan Program	Worthington C.C.	95-26	27	RC	I	Financial aid transcripts not obtained	P
84.063	Federal Pell Grant Program	Anoka Ramsey C.C.	94-29	38	RC	I	Financial aid transcripts not obtained	NQ
84.063	Federal Pell Grant Program	Austin C.C.	95-26	5		I	Federal reimbursement not received	(\$4,356)
84.063	Federal Pell Grant Program	Bemidji State University	94-26	11	RC	I	Cash management procedures need improvement	NQ
84.063	Federal Pell Grant Program	Brainerd C.C.	95-26	10		I	Federal reimbursement not received	(\$450)

**MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994**

U. S. Department of Education

CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT
84.063	Federal Pell Grant Program	Brainerd C.C.	95-26	9	RC		Bank reconciliations not independent and timely	P
84.063	Federal Pell Grant Program	Cambridge C.C.	95-26	12	RC	I	Noncompliance with cash management requirements	NQ
84.063	Federal Pell Grant Program	Fergus Falls C.C.	94-29	21		I	Progress policy does not meet federal guidelines	NQ
84.063	Federal Pell Grant Program	Inver Hills C. C.	94-29	27		I	Academic progress not monitored during summer sessions	NQ
84.063	Federal Pell Grant Program	Inver Hills C. C.	94-29	28		I	Conflicting information not resolved	NQ
84.063	Federal Pell Grant Program	Inver Hills C. C.	94-29	29	RC	I	Financial aid transcripts not obtained	NQ
84.063	Federal Pell Grant Program	Mankato State University	94-26	9	RC	I	Cash management procedures need improvement	NQ
84.063	Federal Pell Grant Program	Mankato State University	95-25	3	RC	I	Nonresident vs resident cost of attendance budget used	P
84.063	Federal Pell Grant Program	Metro State University	95-25	5		I	Inadequate controls over student financial aid packaging	P
84.063	Federal Pell Grant Program	Metro State University	95-25	6		I	No financial aid refund policy	\$406
84.063	Federal Pell Grant Program	Minneapolis C.C.	94-29	31	RC		Inadequate controls over financial aid packaging	NQ
84.063	Federal Pell Grant Program	Minneapolis C.C.	94-29	34		I	Progress policy does not meet federal guidelines	NQ
84.063	Federal Pell Grant Program	Minneapolis C.C.	95-26	17	RC	I	Noncompliance with cash management requirements	NQ
84.063	Federal Pell Grant Program	Moorhead State University	94-26	1	RC	I	Cash management procedures need improvement	NQ
84.063	Federal Pell Grant Program	Moorhead State University	94-26	4	RC		Inadequate documentation supporting dependency status	P
84.063	Federal Pell Grant Program	Moorhead State University	94-26	3	RC	I	Federal cash transaction reports are not accurate	NQ
84.063	Federal Pell Grant Program	North Hennepin C.C.	94-29	11		I	Conflicting information not resolved	NQ
84.063	Federal Pell Grant Program	North Hennepin C.C.	94-29	13	RC	I	Noncompliance with cash management requirements	NQ
84.063	Federal Pell Grant Program	Northland C.C.	94-29	25	RC	I	Inadequate financial aid reporting	NQ
84.063	Federal Pell Grant Program	Northland C.C.	94-29	26	RC	I	Financial aid transcripts not obtained	NQ
84.063	Federal Pell Grant Program	Rochester C.C.	94-29	1		I	Conflicting information not resolved	\$1,300
84.063	Federal Pell Grant Program	Rochester C.C.	94-29	8		I	Noncompliance with cash management requirements	NQ
84.063	Federal Pell Grant Program	St. Cloud State University	94-26	5	RC	I	Cash management procedures need improvement	NQ
84.063	Federal Pell Grant Program	St. Cloud State University	94-26	7	RC		Access controls over financial aid system need improvement	P
84.063	Federal Pell Grant Program	Willmar C.C.	94-29	16		I	Progress policy does not meet federal guidelines	NQ
84.063	Federal Pell Grant Program	Willmar C.C.	94-29	19	RC	I	Noncompliance with cash management requirements	NQ
84.063	Federal Pell Grant Program	Willmar C.C.	94-29	18	RC	I	Inadequate separation of duties over financial aid	P
84.063	Federal Pell Grant Program	Winona State University	95-25	13		I	Federal reimbursements not received	(\$4,176)
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	22	RC	I	Errors in federal reports	NQ
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	24		I	Aid paid to ineligible student	\$1,982
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	25		I	Unreasonable and inaccurate costs of attendance used	NQ
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	27	RC	I	Financial aid transcripts not obtained	P
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	28		I	Federal reimbursement not received	(\$575)
84.063	Federal Pell Grant Program	Worthington C.C.	95-26	29		I	Consortium agreements not properly used	\$383
84.126	Rehabilitation Services Basic Support	Economic Security	95-20	4	RC		Indirect cost included subsidized employee parking	\$1,924

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994

<i>Federal Emergency Management Administration</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC		PROBLEM	FIN IMPACT
83.516	Disaster Assistance	Economic Security	95-20	4		I		Indirect cost included subsidized employee parking	\$740
83.516	Disaster Assistance	Economic Security	95-20	2	RC			Inadequate program accounting system	P

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
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SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994

<i>U. S. Department of Health and Human Services</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC		PROBLEM	FIN IMPACT
93.568	Low Income Home Energy Assistance	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$3,256
93.778	Medical Assistance	Human Services	95-15	1	RC			Problems in processing medical claims	P
93.778	Medical Assistance	Human Services	95-15	2	RC			Insufficient systems documentation for MMIS II	P
93.802	Social Security-Disability Insurance	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$592
93.994	Maternal & Child Health Block	Health	95-11	2			I	Subrecipient monitoring system needs improvement	P

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
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FISCAL YEAR ENDED JUNE 30, 1994

<i>U. S. Department of Labor</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC		PROBLEM	FIN IMPACT
17.207	Employment Service	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$740
17.225	Unemployment Insurance	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$5,476
17.225	Unemployment Insurance	Economic Security	95-20	1	RC			Employee assigned incompatible accounting duties	P
17.225	Unemployment Insurance	Economic Security	95-20	3	RC			Inadequate controls over wage claim receipts	P
17.246	Dislocated Workers	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$592
17.250	Job Training Partnership Act	Economic Security	95-20	4			I	Indirect cost included subsidized employee parking	\$1,332

MINNESOTA OFFICE OF THE LEGISLATIVE AUDITOR
STATEWIDE SINGLE AUDIT
SCHEDULE OF AUDIT FINDINGS FOR FEDERAL PROGRAMS
FISCAL YEAR ENDED JUNE 30, 1994

<i>U. S. Department of Transportation</i>									
CFDA NO	PROGRAM NAME	STATE AGENCY	RPT NO	FIND NO	INT CONT	COMPLIANCE GEN SPEC	PROBLEM	FIN IMPACT	
20.205	Highway Research/Planning/Construction	Transportation	IA	1	RC		Inadequate internal controls over federal funds	P	
20.205	Highway Research/Planning/Construction	Transportation	IA	2	RC		Inadequate highway material oversight/testing	P	

**Office of the Legislative Auditor
Statewide Single Audit**

**Schedule of Audit Findings
for Federal Programs
Fiscal Year Ended June 30, 1994**

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 1994 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 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 1994 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 notation "IA" is 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.

III. Audit Findings

A. Internal Control

Internal control findings are referenced in the sixth column. The internal control findings are characterized as reportable conditions (RC) 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. We believe that none of the reportable conditions are a material weakness.

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 by immaterial (I) 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. Our audit did not disclose any material noncompliance issues.

C. Finding Summary -- "Problem"

Column 9 contains a brief discussion of the specific problem cited in the respective state agency audit report. 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 1994. 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 federal programs. Amounts are shown for specific dollars questioned.

If an amount is shown in parenthesis, this indicates that funds are due the state from the federal government. This occurred for Austin Community College for the Pell Grant Program.

Examples of quantifiable amounts or questioned costs 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; (6) subrecipient questioned costs not collected by the respective state agency; and (7) excessive cash balances in federal accounts.

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.

IV. 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, 1994.

V. Conclusions

This was the twelfth 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:

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