

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**



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

Board of Trustees  
Minnesota State Colleges and Universities  
St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of Minnesota State Colleges and Universities (Minnesota State), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Minnesota State's basic financial statements, and have issued our report thereon dated November 14, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Minnesota State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Minnesota State's internal control. Accordingly, we do not express an opinion on the effectiveness of Minnesota State's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Minnesota State’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
November 14, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE FEDERAL STUDENT FINANCIAL ASSISTANCE CLUSTER AND THE HIGHER EDUCATION EMERGENCY RELIEF FUNDS AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Minnesota State Colleges and Universities  
St. Paul, Minnesota

**Report on Compliance for the Federal Student Financial Aid Cluster (SFA) and Higher Education Emergency Relief Funds (HEERF)**

***Opinion on SFA and HEERF***

We have audited Minnesota State Colleges and University's (Minnesota State) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its federal SFA and HEERF programs for the year ended June 30, 2023. Minnesota State's federal SFA and HEERF programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Minnesota State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the federal SFA and HEERF programs for the year ended June 30, 2023.

***Basis for Opinion on SFA and HEERF***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Minnesota State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Minnesota State's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Minnesota State's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Minnesota State's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Minnesota State's compliance with the requirements of federal SFA and HEERF programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Minnesota State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Minnesota State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Minnesota State's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, and 2023-006. Our opinion on the federal SFA and HEERF programs are not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Minnesota State's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Minnesota State's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, and 2023-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Minnesota State's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Minnesota State's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

We have audited the financial statements of the governmental activities, the business-type activities and the discretely presented component units of Minnesota State as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Minnesota State’s basic financial statements. We have issued our report thereon, dated November 14, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
March 1, 2024

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Agency   | ALN #  | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | FY23               |
|--|--------|--|---------------------------------------|--------------------|
| <b>CLUSTERED PROGRAMS:</b>   |        |  |                                       |                    |
| <b>Department of Agriculture:</b>  |        |  |                                       |                    |
| <i>SNAP Cluster</i>  |        |  |                                       |                    |
| State Administration Matching Grants for the Supplemental Nutrition Assistance Program                   | 10.561 | 212MN101S2520                                | \$ 43,115                             | \$ 43,115          |
| <b>Department of Commerce:</b>   |        |  |                                       |                    |
| <i>Economic Development Cluster</i>  |        |  |                                       |                    |
| Investment for Public Works and Economic Development Facilities  | 11.300 |  |                                       | 547,069            |
| <b>Department of Transportation: changed from Labor</b>  |        |  |                                       |                    |
| <i>Highway Planning and Construction Cluster:</i>  |        |  |                                       |                    |
| Highway Planning and Construction  | 20.205 |  |                                       | 44,495             |
| " Passed through the Minnesota Department of Transportation (Federal Highway Administration)             | 20.205 | MP-22  |                                       | 51,042             |
| <b>Department of Education:</b>  |        |  |                                       |                    |
| <i>Student Financial Assistance Cluster:</i>   |        |  |                                       |                    |
| Federal Supplemental Educational Opportunity Grants  | 84.007 |  |                                       | 6,943,653          |
| Federal Work-Study Program   | 84.033 |  |                                       | 6,575,644          |
| Federal Perkins Loans (FPL) - Federal Capital Contributions  | 84.038 |  |                                       | 9,231,580          |
| Federal Pell Grant Program   | 84.063 |  |                                       | 178,434,770        |
| Federal Direct Student Loans (Direct Loan)   | 84.268 |  |                                       | 315,251,535        |
| Teacher Education Assistance for College and Higher Education Grants                                     | 84.379 |  |                                       | 344,839            |
| Postsecondary Education Scholarships for Veteran's Dependents  | 84.408 |  |                                       | 13,002             |
| <i>Special Education Cluster:</i>  |        |  |                                       |                    |
| Special Education - Personnel Development to Improve Services and Results for Children with Disabilities | 84.325 |  |                                       | 252,962            |
| <i>TRIO Cluster:</i>   |        |  |                                       |                    |
| TRIO - Student Support Services  | 84.042 |  |                                       | 9,271,591          |
| TRIO - Talent Search   | 84.044 |  |                                       | 989,307            |
| TRIO - Upward Bound  | 84.047 |  |                                       | 8,523,664          |
| TRIO - Educational Opportunity Centers   | 84.066 |  |                                       | 984,750            |
| TRIO - McNair Post-Baccalaureate Achievement   | 84.217 |  |                                       | 205,628            |
| <b>Department of Health and Human Services:</b>  |        |  |                                       |                    |
| <i>Aging Cluster:</i>  |        |  |                                       |                    |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Citizens    | 93.044 |  |                                       | 48,023             |
| <i>Student Financial Assistance Cluster:</i>   |        |  |                                       |                    |
| Nursing Student Loans (NSL)  | 93.364 |  |                                       | 13,057             |
| <i>CCDF Cluster:</i>   |        |  |                                       |                    |
| Child Care and Development Block Grant   | 93.575 |  |                                       | 69,338             |
| " Passed through the Minnesota Department of Human Services (DHS)  | 93.575 | #N/A   |                                       | 84,950             |
| <i>Head Start Cluster:</i>   |        |  |                                       |                    |
| Head Start   | 93.600 |  |                                       | 598,219            |
| <b>Total Clustered Programs</b>  |        |  |                                       | <u>538,522,233</u> |

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Agency  | ALN #  | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | FY23    |
|---|--------|--|---------------------------------------|---------|
| <b>NONCLUSTERED PROGRAMS:</b>   |        |  |                                       |         |
| <b>Department of Agriculture:</b>   |        |  |                                       |         |
| Plant and Animal Disease, Pest Control, and Animal Care                                     | 10.025 |  | \$                                    | 54,533  |
| Sustainable Agriculture Research and Education  | 10.215 |  |                                       | 1,522   |
| " <i>Passed through the University of Minnesota</i>   | 10.215 |  |                                       | 4,482   |
| Tribal Colleges Education Equity Grants   | 10.221 |  |                                       | 119,654 |
| Tribal Colleges Endowment Program   | 10.222 |  |                                       | 540,341 |
| 1994 Institutions Research Program  | 10.227 |  |                                       | 272,182 |
| Organic Agriculture Research and Extension Initiative                                       | 10.307 |  |                                       | 7,207   |
| " <i>Passed through the University of Minnesota</i>   | 10.307 | 2019-51300-30484                             |                                       | 74,648  |
| Agriculture and Food Research Initiative  | 10.310 |  |                                       | 188,634 |
| Farm Business Management and Benchmarking Competitive Grants                                | 10.319 |  |                                       | 147,908 |
| Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)                        | 10.326 |  |                                       | 4,374   |
| Cooperative Extension Service   | 10.500 |  |                                       | 368,412 |
| Tribal Colleges Extension Programs  | 10.517 |  |                                       | 83,431  |
| Food and Agriculture Service Learning Program   | 10.522 |  |                                       | 82,891  |
| " <i>Passed through the Minnesota Department of Education (DOE)</i>                         | 10.558 | #N/A   |                                       | 80,331  |
| " <i>Passed through the Minnesota Department of Education (DOE)</i>                         | 10.559 | #N/A   |                                       | 763     |
| Distance Learning and Telemedicine Loans and Grants   | 10.855 |  |                                       | 45,328  |
| Rural Development Cooperative Agreement Program   | 10.890 |  |                                       | 1,540   |
| Soil and Water Conservation   | 10.902 |  |                                       | 110,701 |
| Environmental Quality Incentives Program  | 10.912 |  |                                       | 229     |
| " <i>Passed through the University of Minnesota</i>   | 10.912 | NR183A750008G011                             |                                       | 15,416  |
| Conservation Stewardship Program  | 10.924 |  |                                       | 153,088 |
| Agriculture Conservation Easement Program   | 10.931 |  |                                       | 13,769  |
| " <i>Passed through the Minnesota Department of Agriculture</i>                             | 10.932 |  |                                       | 4,238   |
| <b>Department of Commerce:</b>  |        |  |                                       |         |
| NOAA Mission-Related Education Awards   | 11.008 |  |                                       | 71,717  |
| <b>Department of Defense:</b>   |        |  |                                       |         |
| Basic, Applied, and Advanced Research in Science and Engineering                            | 12.630 |  |                                       | 86,015  |
| Information Security Grant  | 12.902 |  |                                       | 157,889 |
| GenCyber Grants Program   | 12.903 |  |                                       | 183,203 |
| CyberSecurity Core Curriculum   | 12.905 |  |                                       | 633,491 |
| " <i>Passed through the Steel Founders' Society of America</i>                              | 12.RD  | SP4701-22-D-0120                             |                                       | 82,082  |
| <b>Department of the Interior:</b>  |        |  |                                       |         |
| Assistance to Tribally Controlled Community Colleges and Universities                       | 15.027 |  |                                       | 340,529 |
| Fish and Wildlife Management Assistance   | 15.608 |  |                                       | 26,779  |
| Great Lakes Restoration   | 15.662 |  |                                       | 4,304   |
| <b>Department of Justice:</b>   |        |  |                                       |         |
| Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus | 16.525 |  |                                       | 105,737 |

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Agency   | ALN #  | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | FY23      |
|--|--------|--|---------------------------------------|-----------|
| <b>NONCLUSTERED PROGRAMS (continued):</b>                                |        |  |                                       |           |
| <b>Department of Labor:</b>  |        |  |                                       |           |
| <i>Trade Adjustment Assistance Community :</i>                           |        |  |                                       |           |
| Mine Safety and Health Administration                                    | 17.600 |  | \$                                    | 399,272   |
| <b>Department of State:</b>  |        |  |                                       |           |
| Public Diplomacy Programs  | 19.040 |  |                                       | 3,500     |
| International Programs to Support Democracy, Human Rights and Labor      | 19.345 |  |                                       | 120,441   |
| <b>Department of Transportation:</b>                                     |        |  |                                       |           |
| Highway Research and Development Program                                 | 20.200 |  |                                       | 17,234    |
| Public Transportation Innovation   | 20.530 |  |                                       | 80,731    |
| <b>Department of the Treasury:</b>                                       |        |  |                                       |           |
| Coronavirus Relief Fund  | 21.019 |  |                                       | 675       |
| <b>National Aeronautics and Space Administration:</b>                    |        |  |                                       |           |
| Science Grants   | 43.001 |  |                                       | 83,818    |
| Office of STEM Engagement  | 43.008 |  |                                       | 17,810    |
| " Passed through the University of Minnesota                             | 43.008 |  |                                       | 33,645    |
| <b>National Endowment for the Arts and the Humanities:</b>               |        |  |                                       |           |
| <i>Promotion of the Humanities:</i>                                      |        |  |                                       |           |
| Promotion of the Humanities Division of Preservation and Access          | 45.149 |  |                                       | 7,968     |
| Grants to States   | 45.310 |  |                                       | 807       |
| <b>National Science Foundation:</b>                                      |        |  |                                       |           |
| Engineering Grants   | 47.041 |  |                                       | 17,699    |
| Mathematical and Physical Sciences                                       | 47.049 |  |                                       | 231,416   |
| Geosciences  | 47.050 |  |                                       | 117,171   |
| Computer and Information Science and Engineering                         | 47.070 |  |                                       | 7,000     |
| Biological Sciences  | 47.074 |  |                                       | 235,594   |
| Social, Behavioral, and Economic Studies                                 | 47.075 |  |                                       | 9,107     |
| Education and Human Resources (STEM Grants)                              | 47.076 | 1742517                                      | \$ 23,660                             | 6,021,019 |
| " Passed through the University of Minnesota                             | 47.076 | 1712619                                      |                                       | 124,523   |
| <b>Small Business Administration:</b>                                    |        |  |                                       |           |
| Small Business Development Center  | 59.037 |  |                                       | 293,899   |
| " Passed through the Minnesota Department of Economic Development (DEED) | 59.037 | SBAHQ-xx-B-00xx                              |                                       | 173,726   |
| " Passed through the Minnesota Department of Economic Development (DEED) | 59.037 | SBAOEDSB230040                               |                                       | 94,150    |
| " Passed through the Minnesota Department of Economic Development (DEED) | 59.037 | SBDC-xx-0006-S-FYxx                          |                                       | 222,161   |
| " Passed through the Minnesota Department of Economic Development (DEED) | 59.037 | SBDC-xx-0016-S-FYxx                          |                                       | 55,659    |
| " Passed through the Minnesota Department of Economic Development (DEED) | 59.037 | SBDC-xx-008-S-FYxx                           |                                       | 137,790   |
| Community Navigator Pilot Program  | 59.077 |  |                                       | 615,575   |
| <b>Department of Veteran Affairs:</b>                                    |        |  |                                       |           |
| Post-9/11 Veterans Educational Assistance                                | 64.027 |  |                                       | 226,663   |
| Post-9/11 Veterans Educational Assistance                                | 64.028 |  |                                       | 101,900   |
| Veteran Rapid Retraining Assistance Program                              | 64.130 |  |                                       | 818       |
| <b>Environmental Protection Agency:</b>                                  |        |  |                                       |           |
| Regional Wetland Program Development Grants                              | 66.461 |  |                                       | 20,415    |
| Hazardous Waste Management State Program Support                         | 66.801 |  |                                       | 36,831    |
| Environmental Education Grants   | 66.951 |  |                                       | 38,846    |

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Agency  | ALN #   | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | FY23       |
|---|---------|--|---------------------------------------|------------|
| <b>NONCLUSTERED PROGRAMS (continued):</b>                                     |         |  |                                       |            |
| <b>Department of Education:</b>   |         |  |                                       |            |
| Overseas Programs - Group Projects Abroad                                     | 84.021  |  | \$                                    | 25,171     |
| Higher Education - Institutional Aid  | 84.031  |  |                                       | 3,749,326  |
| Vocational Education - Basic State Grants                                     | 84.048  | V048A160023                                  | \$ 9,988,013                          | 21,035,235 |
| Fund for the Improvement of Postsecondary Education                           | 84.116  |  |                                       | 738,692    |
| " Passed through the Minnesota Department of Economic Development (DEED)      | 84.126  | 189372                                       |                                       | 413,964    |
| Rehabilitation Long-Term Training   | 84.129  |  |                                       | 412,263    |
| " Passed through the Minnesota Department of Education (DOE)                  | 84.282  | U282A1700107                                 |                                       | 228,195    |
| Indian Education -- Special Programs for Indian Children                      | 84.299  |  |                                       | 202,962    |
| Education Research, Development and Dissemination                             | 84.305  |  |                                       | 13,412     |
| " Passed through the University of Minnesota                                  | 84.305  | R305A190182                                  |                                       | 41,651     |
| Child Care Access Means Parents in School                                     | 84.335  |  |                                       | 403,003    |
| Transition to Teaching  | 84.350  |  |                                       | 96,627     |
| Statewide Longitudinal Data Systems   | 84.372  |  |                                       | 3,213      |
| " Passed through the Minnesota Office of Higher Education                     | 84.372  | R372A150004                                  |                                       | 27,728     |
| Strengthening Minority-Serving Institutions                                   | 84.382  |  |                                       | 216,213    |
| Education Stabilization Fund (CARES Act) (COVID-19)                           | 84.425  |  |                                       |            |
| Governor's Emergency Education Relief (GEER) Fund                             | 84.425C |  |                                       |            |
| " Passed through the Minnesota Office of Higher Education                     | 84.425C | S425C200015                                  |                                       | 327,450    |
| " Passed through the Minnesota Office of Higher Education                     | 84.425C |  | 256212                                | 113,631    |
| " Passed through the Minnesota Office of Higher Education                     | 84.425C |  |                                       | 523,342    |
| HEERF Student Aid   | 84.425E |  |                                       | 4,707,182  |
| HEERF Institutional   | 84.425F |  |                                       | 57,853,425 |
| HEERF Tribally Controlled Colleges and Universities (TCCUs)                   | 84.425K |  |                                       | 31,113     |
| HEERF Minority Serving Institutions (MSIs)                                    | 84.425L |  |                                       | 236,954    |
| HEERF Strengthening Institutions Program (SIP)                                | 84.425M |  |                                       | 1,749,986  |
| HEERF Institutional Resilience and Expanded Postsecondary Opportunity (IREPO) | 84.425P |  |                                       | 536,356    |
| HEERF Supplemental Assistance to Institutions of Higher Education (SAIHE)     | 84.425S |  |                                       | 39,346     |
| HEERF Supplemental Support under American Rescue Plan (SSARP)                 | 84.425T |  |                                       | 2,258,649  |
| <b>Department of Health and Human Services:</b>                               |         |  |                                       |            |
| Nursing Workforce Diversity   | 93.178  |  |                                       | 517,989    |
| Advanced Nursing Education Workforce Grant Program                            | 93.247  |  |                                       | 327        |
| " Passed through the University of Minnesota                                  | 93.247  | 1 T96H 4206-01-00                            |                                       | 3,697      |
| Protecting and Improving Health Globally                                      | 93.318  |  |                                       | 2,770      |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)            | 93.323  |  |                                       | 56,535     |
| Public Health Emergency Response: Cooperative Agreement of Emergency Response | 93.354  |  |                                       | 56,825     |
| " Passed through the Minnesota Department of Health                           | 93.354  | NU90TP922188                                 |                                       | 31,999     |
| Foster Care - Title IV  | 93.658  |  |                                       | 120,396    |
| " Passed through the Minnesota Department of Human Services (DHS)             | 93.658  | 129734                                       |                                       | 7,197      |
| " Passed through the Minnesota Department of Human Services (DHS)             | 93.658  | 19-01-MNFOSTCARE                             |                                       | 106,107    |
| " Passed through the Minnesota Department of Human Services (DHS)             | 93.658  | 2201MNFost                                   |                                       | 572,605    |
| " Passed through the University of Minnesota                                  | 93.658  | A010291202                                   |                                       | 127,114    |
| " Passed through the University of Minnesota                                  | 93.658  | GRK 129722                                   |                                       | 65,837     |
| Mental and Behavioral Health Education and Training Grants                    | 93.732  |  |                                       | 133,172    |
| Opioid STR  | 93.788  |  |                                       | 436,581    |
| Biomedical Research and Research Training                                     | 93.859  | P009696101/K12GM1199!                        | 17,128                                | 77,541     |
| " Passed through the University of Minnesota                                  | 93.859  | xK12GM119955-xx                              |                                       | 21,969     |
| " Passed through the University of Minnesota                                  | 93.859  | T34GM137862                                  |                                       | 64,431     |

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

| Federal Agency  | ALN #  | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | FY23                  |
|---|--------|--|---------------------------------------|-----------------------|
| <b>NONCLUSTERED PROGRAMS (continued):</b>                               |        |  |                                       |                       |
| <b><i>Department of Homeland Security</i></b>                           |        |  |                                       |                       |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 |  |                                       |                       |
| " Passed through the Minnesota Department of Public Safety              | 97.036 | #N/A   |                                       | \$ 660,120            |
|   |        |  | <u>\$ 10,071,916</u>                  |                       |
| <b>Total Nonclustered Programs</b>                                      |        |  | <u>\$ 20,100,717</u>                  | <u>\$ 112,663,532</u> |
| <b>Grand Total</b>  |        |  | <u>\$ 20,100,717</u>                  | <u>\$ 651,185,765</u> |

\* American Recovery and Reinvestment Act of 2009

\*\* Research and Development Cluster Program

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The schedule of expenditures of federal awards (the Schedule) includes the federally sponsored transactions of the Minnesota State Colleges and Universities (Minnesota State) reported on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of federal regulations Part 200, Uniform Administrative Requirements, *Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. *Minnesota State has elected not to use the 10 percent de minimus cost rate allowed under the Uniform Guidance.*

**NOTE 2 RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO MINNESOTA STATE BASIC FINANCIAL STATEMENTS**

The following schedule is a reconciliation of total expenditures as shown on the Schedule to the federal grant revenue on Minnesota State basic financial statements for the year ended June 30, 2023.

|  |           |                      |
|--|-----------|----------------------|
| Federal Grant Revenue Per Basic Financial Statements | \$        | 328,959,000          |
| Loan Programs and VA Benefits                        |           | 324,496,172          |
| Transfers and Other                                  |           | (2,269,407)          |
| Total per Schedule of Expenditures of Federal Awards |           | <u>(651,185,765)</u> |
| Difference   | <u>\$</u> | <u>-</u>             |

**NOTE 3 PERKINS AND NURSING STUDENT LOAN PROGRAMS**

The amount reported on the financial statements for the Perkins Loans (84.038) for the Minnesota State system is the administrative and collection cost. Below is summary of the loan activity for the Perkins Loans and Nursing Loans program (93.364) during fiscal year 2023.

|                                 | Perkins             | Nursing Loans   |
|---------------------------------|---------------------|-----------------|
| Loans Receivable Beginning      | \$ 9,231,580        | \$ 13,057       |
| Loan Repayments                 | (2,022,980)         | (4,100)         |
| Loan Cancellations              | (1,732,278)         | -               |
| New Loans Issued                | <u>-</u>            | <u>-</u>        |
| Loans Receivable Ending         | \$ 5,476,321        | \$ 8,958        |
| Allowance for doubtful accounts | <u>(21,914)</u>     | <u>-</u>        |
| Total Loans Receivable          | <u>\$ 5,454,408</u> | <u>\$ 8,958</u> |

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

**NOTE 4 FEDERAL FAMILY EDUCATION LOAN PROGRAMS**

The Minnesota State financial records provide information on various federal higher education student loan programs for which the state does not manage the federal funds.

Under the Federal Direct Student Loan (FDSL) program (84.268), financial institutions make loans to students attending institutions of higher education. The federal government provides the loan principal to the student. Minnesota State distributed the following FDSL loans to students attending state colleges and universities during fiscal year 2023.

|  |                       |
|--|-----------------------|
| Federal Direct Student Loans                           |                       |
| Direct Federal Subsidized Stafford                     | \$ 104,376,373        |
| Direct Federal Unsubsidized Stafford                   | 195,669,297           |
| Direct Federal Parent Loans for Undergraduate Students | 11,368,776            |
| Direct Federal Graduate PLUS                           | 3,837,089             |
|  | <u>\$ 315,251,535</u> |

**NOTE 5 SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule, Minnesota State provided federal awards to the subrecipients as follows:

|                                   |              |    |           |
|-----------------------------------|--------------|----|-----------|
|                                   | <b>ALN #</b> |    |           |
| Minnesota Department of Education | 84.048       | \$ | 9,988,013 |

**NOTE 6 COMPLIANCE AUDIT**

Of the federal expenditures presented in the Schedule, CliftonLarsonAllen LLP only performs a compliance audit of the Student Financial Aid Cluster and the Higher Education Emergency Relief Funds as the State of Minnesota audits the compliance of all other programs.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes          x     none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes          x     no

**Federal Awards**

1. Internal control over audited federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?     x     yes      \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for audited federal programs: Unmodified
3. Any audit findings disclosed that are required To be reported in accordance with 2 CFR 200.516(a)?     x     yes      \_\_\_\_\_ no

**Identification of Audited Programs**

| <b>ALN</b>        | <b>Name of Federal Program or Cluster</b>                                |
|-------------------|--|
| Various<br>84.425 | Student Financial Aid Cluster<br>Higher Education Emergency Relief Funds |

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section III – Findings and Questioned Costs***

---

**2023-001 National Student Loan Database System (NSLDS) Enrollment Reporting**

**Federal Agency:** Department of Education  
**Federal Program:** Student Financial Aid  
**ALN:** Various

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** The Code of Federal Regulations, 34 CFR 685.309 requires that enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status.

**Condition:** During our testing of 60 students, we noted four students from Century College and one student from Ridgewater College where the change in enrollment status was not reported within 60 days.

**Questioned Costs:** None

**Context:** During our testing, it was noted the institutions does not have a process in place to ensure timeliness of NSLDS reporting.

**Cause:** The colleges did not have a process in place to ensure the student who graduated or withdrew were reported timely.

**Effect:** The colleges did not comply with Department of Education (ED) regulations by reporting student enrollment status changes timely.

**Repeat Finding:** No

**Recommendation:** We recommend the colleges reevaluate their procedures and review policies surrounding reporting status changes to NSLDS to ensure timely reporting.

**Views of Responsible Officials:** There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs (Continued)***

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**2023-002 Perkins Recordkeeping**

**Federal Agency:** Department of Education  
**Federal Program:** Student Financial Aid Cluster  
**ALN:** 84.038

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** The Code of Federal Regulations, 34 CFR 674.19(e) states that Institutions must retain original, true and exact copies of promissory and master promissory notes (MPN), repayment records, and cancellation and deferment requests for each Perkins loan made. An original electronically signed MPN must be retained by the institution for three years after all the loans made on the MPN are satisfied.

**Condition:** During our testing of 40 retired or assigned loans, we noted for Mesabi Range College (now known as Minnesota North College), one MPN was unable to be located. This specific loan was paid in full and the original MPN was sent to the borrower with the paid in full communication.

**Questioned Costs:** None

**Context:** The MPN for one student was not retained as required by the regulations.

**Cause:** Minnesota North College was not aware of the requirement to retain a copy of the MPN for at least three years after the loans was satisfied.

**Effect:** The college was not in compliance with the Perkins recordkeeping regulations.

**Repeat Finding:** No

**Recommendation:** We recommend the college implement procedures moving forward to ensure that all necessary MPN's are retained in accordance with the Perkins recordkeeping regulations.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

---

***Section III – Findings and Questioned Costs (Continued)***

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**2023-003 Cash Management G5 Drawdowns**

**Federal Agency:** Department of Education  
**Federal Program:** Student Financial Aid Cluster  
**ALN:** Various

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** The Code of Federal Regulations, 34 CFR 668.166(b) states that an institution may maintain for up to seven days an amount of excess cash that does not exceed 1% of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Department of Education (ED) any amount of excess cash over the 1% tolerance and any amount of excess cash remaining in its account after the seven-day tolerance period.

**Condition:** During our testing of federal G5 drawdowns, we noted there were amounts overdrawn on G5 by St. Cloud State University.

**Questioned Costs:** \$4,851,385

**Context:** During our testing, we noted there were \$4,851,385 of Pell funds overdrawn by St. Cloud State University during fall 2022 term. All required funds were returned to Department of Education on October 12, 2022.

**Cause:** The university accidentally drew down the same amount twice for the Fall term.

**Effect:** The university is not in compliance with ED requirements that excess cash needs to be returned to the Department of Education within seven days.

**Repeat Finding:** No

**Recommendation:** We recommend the university review their policies and procedures surrounding reconciliations to ensure disbursements are completely reconciled to G5 monthly.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs (Continued)***

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**2023-004 Non-Aid Eligible Programs**

**Federal Agency:** Department of Education  
**Federal Program:** Student Financial Aid Cluster  
**ALN:** Various

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** The Code of Federal Regulations, 34 CFR 668.32 states that a person must be enrolled as a regular student in an eligible program to receive Federal Student Aid (FSA) funds. A regular student is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by an eligible institution.

**Condition:** During our testing, we noted Northland Community and Technical College provided Pell grants, Federal Supplemental Educational Opportunity Grant (FSEOG), and Direct Loans to 4 students in a non-aid eligible program totaling \$26,481.

**Questioned Costs:** \$26,481

**Context:** During our testing, we noted four students who received Title IV aid were not enrolled in an aid eligible program. The funds have been properly returned to the Department of Education.

**Cause:** The college was not aware this program was not approved for federal aid.

**Effect:** The college is not in compliance with ED requirements regarding distribution of Title IV funds to students not enrolled in an eligible program.

**Repeat Finding:** No

**Recommendation:** We recommend the college review their policies and procedures surrounding aid disbursements of Title IV aid to ensure students are enrolled in an aid eligible program.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs (Continued)***

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**2023-005 Tier One Arrangements**

**Federal Agency:** Department of Education  
**Federal Program:** Student Financial Aid Cluster  
**ALN:** Various

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** The Code of Federal Regulations, 34 CFR 668.164(e) states that a school must provide to ED an up-to-date URL for the contract for publication in a centralized database accessible to the public. Unless the school has a Tier Two arrangement under the threshold, the URL must also include the contract data.

**Condition:** During our testing of Tier One Arrangements, we noted Central Lakes College, Century College, Dakota County Technical College, Fond du Lac Tribal and Community College, Inver Hills Community College, Metropolitan State University, Pine Technical and Community College, Riverland Community College and Saint Paul College did not provide the URL for their Tier One Arrangement to the Department of Education.

**Questioned Costs:** None

**Context:** During our testing, we noted the colleges and university had uploaded the Tier One agreement to their individual website; however, they did not provide the URL to the Department of Education.

**Cause:** The colleges and university were not aware of the requirements by the Department of Education.

**Effect:** The colleges and university are not in compliance with Department of Education requirements regarding Tier One arrangements.

**Repeat Finding:** No

**Recommendation:** We recommend the colleges and university review their policies and procedures surrounding their Tier One agreement to ensure they are in compliance with the Department of Education requirements.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section III – Findings and Questioned Costs (Continued)***

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**2023-006 Reporting**

**Federal Agency:** Department of Education  
**Federal Program:** Higher Education Emergency Relief Funds  
**ALN:** 84.425

**Award Period:** July 1, 2022 to June 30, 2023

**Type of Finding:**

- Significant Deficiency in Internal Control Over Compliance
- Other Matters

**Criteria or Specific Requirement:** There are three components to reporting for the Higher Education Emergency Relief Funds (HEERF): 1) public reporting on the (a)(1) Student Aid Portion; 2) public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) subprograms (Quarterly Reporting Form), as applicable; and 3) the annual report. The CARES Act 18004(e) and the CRRSAA 314(e) requires an institution receiving funds under HEERF I and HEERF II to submit a report to the secretary, at such time in such a manner as the secretary may require. While American Rescue Plan (ARP) does not explicitly identify procedures by which institutions must report on their uses of HEERF grant funds, Department of Education (ED) exercises this reporting authority under 2 CFR section 200.328 and 2 CFR section 200.329. Student and institutional reports are to be posted quarterly and updated no later than 10 days after the end of each calendar quarter. The annual report for 2022 was due on March 24, 2023.

**Condition:** During our testing of 8 annual reports, it was noted for Northland Community and Technical College and South Central College that the reports were not submitted timely. During our testing of 21 quarterly reports, it was noted that Anoka Ramsey Community College, Dakota County Technical College, Inver Hills Community College, and Pine Technical and Community College each had 1 report not submitted timely.

**Questioned Costs:** None

**Context:** A control system to prevent and detect errors in the reporting process was not created at the time the reports were filed and some of the colleges and university did not have a process to track the reporting requirements. In addition, there was a general lack of guidance from ED on reporting requirements.

**Cause:** The colleges and university did not have someone tracking the requirements to ensure that they posted the reporting timely.

**Effect:** The colleges and university did not comply with ED regulations by reporting information timely.

**Repeat Finding:** Yes, 2022-003

MINNESOTA STATE COLLEGES AND UNIVERSITIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023

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*Section III – Findings and Questioned Costs (Continued)*

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**2023-006 Reporting (Continued)**

**Recommendation:** We recommend the colleges and university review their reporting procedures to ensure reports are being uploaded and submitted timely.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding.



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