

# **Macomb County, Michigan**

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**Federal Awards  
Supplemental Information  
December 31, 2016**

# Macomb County, Michigan

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

Independent Auditor's Report

To the Board of Commissioners  
Macomb County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macomb County, Michigan (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 27, 2017, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 27, 2017.

The accompanying schedule of expenditures of federal awards is presented for the purpose 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

September 20, 2017

Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners  
Macomb County, Michigan

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macomb County, Michigan (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 27, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Macomb County, Michigan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2016-001 to be a material weakness.

To Management and the Board of Commissioners  
Macomb County, Michigan

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2016-002 to be a significant deficiency.

### **Compliance and Other Matters**

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

### **Macomb County, Michigan's Responses to Findings**

Macomb County, Michigan's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Macomb County, Michigan's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alante & Moran, PLLC*

June 27, 2017

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Commissioners  
Macomb County, Michigan

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

We have audited Macomb County, Michigan's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016. Macomb County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Macomb County, Michigan's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Macomb County, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Macomb County, Michigan's compliance.

To the Board of Commissioners  
Macomb County, Michigan

### ***Opinion on Each Major Federal Program***

In our opinion, Macomb County, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

Macomb County, Michigan's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Macomb County, Michigan's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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

Management of Macomb County, Michigan is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Macomb County, Michigan's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 of those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2016-003 to be a material weakness.

To the Board of Commissioners  
Macomb County, Michigan

Macomb County, Michigan's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Macomb County, Michigan's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

September 20, 2017



# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Child Nutrition Cluster - Passed Through State Department Of Education:				
National School Breakfast	10.553	N/A	\$	30,954
National School Lunch Program [After School Snack]	10.555	N/A		9,335
National School Lunch Program	10.555	N/A		49,019
National School Lunch Program [USDA Commodities]	10.555	N/A		<u>15,325</u>
Total Child Nutrition Cluster				104,633
Food Distribution Cluster - Passed Through State Department of Education:				
Emergency Food Assistance Program [Food Distribution]	10.568	N/A		265,855
Emergency Food Assistance Program [Commodities]	10.569	N/A		<u>1,128,782</u>
Total Food Distribution Cluster				1,394,637
Supplemental Nutrition Assistance Program (SNAP) Cluster - Passed Through Workforce Development Agency - State of Michigan:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16162M1100S2520	\$ 112,887	127,701
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16162M1100S2520		<u>852</u>
Total Supplemental Nutrition Assistance Program (SNAP) Cluster				128,553
Passed Through State Department of Education - Child and Adult Care Food Program	10.558	N/A		441,212
Passed Through State Department of Community Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IW100342		1,863,843
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	W500342 & IW100342		<u>47,956</u>
Total U.S. Department of Agriculture				3,980,834
U.S. DEPARTMENT OF COMMERCE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION -				
Direct Program - Habitat Conservation [Clinton River Spillway]	11.463	NA14NMF4630364		1,013,140
U.S. DEPARTMENT OF DEFENSE -				
Direct Program - Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	12.611	HQ0051510029	462,721	839,565

# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HUD:				
CDBG - Entitlement Grants Cluster:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-26-0005	\$ 48,391	\$ 286,551
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-26-0005	554,607	783,589
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-26-0005	103,900	169,679
HUD Grants Passed Through Other Than State - Community Development Block Grants/Entitlement Grants [CSA Chore Services]	14.218	N/A		<u>105,160</u>
Total CDBG - Entitlement Grants Cluster				1,344,979
Direct Programs:				
Emergency Solutions Grant	14.231	E-14-UC-26-0005		44,901
Emergency Solutions Grant	14.231	E-15-UC-26-0005		131,386
Supportive Housing Program [HUD Homeless]	14.235	M10442L5F031400		4,938
Home Investment Partnerships Program	14.239	M-12-DC-26-0209		477,620
Home Investment Partnerships Program	14.239	M-13-DC-26-0209		909,542
Home Investment Partnerships Program	14.239	M-14-DC-26-0209		217,331
Home Investment Partnerships Program	14.239	M-15-DC-26-0209		272,346
HUD Grants Passed Through Other Than State - Emergency Solutions Grant [Homeless Veterans]	14.231	N/A		<u>61,050</u>
Total U.S. Department of HUD				3,464,093
U.S. DEPARTMENT OF JUSTICE:				
Direct Programs:				
Public Safety Partnership and Community Policing Grants [COPS Technology Grant]	16.710	2010CKWX0062		67,334
Edward Byrne Memorial Justice Assistance Program	16.738	2013-DJ-BX-0113		12,272
Equitable Sharing Program	16.922	N/A		177,691
Passed Through Michigan Department of Community Health - Crime Victim Assistance [Domestic Violence Victim Advocate]	16.575	N/A		<u>166,770</u>
Total U.S. Department of Justice				424,067
U.S. DEPARTMENT OF LABOR -				
Employment Services Cluster - Passed Through Workforce Development Agency - State of Michigan - Employment Service/Wagner-Peyser Funded Activities	17.207	ES260561455A26 & ES274971555A26	608,117	1,142,689

# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF LABOR (Continued):				
Workforce Investment Cluster (WIA) - Passed Through Workforce Development Agency - State of Michigan:				
Workforce Investment Act - Adult Program	17.258	AA253601455A26	\$ 42,115	\$ 739,497
Workforce Investment Act - Adult Program [Mich Works Services Center]	17.258	AA267861555A26		15,880
WIA Adult Program [Local Admin]	17.258	AA253601455A26		210,000
WIOA Adult [Local Admin]	17.258	AA267861555A26		1,835
WIOA Adult	17.258	AA267861555A26	252,857	1,955,364
WIA Youth Activities	17.259	AA253601455A26	400,257	514,839
WIA Youth Activities [Mich Works Services Center]	17.259	AA267861555A26		22,056
WIA Youth Activities [Local Admin]	17.259	AA253601455A26		163,078
WIOA Youth [Local Admin]	17.259	AA267861555A26		1,401
WIOA Youth	17.259	AA267861555A26	1,057,676	1,731,706
Workforce Investment Act (WIA) National Emergency Grants	17.277	EM244571360A26		8,332
Workforce Investment Act (WIA) National Emergency Grants [Region 6]	17.277	EM258641460A26	741,540	1,000,474
Workforce Investment Act (WIA) National Emergency Grants [Region 10]	17.277	EM258641460A26	331,546	513,293
Workforce Investment Act (WIA) National Emergency Grants [Sector Partnership]	17.277	EM273571560A26	191,874	191,874
WIA Dislocated Worker Formula Grants	17.278	AA253601455A26		744,513
WIA Dislocated Worker Formula Grants [Mich Works Services Center]	17.278	AA267861555A26		17,204
WIA Dislocated Worker Formula Grants [Local Admin]	17.278	AA253601455A26		248,000
WIOA Dislocated Worker [Local Admin]	17.278	AA267861555A26		1,992
WIOA Dislocated Worker	17.278	AA267861555A26	294,702	1,068,834
Workforce Investment Act (WIA) Rapid Response AY 13 [Customer Relationship Management]	17.278	AA240991355A26		<u>9,500</u>
Total Workforce Investment Act (WIA) Cluster				9,159,672
Direct Programs - H-1B Job Training Grants [Job Accelerator - Make it in America Challenge]	17.268	JA249611360A26	509,826	520,389
Passed Through Workforce Development Agency - State of Michigan:				
Reemployment Services & Eligibility Assessment PY 15	17.225	UI271181555A26	115,637	115,637
Reemployment Services & Eligibility Assessment PY 16	17.225	UI281381660A26	111,112	111,112
Trade Adjustment Assistance [2009/2011]	17.245	TA252941455A26		706,063
Trade Adjustment Assistance [Case Management 2009/2011]	17.245	TA252941455A26		761,271
Trade Business Services [EBT]	17.245	TA252941455A26		36,000
Passed Through State Office of Services to the Aging - Senior Comm Service Employment Program	17.235	20163660		<u>793,252</u>
Total U.S. Department of Labor				13,346,085
U.S. DEPARTMENT OF TRANSPORTATION:				
Highway Safety Cluster - Passed Through Office of Highway Safety Planning:				
State and Community Highway Safety [Operation Nightcap - Belt Enforcement]	20.600	PT 16-24	139,142	194,937
National Priority Safety Programs	20.616	N/A		720
Youth Alcohol Enforcement [OHSP]	20.616	AL-16-23		<u>19,651</u>
Total Highway Safety Cluster				215,308

# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION (Continued):				
Highway Planning and Construction Cluster - Passed Through Michigan Department of Transportation - Highway Planning and Construction	20.205	N/A		\$ 2,336,483
Passed Through Michigan State Police - Emerg Mgmt Div - Interagency Hazardous Materials - Public Sector Training and Planning Grants	20.703	HM-HMP-0471-15-01-00		<u>9,207</u>
Total U.S. Department of Transportation				2,560,998
U.S. DEPARTMENT OF VETERANS AFFAIRS -				
Passed through Community Action Partnership - VA Supportive Services for Veteran Families Program	64.033	14-ZZ-321		594,286
U.S. ENVIRONMENTAL PROTECTION AGENCY:				
Clean Water State Revolving Fund Cluster - Passed Through Michigan Department of Environmental Quality (DEQ):				
Capitalization Grants for Clean Water State Revolving Funds	66.458	5624-01		157,995
Capitalization Grants for Clean Water State Revolving Funds	66.458	5487-01		41,178
Capitalization Grants for Clean Water State Revolving Funds	66.458	5605-01		<u>162,833</u>
Total Clean Water State Revolving Fund Cluster				362,006
Drinking Water State Revolving Fund Cluster - Passed Through Michigan Department of Environmental Quality (DEQ):				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS975487-14		100
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS975487-14		1,477
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS975487-15		<u>1,410</u>
Total Drinking Water State Revolving Fund Cluster				2,987
Direct Programs:				
Great Lakes Program [Macomb County Restoration]	66.469	GL00E01488		1,886,577
Great Lakes Program [Lake St. Clair Coastal Marshland Restoration]	66.469	GL-00E00646-0		103,168
Great Lakes Program [Eliminating Ecoli Sources]	66.469	GL00E00849		227,859
Passed Through Michigan Department of Environmental Quality (DEQ) - Beach Monitoring and Notification Program Implementation Grants	66.472	CU00E99306		<u>5,000</u>
Total U.S. Environmental Protection Agency				2,587,597
U.S. DEPARTMENT OF ENERGY:				
Passed Through Michigan Department of Human Services:				
Weatherization Assistance for Low-Income Persons	81.042	DOE13-50017, NFA #6		683,276
Weatherization Assistance for Low-Income Persons [LIHEAP]	93.568	LIHEAP-13-50017		<u>343,562</u>
Total U.S. Department of Energy				1,026,838

# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>				
Aging Cluster - Passed Through Area Agency on Aging I-B:				
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Chore Services]	93.044	15-9032-C		\$ 114,279
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Outreach]	93.044	16-9032-O		76,194
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Home Injury Control]	93.044	16-9032-J		25,734
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Dementia Adult Day Services]	93.044	16-9032-A		100,000
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Medicaid Waiver Payments]	93.044	N/A		17,118
Special Programs for the Aging Title III, Part C Nutrition Services [Congregate Nutrition Programs]	93.045	16-9032-CH		277,953
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	16-9032-CH		986,261
Nutrition Services Incentive Program [Home Delivered Meals]	93.053	16-9032-CH		276,119
Nutrition Services Incentive Program [Congregate Nutrition Program]	93.053	16-9032-CH		59,239
Total Aging Cluster				1,932,897
Medicaid Cluster - Passed Through State Department of Community Health:				
Medical Assistance Program [Medicaid Outreach]	93.778	05 U05M15ADM		123,188
Medical Assistance Program [OBRA Assessment]	93.778	20161643		469,781
Medical Assistance Program [CSHCS Outreach - Advocacy]	93.778	05U05M15ADM		142,500
Total Medicaid Cluster				735,469
Temporary Assistance for Needy Families (TANF) Cluster - Passed Through Workforce Development Agency - State of Michigan:				
Temporary Assistance for Needy Families [PATH]	93.558	1601MITANF	\$ 891,809	5,181,757
Temporary Assistance for Needy Families [SYEP Supportive Services]	93.558	1601MITANF	3,641	6,533
Total Temporary Assistance for Needy Families (TANF) Cluster				5,188,290
Direct Program:				
Head Start	93.600	05CH8330-03-00		6,902,597
Head Start [Early Head Start]	93.600	05HP0010-01-01		1,441,616
Passed Through Area Agency on Aging I-B - Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	16-9032-EB		12,000
Passed Through State Department of Community Health:				
Public Health Emergency Preparedness [Bioterrorism Program # 1590]	93.069	NU90TP000528		216,920
Public Health Emergency Preparedness [Ebola]	93.069	U9OTP000528		29,358
Public Health Emergency Preparedness [Cities Readiness Initiative]	93.069	NU90TP000528		153,539
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1U52PS00469301		27,172
Projects for Assistance in Transition from Homelessness (PATH) [MITURN]	93.150	2X06SM016023(15)	60,962	60,962
Projects for Assistance in Transition from Homelessness (PATH) [MITURN]	93.150	2X06SM016023(15)		34,674
Family Planning Services	93.217	GFPHPA050173 41		189,679
Immunization Cooperative Agreements	93.268	H23 CCH522556		129,560
Immunization Cooperative Agreements	93.268	N/A		1,225,156
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity	93.521	U20CK000369		6,500
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	H23IP000752		233,932
Children's Health Insurance Program [Maternal and child health Services Block Grant to the States]	93.767	N/A	375	3,856
HIV Prevention Activities Health Department Based	93.940	U62 PS003671		94,611

# Macomb County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended December 31, 2016

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (Continued):				
Passed Through State Department of Community Health (Continued):				
Block Grants for Community Mental Health Services [Project 30050-20298]	93.958	BIMICMHS(15)		\$ 171,638
Block Grants for Community Mental Health Services [Project 30050-20308]	93.958	BIMICMHS(15)		234,598
Maternal and Child Health Services Block Grant to the States [Other Michigan Varied]	93.994	BIMIMCHS		189,488
Maternal and Child Health Services Block Grant to the States	93.994	BIMIMCHS		75,660
Maternal and Child Health Services Block Grant to the States [CSHCS]	93.994	BIMIMCHS		5,000
Maternal and Child Health Services Block Grant to the States [Fetal Infant Mortality Review]	93.994	BIMIMCHS		4,050
Passed Through Michigan Department of Human Services:				
Child Support Enforcement [Coop Reimbursement Program Incentive]	93.563	CSFOC13-50001-3		1,150,277
Child Support Enforcement [Title IV-D]	93.563	CSPA13-50002-1		972,470
Child Support Enforcement [Friend of the Court]	93.563	CSFOC13-50001-3		4,966,659
Low-Income Home Energy Assistance	93.568	LCA-13-50017		9,412
Low-Income Home Energy Assistance	93.568	LOA 2015		258,024
Community Services Block Grant [Administration]	93.569	CSBG14-50017		184,463
Community Services Block Grant [Community Programming]	93.569	CSBG14-50017		968,786
Community Services Block Grant [Discretionary]	93.569	CSBG14-50017		30,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	\$ 2,365,055	3,639,369
Passed Through Workforce Development Agency - State of Michigan - Chafee Foster Care Independence Program	93.674	1601MICLIP	25,555	65,386
Passed Through State Court Administrative Office - Grants to States for Access and Visitation Programs	93.597	SCAO-2016-023		11,025
Passed through Nat'l Assoc. of County & City Health Officials (NACCHO):				
Medical Reserve Corps Small Grant Program [Challenge Award]	93.008	SMRCSG101005-04-00		719
Medical Reserve Corps Small Grant Program [Capacity Building Award]	93.008	SMRCSG101005-04-00		2,772
Passed Through Greater Detroit Area Health Council - State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)				
	93.757	5NU58DP005453-02		44,444
Total U.S. Department of Health And Human Services				31,603,028
OFFICE OF NATIONAL DRUG CONTROL POLICY -				
Passed through Michigan Department of State Police - High Intensity Drug Trafficking Area Program	95.001	G15SM0002A		65,047
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed Through Michigan Department of State Police:				
Emergency Management Performance Grant -2016	97.042	EMC-2016-EP-00001-S01		48,887
Homeland Security Grant Program [2015 Stonegarden]	97.067	EMW-2015-SS-00033	21,224	42,475
Homeland Security Grant Program [2015 SHSP]	97.067	EMW-2015-SS-00033	80,743	166,374
Homeland Security Grant Program [2015 UASI]	97.067	EMW-2015-SS-00033	1,399,451	1,783,781
Homeland Security Grant Program [2014 Stonegarden]	97.067	EMW-2014-SS-00059	19,863	29,630
Homeland Security Grant Program [2014 SHSP]	97.067	EMW-2014-SS-00059	147,374	294,250
Homeland Security Grant Program [2014 UASI]	97.067	EMW-2014-SS-00059	1,685,092	2,175,342
Passed Through United Way - Emergency Food and Shelter National Board Program	97.024	474600-010		90,237
Total U.S. Department Of Homeland Security				4,630,976
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 66,136,554

# Macomb County, Michigan

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## Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2016

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Macomb County, Michigan under programs of the federal government for the year ended December 31, 2016. The information in the 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* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Macomb County, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of Macomb County, Michigan.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Macomb County, Michigan has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs Year Ended December 31, 2016

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?  Yes  No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
17.258, 17.259, 17.277, 17.278	Workforce Investment Act (WIA) Cluster
20.205	Highway Planning and Construction Cluster
66.469	Great Lakes Program
93.563	Child Support Enforcement
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$1,984,097

Auditee qualified as low-risk auditee?  Yes  No



# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2016-001	<p><b>Finding Type</b> - Material weakness</p> <p><b>Criteria</b> - Macomb County, Michigan (the "County") should maintain adequate preventive controls to safeguard financial assets.</p> <p><b>Condition</b> - Instances were identified during the course of the financial statement audit whereby certain drainage district cash accounts recorded in the County's discretely presented component units did not require dual authorization for wire transfers or other cash disbursements.</p> <p><b>Context</b> - In most cases, there were detective controls that were designed to timely identify material misappropriation of assets, primarily monthly bank reconciliations.</p> <p><b>Cause</b> - The County did not have a process in place to ensure effective review of access controls related to online banking or other electronic banking services.</p> <p><b>Effect</b> - We performed a test of a sample of disbursements and did not identify any unauthorized disbursements in that sample. However, the lack of adequate preventive controls could result in a material misappropriation of assets that, although they would be detected timely, may not allow the County to pursue adequate recourse.</p> <p><b>Recommendation</b> - The County should implement adequate preventive controls to eliminate or restrict the ability of a single individual to make large disbursements without secondary approval.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - This situation has been corrected whereby individuals that initiate wire transfers and other online banking transactions are not authorized to approve those same transactions.</p>

Reference Number	Finding
2016-002	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - Macomb County, Michigan (the "County") is required to prepare its basic financial statements in accordance with generally accepted accounting principles (GAAP).</p>

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2016-002 (continued)	<p><b>Condition</b> - Instances of non-GAAP accounting methods were identified during the course of the audit, including inappropriate timing of expenditure recognition, lack of reconciliations supporting general ledger balances of cash and accounts payable, and certain non-primary cash accounts at decentralized departments which are not recorded on the general ledger.</p> <p><b>Context</b> - One journal entry was identified and certain reconciliations were required to be revised subsequent to the commencement of the year-end audit.</p> <p><b>Cause</b> - The County did not have a process in place to ensure an effective review was conducted of all year-end balances and reconciliations to verify the balances were correct and properly supported in all instances.</p> <p><b>Effect</b> - At year end, expenditures in the Employee Fringe Benefits Fund were overstated, certain bank reconciliations related to the jail and the unadjudicated funds of the County of Macomb Enforcement Team were not prepared properly, and cash accounts related to automobile impound fees managed by the Prosecutor's Office and certain payments collected by the Register of Deeds for printing of online reports were not recorded on the general ledger.</p> <p><b>Recommendation</b> - Management should further strengthen procedures to ensure such instances identified are corrected in the general ledger during normal close procedures.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management will work with department leaders and outside agencies for which the County holds cash in a fiduciary capacity to ensure that bank reconciliations are properly prepared and that all cash accounts are recorded on the general ledger.</p>

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section III - Federal Program Audit Findings

Reference Number	Finding
2016-003	<p><b>CFDA Number, Federal Agency, and Program Name - WIA/WIOA</b> Cluster: 17.258 WIA/WIOA Adult Program 17.259 WIA/WIOA Youth Program 17.278 WIA/WIOA Dislocated Worker Formula Grants 17.277 WIA National Emergency Grants</p> <p><b>Federal Award Identification Number and Year - AA240991355A26</b> AA253601455A26 AA267861555A26 EM258641460A26 EM273571560A26</p> <p><b>Pass-through Entity - Workforce Development Agency - State of Michigan</b></p> <p><b>Finding Type - Material weakness and material noncompliance with laws and regulations</b></p> <p><b>Repeat Finding - No</b></p>

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2016-003 (continued)	<p><b>Criteria</b> - On December 26, 2014, the administrative rules and cost principles outlined in the Uniform Guidance (2 CFR 200 subparts A through E) became applicable for new awards or increments of awards issued on or after this date.</p> <p>2 CFR 200 Appendix V requires indirect cost proposals to be signed and certified by an appropriate individual. The same appendix proscribes very specific language for this certification.</p> <p>Also, per 2 CFR 200.331, the pass-through entity should evaluate each subrecipient's risk of noncompliance.</p> <p>Additionally, 2 CFR 200.331 outlines requirements for pass-through entities. All pass-through entities must: (a) ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward, and if any of these data elements change, includes the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the federal award and subaward. Required information includes the following:</p> <ol style="list-style-type: none"><li>(1) Federal award identification</li><li>(2) All requirements imposed by the pass-through entity on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award</li><li>(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the federal awarding agency including identification of any required financial and performance reports</li><li>(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a <i>de minimus</i> indirect cost rate as defined in §200.414 Indirect (F&amp;A) costs, paragraph (f)</li><li>(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part</li><li>(6) Appropriate terms and conditions concerning closeout of the subaward</li></ol>

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2016-003 (continued)	<p><b>Condition</b> - During the year, the County administered these grants under the guidelines of 2 CFR 200 subparts A through E. However, certain required wording was not included in certifications, subrecipient risk assessments were not maintained, and subrecipient agreements did not include all the required components.</p> <p>While certifications were included with each of the indirect cost plans applicable to the year under audit, the wording does not mirror the wording outlined in 2 CFR 200 Appendix V.</p> <p>As part of the audit, one subrecipient was selected to review the adequacy of the County's subrecipient monitoring procedures. The County did not maintain documentation to support the analysis of the subrecipient's risk of noncompliance.</p> <p>Specific to the same subrecipient, the County's controls in place did not ensure that all the required information as prescribed by 2 CFR 200.331, <i>Requirements for Pass-through Entities</i>, was included in the grant agreements for its subrecipients. The following elements outlined in 2 CFR 200.331 were only partially included or were not included in the grant agreements:</p> <ol style="list-style-type: none"><li>(1) Subrecipient's unique entity identifier</li><li>(2) Federal award identification number (FAIN)</li><li>(3) Federal award date (see §200.39 federal award date) of award to the recipient by the federal agency</li><li>(4) Name of federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity</li><li>(5) CFDA number and name; the pass-through entity must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement</li><li>(6) Identification of whether the award is R&amp;D</li></ol> <p><b>Questioned Costs</b> - N/A</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable as no questioned costs were identified.</p>

# Macomb County, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2016

### Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2016-003 (continued)	<p><b>Context</b> - While the County implemented the Uniform Guidance regulations on the effective date, the lack of adherence to prescribed UG wording, lack of certain required subrecipient risk assessments, and the missing subrecipient agreement components caused the County to not fully comply with the Uniform Guidance requirements.</p> <p><b>Cause and Effect</b> - The controls in place did not ensure that the County implemented all requirements under the Uniform Guidance. As a result, certain requirements were missed.</p> <p><b>Recommendation</b> - We recommend that Macomb County, Michigan review its procedures and controls to ensure all required wording outlined in the Uniform Guidance is included in certifications and subrecipient risk assessments are maintained. Subrecipient agreements should properly reflect all required elements prescribed by 2 CFR 200.331.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - Management will work with the department head to identify all requirements under the Uniform Guidance to ensure we have all required policies and certifications in place.</p>