
Macomb County, Michigan

**Federal Awards Supplemental Information
December 31, 2019**

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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, 2019 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 22, 2020, 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. We have not performed any procedures with respect to the audited financial statements subsequent to June 22, 2020.

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 basic 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

December 4, 2020

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 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, 2019 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 22, 2020.

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 of this section 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 2019-001 to be a material weakness.

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 2019-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

To Management and the Board of Commissioners
Macomb County, Michigan

The County's Responses to the Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County'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.

Plante & Moran, PLLC

June 22, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

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 the County's major federal programs for the year ended December 31, 2019. The County'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 the County'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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County 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 the major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the County 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 the County'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.

To the Board of Commissioners
Macomb County, Michigan

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

December 4, 2020

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	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		\$ 32,997
National School Lunch Program [After School Snack]	10.555	N/A		15,841
National School Lunch Program	10.555	N/A		51,681
National School Lunch Program [USDA Commodities]	10.555	N/A		<u>7,746</u>
Total Child Nutrition Cluster				108,265
Supplemental Nutrition Assistance Program (SNAP) Cluster - Passed through State Department of Talent Investment Agency:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - [Food Assistance]	10.561	201919Q8750342	\$ 158,656	212,597
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - [Food Assistance Support Services]	10.561	201919Q252042		<u>3,456</u>
				216,053
Food Distribution Cluster - Passed through State Department of Education:				
Emergency Food Assistance Program [Food Distribution]	10.568	N/A		509,337
Emergency Food Assistance Program [Trade Mitigation]	10.568	N/A		27,089
Emergency Food Assistance Program [Commodities]	10.569	N/A		<u>897,733</u>
Total Food Distribution Cluster				1,434,159
Passed through State Department of Education - Child and Adult Care Food Program - Head Start	10.558	N/A		478,451
Passed through State Department of Community Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	192MI003W1003	252,000	1,863,843
Special Supplemental Nutrition Program for Women, Infants, and Children - Breastfeeding Peer Counselor	10.557	172MI013W5003, 182MI013W5003 & 192MI003W1003	49,000	163,094
Direct Program - Green Macomb Urban Forest Partnership Expansion	10.675	18-DG-11420004-019		<u>93,918</u>
Total U.S. Department of Agriculture				4,357,783
U.S. DEPARTMENT OF COMMERCE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION -				
Direct Program - Habitat Conservation [Clinton River Spillway]	11.463	NA14NMF4630364		394,462
U.S. DEPARTMENT OF DEFENSE:				
Direct Program - Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	EN938-19-02		29
Direct Program - Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	12.611	HQ00051510029	238,165	254,814
Direct Program - Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	12.611	HQ00051710056	892,176	<u>1,255,977</u>
Total U.S. Department of Defense				1,510,820

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
CDBG - Entitlement Grants Cluster:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-26-0005	\$ 328,252	\$ 368,966
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-26-0005		96,634
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-26-0005	121,748	172,381
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-26-0005	79,156	95,914
Community Development Block Grants/Entitlement Grants	14.218	B-18-UC-26-0005	332,714	739,315
Community Development Block Grants/Entitlement Grants	14.218	B-19-UC-26-0005	13,216	102,808
HUD Grants Passed through Other Than State - Community Development Block Grants/Entitlement Grants [CSA Chore Services]	14.218	N/A		<u>165,651</u>
Total CDBG - Entitlement Grants Cluster				1,741,669
Direct Programs:				
Emergency Solutions Grant	14.231	E-17-UC-26-0005		10,317
Emergency Solutions Grant	14.231	E-18-UC-26-0005		130,356
Emergency Solutions Grant	14.231	E-19-UC-26-0005		39
HUD Homeless	14.267	MI0442L5F031803		15,641
Home Investment Partnership Program	14.239	M-14-DC-26-0209		47,513
Home Investment Partnership Program	14.239	M-15-DC-26-0209		87,891
Home Investment Partnership Program	14.239	M-16-DC-26-0209		225,020
Home Investment Partnership Program	14.239	M-17-DC-26-0209		355,989
Home Investment Partnership Program	14.239	M-18-DC-26-0209		28,050
HUD Grants Passed through Other Than State - Emergency Solutions Grant [Homeless Veterans]	14.231	E-18-UC-26-0005		<u>41,358</u>
Total U.S. Department of Housing and Urban Development				2,683,843
U.S. DEPARTMENT OF NATIONAL FISH AND WILDLIFE FOUNDATION -				
Direct Program - Great Lakes Restoration [Sterling Relief Drain]	15.662	0501.18.060074		367,818
U.S. DEPARTMENT OF JUSTICE:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Program	16.738	2019-DJ-BX-0937		11,920
Edward Byrne Memorial Justice Assistance Program	16.738	JAG2016-DJ-BX-0852		<u>12,651</u>
Total Edward Byrne Memorial Justice Assistance Program				24,571
Equitable Sharing Program	16.922	N/A		87,736
Passed through Michigan Department of Community Health - Crime Victim Assistance [Domestic Violence Victim Advocate]	16.575	2016VAGX0021		<u>168,367</u>
Total U.S. Department of Justice				280,674

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF LABOR:				
Employment Services Cluster - Passed through Workforce Development Agency - State of Michigan - Employment Service/Wagner-Peyser Funded Activities	17.207	ES310291755A26	\$ 760,832	\$ 1,277,881
Workforce Investment Act (WIA) Cluster- Passed through Workforce Development Agency - State of Michigan:				
WIOA Adult Program [Refugee Navigator]	17.258	AA308461755A26		27,201
WIOA Adult Program [MWA Services Center]	17.258	AA308461755A26		68,430
WIOA Adult Program [Apprenticeship Coord]	17.258	AA321961855A26		4,578
WIOA Adult Program [Local Admin]	17.258	AA308461755A26 & AA321961855A26		163,215
WIOA Adult Program [IFA Veterans]	17.258	AA308461755A26		5,194
WIOA Adult Program [Capacity Building]	17.258	AA283231655A26		21,209
WIOA Adult Program [Employer Engagement Statewide]	17.258	AA321961855A26		6,180
WIOA Adult Program [Career Events Statewide]	17.258	AA308461755A26		7,033
WIOA Adult Program	17.258	AA308461755A26 & AA321961855A26	123,069	2,569,591
WIOA Youth Activities [MWA Services Center]	17.259	AA308461755A26		75,509
WIOA Youth Activities [Apprenticeship Coord]	17.259	AA321961855A26		5,008
WIOA Youth Activities [Local Admin]	17.259	AA308461755A26 & AA321961855A26		142,245
WIOA Youth Activities [Capacity Building]	17.259	AA283231655A26		23,403
WIOA Youth Activities [IFA Veterans]	17.259	AA308461755A26		5,731
WIOA Youth Activities [Refugee Navigator]	17.259	AA308461755A26		30,015
WIOA Youth Activities [Employer Engagement Statewide]	17.259	AA321961855A26		6,760
WIOA Youth Activities [Career Events Statewide]	17.259	AA308461755A26		7,760
WIOA Youth Activities	17.259	AA308461755A26 & AA321961855A26	1,084,742	1,875,257
WIOA Dislocated Worker Formula Grants [MWA Services Center]	17.278	AA308461755A26		92,027
WIOA Dislocated Worker Formula Grants [Local Admin]	17.278	AA308461755A26 & AA321961855A26		184,394
WIOA Dislocated Worker Formula Grants [Apprenticeship Coord DW]	17.278	AA321961855A26		5,230
WIOA Dislocated Worker Formula Grants [Customer Relationship Management]	17.278	AA308461755A26		4,677
WIOA Dislocated Worker Formula Grants [Capacity Building]	17.278	AA283231655A26		28,522
WIOA Dislocated Worker Formula Grants [IFA Veterans]	17.278	AA308461755A26		6,985
WIOA Dislocated Worker Formula Grants [Refugee Navigator]	17.278	AA308461755A26		36,581
WIOA Dislocated Worker Formula Grants [Retail Trade]	17.278	DW325501860A26		9,269
WIOA Dislocated Worker Formula Grants [Employer Engagement Statewide]	17.278	AA321961855A26		7,060
WIOA Dislocated Worker Formula Grants [Career Events Statewide]	17.278	AA308461755A26		9,458
WIOA Dislocated Worker Formula Grants	17.278	AA283231655A26, AA308461755A26 & AA321961855A26	123,069	<u>1,511,507</u>
Total Workforce Investment Act (WIA) Cluster				6,940,029

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF LABOR (CONTINUED):				
Direct Program - H-1B Job Training Grant [America's Promise] Passed through Workforce Development Agency - State of Michigan - WIOA National Dislocated Worker Grants / WIA National Emergency Grants [Sector Partnership]	17.268	HG301401760A26	\$ 370,050	\$ 413,877
	17.277	19-08 Macomb-St. Clair - NDWG Opioid	10,157	35,891
Passed through Workforce Development Agency - State of Michigan:				
Unemployment Insurance [State Admin RESEA 2018]	17.225	UI31736EZ0	102,793	102,793
Unemployment Insurance [State Admin RESEA 2019]	17.225	UI328461960A26	220,684	220,684
Unemployment Insurance [IFA 2018]	17.225	UI29848650		106,209
Trade Adjustment Assistance [Case Management 2009/2011]	17.245	TA304921755A26		534,211
Trade Adjustment Assistance [2009/2011]	17.245	TA30491755A26		378,718
Apprenticeship USA Grants	17.285	AP300981660A26		9,375
Passed through State Office of Services to the Aging - Senior Community Service Employment Program	17.235	2018-1		<u>908,485</u>
Total U.S. Department of Labor				10,928,153
U.S. DEPARTMENT OF TRANSPORTATION:				
Highway Planning and Construction Cluster - Passed Through Michigan Department of Transportation - Highway Planning and Construction	20.205	N/A		3,156,748
Highway Safety Cluster - Passed through Office of Highway Safety Planning:				
State and Community Highway Safety [Operation Nightcap - Belt Enforcement]	20.600	PT-19-22	120,775	159,618
Alcohol Impaired Driving Countermeasures Incentive Grants I [Drug Testing]	20.601	AL-19-05		<u>12,300</u>
Total Highway Safety Cluster				171,918
Passed through Michigan State Police - Emerg Mgmt Div - Interagency Hazardous Materials - Public Sector Training and Planning Grants	20.703	HM-HMP-0558-16-01-00		<u>6,171</u>
Total U.S. Department of Transportation				3,334,837

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
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	Project #5624-01		\$ 24,158
Capitalization Grants for Clean Water State Revolving Funds	66.458	Project #5487-01		<u>1,919</u>
Total Clean Water State Revolving Fund Cluster				26,077
Drinking Water State Revolving Fund Cluster - Passed through Michigan Department of Environmental Quality (DEQ):				
Capitalization Grants for Drinking Water State Revolving Funds [Non-Community (Type II) Water Supply Requirements]	66.468	FS975487-17		1,313
Capitalization Grants for Drinking Water State Revolving Funds [Public Water Supply]	66.468	FS975487-17		<u>1,792</u>
Total Drinking Water State Revolving Fund Cluster				3,105
Direct Program - Great Lakes Program [Macomb County Habitat Restoration]	66.469	GL00E01488		1,125,709
Direct Program - Great Lakes Program [Sterling Relief Drain]	66.469	GL00E02350		764,132
Passed through Michigan Department of Environmental Quality (DEQ) - Beach Monitoring and Notification	66.472	CU-00E99309		<u>5,000</u>
Total U.S. Environmental Protection Agency				1,924,023
U.S. DEPARTMENT OF ENERGY -				
Passed through Michigan Department of Human Services - Weatherization Assistance for Low-Income Persons	81.042	WAP16-50017 NFA# 14		625,251
U.S. DEPARTMENT OF EDUCATION:				
Adult Education - Basic Grants to States [Michigan Works System Infrastructure Agreement Lakeshore]	84.002	V002A180023		422
Adult Education - Basic Grants to States [Michigan Works System Infrastructure Agreement Utica]	84.002	191130/191198		<u>3,712</u>
Total U.S. Department of Education				4,134
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES -				
Rehabilitation Services Vocational Rehabilitation Grants to States [Rehabilitation Services]	84.126	FY2019 WBPS 2019		25,542
U.S. DEPARTMENT OF EDUCATION -				
Passed through Michigan Department of Health and Human Services - Race to the Top	84.412	S412A130044		88,788

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
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	19-9032-C		\$ 157,425
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Outreach]	93.044	19-9032-O		100,980
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Home Injury Control]	93.044	19-9032-J		56,664
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Dementia Adult Day Services]	93.044	19-9032-A		114,520
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Medicaid Waiver Payments]	93.044	N/A		18,275
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [ADHS DSP]	93.044	N/A		33,341
Special Programs for the Aging Title III, Part C Nutrition Service [Congregate Nutrition Programs]	93.045	19-9032-CH		434,729
Special Programs for the Aging Title III, Part C Nutrition Service [Home Delivered Meals]	93.045	19-9032-CH		735,763
Nutrition Services Incentive Program [Home Delivered Meals]	93.053	19-9032-CH		318,351
Nutrition Services Incentive Program [Congregate Nutrition Programs]	93.053	19-9032-CH		<u>68,255</u>
Total Aging Cluster				2,038,303
Medicaid Cluster - Passed through State Department of Community Health:				
Medical Assistance Program [CSHCS Care Coordination Title V/XIX (PCA 88080)]	93.778	1905MI5ADM		29,050
Medical Assistance Program [CSHCS Case Management Title V/XIX (PCA 89650)]	93.778	1905M15MAP		2,923
Medical Assistance Program [OBRA Assessment]	93.778	E20192216-001		635,646
Medical Assistance Program [CSHCS-Medicaid Elevated Blood Lead Case Mgmt]	93.778	1905MI5MAP & 2005MI5MAP		3,024
Medical Assistance Program [Medicaid Outreach]	93.778	1905MI5ADM & 2005MI5ADM	\$ 6,409	33,842
Medical Assistance Program [CSHCS Outreach - Advocacy]	93.778	1905MI5ADM		147,203
Medical Assistance Program [CSHCS Medicaid Outreach]	93.778	2005MI5ADM		172,021
Medical Assistance Program [CSHCS Care Coordination Title V/XIX (PCA88050)]	93.778	1905MI5ADM		<u>1,515</u>
Total Medicaid Cluster				1,025,224

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued):				
Temporary Assistance for Needy Families (TANF) Cluster - Passed through Workforce Development Agency - State of Michigan:				
Temporary Assistance for Needy Families [PATH]	93.558	1801MITANF & 1901MITANF	\$ 819,332	\$ 4,936,906
Temporary Assistance for Needy Families [SYEP Supportive Services]	93.558	1901MITANF		5,037
Total Temporary Assistance for Needy Families (TANF) Cluster				4,941,943
Direct Program:				
Head Start [Early Head Start]	93.600	05HP0010-04-02		1,774,297
Head Start	93.600	05CH010665-01-00		7,969,379
Passed through State Department of Community Health:				
Public Health Emergency Preparedness - Bioterrorism Program #1590 (9 months)	93.069	NU90TP921906		196,419
Public Health Emergency Preparedness - Cities Readiness Initiative		NU90TP921906 & NU90TP922062		156,806
Public Health Emergency Preparedness - Bioterrorism Program #1590 (3 months)	93.069	NU90TP922062		59,116
Project Grants and Cooperative Agreements for Tuberculosis Control Programs - Directly Observed Therapy	93.116	U52PS004693		29,592
Injury Prevention and Control Research and State and Community Based Programs [Safer Opioid Prescribing]	93.136	NU17CE924871		30,291
Family Planning Services - General Services	93.217	FPHPA006340 & FPHPA006464		253,855
Community Services Block Grant [Partnership for Success]	93.243	18000000757-4	122,883	127,575
Community Services Block Grant MI Youth Infrastructure Enhancement]	93.243	E20193472-00	5,735	5,735
Immunization Cooperative Agreements - IAP		NH23IP000752 & NH23IP922635		346,978
Immunization Cooperative Agreements - AFIX		NH23IP000752 & NH23IP922635		35,850
Immunization Cooperative Agreements - Adjusted Value of Federal Funded Vaccines	93.268	N/A		1,485,218
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - West Nile Community Surveillance	93.323	NU50CK000369		10,000
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000369		7,690
Public Health Emergency Response: Cooperative Agreement for Emergency Response:				
Public Health Crisis Response: [Local Health Opioid Response]	93.354	NU90TP921987		58,806
Public Health Emergency Response: Cooperative Agreement for Emergency Response:				
Public Health Crisis Response: [Opioid Emergency Response]	93.354	NU90TP921987		12,030
HIV Prevention Activities Health Department Based	93.940	NU62PS924530		202,604
Block Grants for Community Mental Health Services - Integrated Health Care [Project # # E20191110-00]	93.958	B09SM010026		175,000
Block Grants for Community Mental Health Services - Technology Based Recovery Support Program [CONTRACT # E20191463-00]	93.958	B09SM010026		172,714
Block Grants for Community Mental Health Services - Liberties North/South Drop in Centers	93.958	B09SM010026		9,857
Block Grants for Community Mental Health Services - Children's Mobile Crisis Stabilization	93.958	B09SM010026		72,166
Block Grants for Community Mental Health Services - Clubhouse Engagement	93.958	B09SM010026		76,469

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued):				
Passed through State Department of Community Health (Continued):				
Community Services Block Grant [Opioid State Targeted Response]	93.788	18000000757-4	\$ 879,660	\$ 931,690
Community Services Block Grant [State Opioid Response]	93.788	E20193103-00	272,431	305,643
Community Services Block Grant [Alcohol/Drug Abuse Mental Health Block Grant]	93.959	18000000757-4	2,509,476	3,017,760
Community Services Block Grant [Alcohol/Drug Abuse Mental Health Block Grant - Prevention]	93.959	18000000757-4	558,156	755,511
Community Services Block Grant [Harm Reduction]	93.959	B08TI010026	14,145	39,964
Preventive Health and Health Services Block Grant [Family Planning]	93.991	NB01OT009214		15,000
Preventive Health and Health Services Block Grant [Local Health Department Sharing Support]	93.991	NB01OT009214		67,201
Maternal and Child Health Services Block Grant to the States [Other MCH Varied]	93.994	B0432550		94,744
Maternal and Child Health Services Block Grant to the States [CSHCS Care Coordination: Title V (PCA88070)]	93.994	B0432550		17,650
Maternal and Child Health Services Block Grant to the States [Maternal & Child Health Services]	93.994	B0432550		62,073
Maternal and Child Health Services Block Grant to the States [Fetal Infant Mortality Review]	93.994	B0432550		4,320
Maternal and Child Health Services Block Grant to the States [CSHCS Care Coordination: Title V Clients (PCA88040)]	93.994	B0432550		3,390
Maternal and Child Health Services Block Grant to the States [CSHCS Management Services - Title V (PCA88010)]	93.994	B0432550		1,613
Maternal and Child Health Services Block Grant to the States [Enabling Services - Children]	93.994	B0432550		94,744
Passed through Michigan Department of Human Services:				
Child Support Enforcement [Coop Reimbursement Program Incentive]	93.563	CSFOC17-50001		1,148,483
Child Support Enforcement [Title IV-D - Prosecuting Attorney]	93.563	CSPA17-50002		1,119,056
Child Support Enforcement [Friend of the Court]	93.563	CSFOC17-50001		5,803,695
Low-Income Home Energy Assistance Program	93.568	WAP16-50017 NFA# 14		513,185
Low-Income Home Energy Assistance Program [MCA LIEF]	93.568	LOA 2018-2019		62,725
Community Services Block Grant [General Community Programming]	93.569	CSBG14-50017 NFA#18		992,130
Community Services Block Grant [Discretionary EITC]	93.569	CSBG14-50017 NFA#19		2,257
Community Services Block Grant [CAA Administration]	93.569	CSBG14-50017 NFA#18		168,000
Passed through Nat'l Assoc. of County & City Health Officials (NACCHO) -				
Medical Reserve Corps Small Grant Program [Challenge Award]	93.008	5MRCSG101005-04-00		3,521
Passed through Workforce Development Agency - State of Michigan - Chafee Foster Care				
Independence Program	93.674	1901MICILP	29,813	<u>66,670</u>
Total U.S. Department of Health and Human Services				36,564,942

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Agency/Pass-through Entity/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
OFFICE OF NATIONAL DRUG CONTROL POLICY - Passed through Michigan Department of State Police - High Intensity Drug Trafficking Area Program	95.001	G19SM0002A		\$ 58,118
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Passed through Michigan Department of State Police:				
Emergency Management Performance Grant - 2019	97.042	EMC-2019-EP-00004		45,666
Homeland Security Grant Program [2018 SHSP]	97.067	EMW-2018-SS-00042	\$ 7,224	7,224
Homeland Security Grant Program [2018 UASI]	97.067	EMW-2018-SS-00042	210,820	418,408
Homeland Security Grant Program [2018 Stonegarden]	97.067	EMW-2018-SS-00042-S01	11,459	16,764
Homeland Security Grant Program [2017 SHSP]	97.067	EMW-2017-SS-00013	81,031	122,085
Homeland Security Grant Program [2017 UASI]	97.067	EMW-2017-SS-00013	1,795,755	2,289,052
Homeland Security Grant Program [2017 Stonegarden]	97.067	EMW-2017-SS-00013-S01	-	45,585
Homeland Security Grant Program [2016 SHSP]	97.067	EMW-2016-SS-00010-S01	45,323	42,455
Homeland Security Grant Program [2016 UASI]	97.067	EMW-2016-SS-00010-S01	453,670	538,295
Homeland Security Grant Program [2016 Stonegarden]	97.067	EMW-2016-SS-00010-S01	3,959	26,808
Passed through United Way - Emergency Food and Shelter National Board Program	97.024	474600-010 PH36		164,262
Passed through Michigan Department of Natural Resources - Marine Safety Program	97.012	16.01.26		<u>74,924</u>
Total U.S. Department of Homeland Security				<u>3,791,528</u>
Total Federal Financial Assistance				<u>\$ 66,940,716</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Macomb County, Michigan (the "County") under programs of the federal government for the year ended December 31, 2019. 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

Schedule of Findings and Questioned Costs

Year Ended December 31, 2019

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

Noncompliance material to financial statements noted? Yes X None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X 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 X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
20.205	Highway Planning and Construction Cluster
93.044, 93.045, 93.053	Aging Cluster
93.563	Child Support Enforcement
93.600	Head Start Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs: \$2,008,221

Auditee qualified as low-risk auditee? Yes X No

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2019

Section II - Financial Statement Audit Findings

Reference Number	Finding
2019-001	<p>Finding Type - Material weakness</p> <p>Criteria - The County of Macomb, Michigan is required to report its financial results for inclusion into the County's basic financial statements in accordance with generally accepted accounting principles (GAAP).</p> <p>Condition - Instances of non-GAAP accounting were identified during the course of the audit at the Department of Public Works (the "Department") related to: (1) the timing of revenue recognition for grants and capital contributions and (2) the timing of revenue recognition for special assessments.</p> <p>Context - Subsequent to the commencement of the year-end audit, journal entries were identified, certain reconciliations were revised, and financial statements were amended because of the following circumstances: (1) In the current year, the Department of Public Works entered into agreements to secure funding for certain upcoming capital projects, including grant money from the State of Michigan and capital contributions from another local unit of government. The Department of Public Works received cash and recognized receivables and revenue as of the Department's fiscal year ended September 30, 2019. However, since expenses associated with these projects to be funded by the grant and local contributions were not incurred as of the Department's fiscal year end, the criteria for revenue recognition by the Department were not met. (2) The Department of Public Works did not record the revenue associated with the special assessment levied in August 2019; instead, it was recorded as unearned revenue as of the Department's fiscal year ended September 30, 2019.</p> <p>Cause - The County did not have a process in place to ensure an accurate review was conducted of all year-end balances, reconciliations, and financial statements to verify the balances were correctly stated in accordance with GAAP and properly supported in all instances.</p> <p>Effect - At year end, the effects of the non-GAAP accounting methods were as follows: (1) revenue recognized by the Department was overstated by \$5,375,392 for the fiscal year ended September 30, 2019 and (2) revenue recognized by the Department was understated by \$4,319,719 for the fiscal year ended September 30, 2019.</p> <p>Recommendation - Management should further strengthen year-end reviews of significant transactions to ensure such instances identified are corrected in the general ledger and financial statements during normal close procedures.</p> <p>Views of Responsible Officials and Planned Corrective Actions - County management will place additional review procedures in place for each of the items referenced above as part of subsequent year-end closing procedures.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2019

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2019-002	<p>Finding Type - Significant deficiency</p> <p>Criteria - The County of Macomb, Michigan should have a process in place to ensure compliance with laws and regulations, specifically Enrolled Ordinance No. 2017-03 (the “purchasing ordinance”), requiring that all county contracts, all county purchases, all county contract amendments, and all change orders have the board of commissioners’ (the “BOC”) prior approval to have any validity, force, or effect. The purchasing ordinance also includes the requirements under which county procurements are required to be competitively bid. The purchasing ordinance does provide for certain exceptions, which include, but are not limited to, purchases or contracts with a value of less than \$35,000. The application of exceptions to the requirements of the purchasing ordinance should be documented prior to or concurrently with the execution of county contracts, purchases, contract amendments, and change orders.</p> <p>Condition - There were instances identified where the County was not able to provide documentation supporting compliance with all aspects of the purchasing ordinance or the application of exceptions to the requirements of the purchasing ordinance was not documented.</p> <p>Context - We were unable to obtain evidence of BOC approval of certain contracts, as required by the purchasing ordinance, with expenditures incurred totaling approximately \$233,000. We were unable to obtain documentation of the applicability of exceptions to the requirements of the purchasing ordinance for contracts with expenditures incurred totaling approximately \$483,000.</p> <p>Cause - The County did not have a process in place to ensure compliance with the purchasing ordinance or otherwise formally document the rationale for interpretations of the applicability of exceptions to the purchasing ordinance for specific transactions.</p> <p>Effect - Expenditures may have been incurred that did not receive prior BOC approval or were not subject to a competitive bidding process, as required by the purchasing ordinance.</p> <p>Recommendation - Management should further strengthen policies and procedures to ensure expenditures incurred obtain BOC approval or are competitively procured in all instances required. Additionally, management should review the process of evaluating and communicating the applicability of exceptions to ensure compliance with the purchasing ordinance.</p> <p>Views of Responsible Officials and Planned Corrective Actions - County management continues to work with the board of commissioners regarding matters of interpretation surrounding the purchasing ordinance. County management is in the process of improving review practices in order to better identify change orders, purchases, and contracts that must go to the board of commissioners so that these items can be approved in a timely manner so as not to impact services to the residents and businesses of the County.</p>

Section III - Federal Program Audit Findings

None