

County of Oakland, Michigan

**Federal Awards
Supplemental Information
September 30, 2014**

County of Oakland, Michigan

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Commissioners
County of Oakland, Michigan

We have audited the basic 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 the County of Oakland, Michigan (the "County") as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 17, 2015, which contained an unmodified opinion on the basic 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. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to March 17, 2015.

The accompanying schedule of expenditures of federal awards and additional information schedule are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

June 23, 2015

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
County of Oakland, 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 basic 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 the County of Oakland, Michigan (the "County") as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the County of Oakland, 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 basic 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 entity'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 2014-001 to be a material weakness.

To Management and the Board of Commissioners
County of Oakland, 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 2014-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Oakland, Michigan's basic 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*.

County of Oakland, Michigan's Responses to Findings

The County of Oakland, Michigan's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County of Oakland, Michigan's responses were not subjected to the auditing procedures applied in the audit of the basic 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

Detroit, Michigan
March 17, 2015

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

Independent Auditor's Report

To the Board of Commissioners
County of Oakland, Michigan

Report on Compliance for Each Major Federal Program

We have audited the County of Oakland, Michigan's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014. The County of Oakland, 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 the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Oakland, 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Oakland, 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 the County of Oakland, Michigan's compliance.

To the Board of Commissioners
County of Oakland, Michigan

Opinion on Each Major Federal Program

In our opinion, the County of Oakland, 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 September 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2014-003. Our opinion on each major federal program is not modified with respect to this matter.

The County of Oakland, Michigan's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Oakland, Michigan's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County of Oakland, 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 the County of Oakland, 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 OMB Circular A-133, 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.

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.

To the Board of Commissioners
County of Oakland, Michigan

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, 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2014-003, that we consider to be a significant deficiency.

The County of Oakland, Michigan's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The County of Oakland, Michigan's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

Detroit, Michigan
June 23, 2015

Oakland County, Michigan

Schedule of Expenditures of Federal Awards Year Ended September 30, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Food Donation Program	10.550		\$ 13,389
Passed through Michigan Department of Education:			
National School Breakfast Program	10.553	(2)	90,228
National School Lunch Program	10.555	(2)	163,621
Child and Adult Care Food Program	10.558		<u>71,197</u>
Total passed through Michigan Department of Education			325,046
Passed through Michigan Department of Community Health:			
Local Health Department SNAP - Ed	10.561	(1) 1440266-00	31,258
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	1440390-00	2,459,654
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	1440380-00	<u>78,260</u>
Total passed through Michigan Department of Community Health			2,569,172
Passed through Workforce Development Agency State of Michigan (WDASOM) - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1) 2014IS251842	<u>455,856</u>
Total U.S. Department of Agriculture			3,363,463
U.S. Department of Housing and Urban Development:			
Community Development Block Grant 09-10	14.218	(3)	41,749
Community Development Block Grant 10-11	14.218	(3)	241,319
Community Development Block Grant 11-12	14.218	(3)	578,038
Community Development Block Grants 12-13	14.218	(3)	2,716,344
Community Development Block Grant 13-14	14.218	(3)	1,939,060
Housing Counseling Assistance Program 13	14.169		17,798
Home Investment Partnership Program 07-08	14.239		145,674
Home Investment Partnership Program 08-09	14.239		71,388
Home Investment Partnership Program 09-10	14.239		90,089
Home Investment Partnership Program 10-11	14.239		224,784
Home Investment Partnership Program 11-12	14.239		511,253
Home Investment Partnership Program 12-13	14.239		332,660
Home Investment Partnership Program 13-14	14.239		715,935
Neighborhood Stabilization Program 08-09	14.218	(3)	1,095,464
Neighborhood Stabilization Program 10-11	14.218	(3)	488,575
Pontiac Neighborhood Stabilization Program 10-11	14.218	(3)	366,221
Emergency Shelter Grants Program 12-13	14.231		18,770
Emergency Shelter Grants Program 2013	14.231		257,173
Economic Development Initiative	14.251		190,000
Passed through City of Pontiac:			
Pontiac Home Investment Partnership Program 10-11	14.239		4,591
Pontiac Home Investment Partnership Program 11-12	14.239		329,971
Pontiac Home Investment Partnership Program 12-13	14.239		<u>158,618</u>
Total passed through City of Pontiac			493,180
Total U.S. Department of Housing and Urban Development			10,535,474

- (1) Denotes the Supplemental Nutrition Assistance Program Cluster
(2) Denotes the Child Nutrition Cluster
(3) Denotes the Community Development Block Grant Cluster

Oakland County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice:			
State Criminal Alien Assistance Program	16.606		\$ 26,233
Public Safety Partnership and Community Policing Grants - CLEMIS Integrated Biometric Identification System Grant - 06	16.710		193,234
Edward Byrne Memorial Justice Assistance Grant Program 11-14	16.738	(4)	58,975
Edward Byrne Memorial Justice Assistance Grant Program 12-15	16.738	(4)	39,989
Edward Byrne Memorial Justice Assistance Grant Program 13-16	16.738	(4)	51,363
Passed through Michigan Department of Human Services:			
Juvenile Accountability Incentive Block Grants 13-14	16.523	JAIBG12-63001 3	40,824
Juvenile Accountability Incentive Block Grants 14-15	16.523	JAIBG12-63001 3	<u>35,478</u>
Total passed through Michigan Department of Human Services			76,302
Passed through Michigan Department of Community Health			
Crime Victim Assistance	16.575	20687-15V13	63,000
Passed through Michigan State Police			
Edward Byrne Memorial Justice Assistance Grant	16.738	(4) 201472181	<u>154,758</u>
Total U.S. Department of Justice			663,855
U.S. Department of Labor - Passed through Workforce Development Agency			
State of Michigan (WDASOM):			
Wagner Peyser(WP) Employment Service Euc-Res AY-11	17.225	ES224371155A26	122,793
Wagner Peyser(WP) Employment Service Euc-Res AY-12	17.225	ES246251355A26	19,509
WIA Local Administration AY-12	17.258	(5) AA229421255A26	219,324
WIA Local Administration AY-12	17.259	(5) AA229421255A26	234,545
WIA Local Administration AY-12	17.278	(5) AA229421255A26	238,005
WIA Local Administration AY-13	17.258	(5) AA240991355A26	65,592
WIA Local Administration AY-13	17.259	(5) AA240991355A26	70,336
WIA Local Administration AY-13	17.278	(5) AA253601455A26	70,336
WIA Adult AY-12	17.258	(5) AA229421255A26	591,515
WIA Adult AY-13	17.258	(5) AA240991355A26	2,259,692
WIA Youth AY-13	17.259	(5) AA240991355A26	1,824,871
WIA Youth AY-14	17.259	(5) AA253601455A26	770,239
WIA Dislocated Worker AY-11	17.278	(5) AA221101155A26	239,384
WIA Dislocated Worker AY-12	17.278	(5) AA229421255A26	784,759
WIA Dislocated Worker AY-13	17.278	(5) AA240991355A26	2,158,284
Wagner Peyser (WP) Employment Services 7(A) PY-12	17.207	(6) ES226941255A26	146,183
Wagner Peyser (WP) Employment Services 7(A) PY-13	17.207	(6) ES246251355A26	1,659,635
Wagner Peyser (WP) Employment Services 7(A) PY-14	17.207	(6) ES260561455A26	256,291
WIA SWA MWA SVCS CTR OPS AY-12	17.258	(5) AA229421255A26	6,056
WIA SWA MWA SVCS CTR OPS AY-12	17.259	(5) AA229421255A26	6,477
WIA SWA MWA SVCS CTR OPS AY-12	17.278	(5) AA229421255A26	6,572
AY13 WIA SWA MWSC SVCS CTR OPS PY-13	17.258	(5) AA240991355A26	21,015
AY13 WIA SWA MWSC SVCS CTR OPS PY-13	17.259	(5) AA240991355A26	22,535
AY13 WIA SWA MWSC SVCS CTR OPS PY-13	17.278	(5) AA240991355A26	22,535
Trade Adjustment Assistance FY-14	17.245	TA22631255A26	54,538
Trade Adjustment Assistance FY-14	17.245	TA226631255A26	1,458,267
MWA Trade Adjustment Assistance FY-14	17.245	TA22631255A26	415,708
Dislocated Worker Training (DWT) National Emergency Grant (NEG) #2619 AY-13	17.277	EM-24457-13-60-A-26	<u>38,937</u>
Total U.S. Department of Labor			13,783,933
(4) Denotes Justice Assistance Grant Cluster			
(5) Denotes Workforce Investment Act Cluster			
(6) Denotes Employment Services Cluster			

Oakland County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation - Passed through Michigan Department of State Police - Emergency Management Division - Hazardous Materials Emergency Planning	20.703	HM-HMP-0347-13-01-00 \$	11,708
National Foundation on the Arts and the Humanities - Passed through Michigan for Arts & Culture Affairs, Michigan Department of History, Arts & Libraries: Art, Culture and Film-MCACA Regranting Program	45.025	14RR0036RG	6,125
U.S. Environmental Protection Agency - Brownfield Assessment Grant	66.818		275,955
Passed through Michigan Department of Environmental Quality - EAD:			
State Drinking Water Revolving Fund Loan	66.468	(7) FS97548711	6,755
State Drinking Water Revolving Fund Loan	66.468	(7) 7307-01	7,578
State Clean Water Revolving Fund Loan	66.458	(8) 5408-02	1,292
State Clean Water Revolving Fund Loan	66.458	(8) 5408-03	78,843
EFSDS Design Grant	66.458	(8) 5494-01	64,677
EFSDS Middlebelt Tunnel	66.458	(8) 5493-01	1,105,270
Oakland Macomb Interceptor - Segment 2	66.458	(8) 5368-02	1,894,182
Oakland Macomb Interceptor - Segment 3	66.458	(8) 5368-03	<u>10,151,370</u>
Total passed through Michigan Department of Environmental Quality - EAD			13,309,967
Passed through Wayne County Rouge Program Office:			
Farmington Hills Illicit Discharge Elimination 2013 Project	66.202	RXIB-14	74,062
Streambank Erosion Cont. Demonstration - Caddell Drain	66.202	RXIB-07	<u>175,000</u>
Total passed through Wayne County Rouge Program Office			<u>249,062</u>
Total Environmental Protection Agency			13,834,984
Social Security Administration - Social Security - Work Incentives Planning and Assistance Program	96.008		169,400
U.S. Department of Health and Human Services - Passed through Workforce Development Agency State of Michigan (WDASOM):			
Temporary Assistance For Needy Families Refugee	93.558	(9) 1402MITANF	179,528
Temporary Assistance For Needy Families (PATH)	93.558	(9) 1402MITANF	<u>3,167,623</u>
Total passed through Workforce Development Agency State of Michigan (WDASOM)			3,347,151
Passed through Michigan Department of Human Services:			
Child Support Enforcement - Friend of the Court	93.563	CSFOC13 - 63001	7,674,398
Child Support Enforcement - Friend of the Court Federal Incentives Payments	93.563	CSFOC13 - 63001	1,575,921
Child Support Enforcement - Prosecuting Co-Up Reimbursement	93.563	CSPA13 - 63002	<u>1,634,245</u>
Total passed through Michigan Department of Human Services			10,884,564
Passed through Michigan State Court Administrative Office - Child Support For Access and Visitation Programs	93.597	SCAO-2014-029	22,702
Passed through Michigan Department of Human Services:			
Foster Care - Title IV-E 11-13	93.658	PROFC-11-63001	65,684
Foster Care - Title IV-E 14-15	93.658		<u>18,468</u>
Total passed through Michigan Department of Human Services			84,152

(7) Denotes DWRF/SRF Cluster

(8) Denotes CWRF/SRF Cluster

(9) Denotes TANF Cluster

Oakland County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Passed through Michigan Department of Community Health:			
Federally Funded Vaccine VFC	93.268		\$ 1,443,934
MCH Block - SIDS	93.994	1440360-00	2,250
Sexually Transmitted Disease (STD) Control	93.977	1440350-00	20,663
FDA Tobacco Retailer (A&L) Inspections	93.058	1440112-00	50,000
Children's Health Insurance Program	93.767	20140953-004	17,498
Immunization Cooperative Agreements - Immunization Action Plan (IAP)	93.268	1440200-00	508,833
Immunization Cooperative Agreements - Immunization Fixed Fees	93.268	1440210-00	30,550
TB Control	93.116	1440365-00	75,113
HIV Prevention	93.940	1440170-00	402,887
MDPH-OSAS Community Grant	93.959	20140953-00	3,810,084
Other - MCH	93.994	1440320-00	321,457
CHSCS Care Medicaid Outreach	93.778	(10) 1440085-00	81,112
Children's Special Health (CHSCS) Outreach & Advocacy	93.778	(10) 1440065-00	142,500
Children's Special Health Care Services (CHSCS) Care Coordination	93.778	(10) 1440060-00	93,710
Children's Special Health Care Services (CHSCS) Care Coordination	93.994	1440060-00	66,186
MDPH-OSAS Grant Medicaid Title XIX	93.778	(10) 20140953-004	268,410
OSAS ABW Grant	93.778	(10) 20140953-004	13,085
Laboratory Services Bio	93.069	1440245-00	82,605
Bioterrorism Regional EPI Support	93.069	1440040-00	4,900
Nurse Family Partnership Services	93.505	1440311-00	90,750
Nurse Family Partnership Services	93.778	(10) 1440311-00	237,650
STD Control VD Reimbursement - Adolescent STD Screening	93.977	1440010-00	15,860
STD Control VD Reimbursement - Adolescent STD Screening	93.997	1440010-00	47,579
MCH Block - Fetal Infant Mortality Review (FIMR) Case Abstraction	93.994	1440120-00	5,400
MI Health And Wellness 4X4 Plan	93.283	1440293-00	5,504
Public Health Emergency Preparedness (PHEP) 7/1/14-9/30/14	93.069	1440030-00	74,020
Public Health Emergency Preparedness (PHEP) CRI 7/1/14-9/30/14	93.069	1440036-00	44,400
Public Health Emergency Preparedness (PHEP) 10/1/13 - 6/30/14	93.069	1440025-00	220,740
Public Health Emergency Preparedness (PHEP) CRI 10/1/13 - 6/30/14	93.069	1440035-00	183,724
MCH Block - Detroit Metro Learning Collaborative	93.994	1440091-00	1,736
MIECHV Competitive Expansion Grant Seed	93.505	1440291-00	7,667
HIV Surveillance Support	93.944	1440185-00	8,874
HIV Surveillance Support	93.940	1440185-00	5,916
HIV Surveillance Support	93.941	1440185-00	14,790
Gonococcal Isolate Surveillance Project	93.997	1440127-00	6,000
Healthy Michigan Medicaid	93.778	(10) 20140953-004	12,198
Total passed through Michigan Department of Community Health			8,418,585
Passed through National REACH Coalition - Community Transformation Grant Program	93.531	NA	57,599
Total U.S. Department of Health and Human Services			22,814,752

(10) Denotes Medicaid Cluster

Oakland County, Michigan

Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2014

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security:			
Passed through Michigan Department of State Police - Emergency Management Division - Emergency Management Planning Grant	97.042	EMW-2014-EP-0023-S01	\$ 71,638
Passed through the County of Macomb:			
2010 SHSGP Oakland	97.067	2010-SS-T0-0009	14,343
2011 SHSGP Oakland	97.067	EMW-2011-SS-00103	527,349
2011 Citizen Corps - Oakland	97.067	EMW-2011-SS-00103	14,218
2012 SHSGP Oakland	97.067	EMW-2012-SS-00055	215,847
2013 SHSGP Oakland	97.067	EMW-2013-SS-00049	<u>247,847</u>
Total passed through County of Macomb			<u>1,019,604</u>
Total passed through Michigan Department of State Police			1,091,242
Passed through Michigan Department of Natural Resources -			
Marine Safety Program	97.012		<u>44,700</u>
Total U.S. Department of Homeland Security			1,135,942
U.S. Department of Treasury - Neighborworks America - Passed through Michigan State Housing Development Authority - 2013 MSHDA NFMC Grant			
	21.000	PL113-7X1350	<u>12,020</u>
Total federal awards			<u>\$ 66,331,656</u>

County of Oakland, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2014

Note I - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Oakland, Michigan under programs of the federal government for the year ended September 30, 2014. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of the County of Oakland, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of the County of Oakland, Michigan. Pass-through entity identifying numbers are presented where available.

County of Oakland, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2014

Note 2 - Subrecipient Awards

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

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 446,839
Community Development Block Grant Cluster	14.218	3,154,960
Juvenile Accountability Incentive Block Grants	16.523	48,470
Justice Assistance Grants	16.738, 16.804	106,752
Wagner Peysner (WP) Employment Services	17.207, 17.225	1,926,053
Trade Adjustment Assistance	17.245	1,870,315
	17.258, 17.259, 17.277, 17.278,	
Workforce Investment Act	17.260	9,242,385
Art, Culture and Film-MCACA Regranting Program	45.025	6,125
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	84,630
Jobs, Education, and Training (JET), Temporary Assistance for Needy Families (TANF)	93.558	2,991,239
MDPH-OSAS Community Grant	93.959	608,354
Urban Area Security Initiative	97.067	981,245
Total		<u>\$ 21,467,367</u>

County of Oakland, Michigan

Schedule of Findings and Questioned Costs Year Ended September 30, 2014

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 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.557	WIC
17.258; 17.259; 17.278	WIA Cluster
66.458	State Revolving Fund
17.207	Employment Service Cluster
14.239	HOME Investment Partnership
14.218	Community Development Block Grant Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,989,950

Auditee qualified as low-risk auditee? Yes No

County of Oakland, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2014

Section II - Financial Statement Audit Findings

Reference Number	Finding
2014-001	<p>Finding Type - Material weakness</p> <p>Criteria - The County should include a review process for significant accounting information in order to detect and correct any errors in the financial reporting process.</p> <p>Condition - Some of the accounting takes place without a subsequent review by another person; as a result, the audit identified capital assets that were recorded in two places - both the Governmental Activities and the Information Technology Internal Service Fund (ISF).</p> <p>Context - The County has not significantly changed its method of preparing and reviewing accounting information. However, the current year likely included additional transactions that were different than prior years.</p> <p>Cause - There is no review of all significant accounting information as part of the annual financial closing process.</p> <p>Effect - Some errors were made that were detected by the auditors.</p> <p>Recommendation - We recommend that the County review its staffing availability and determine whether there is an opportunity for additional supervision and review.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The condition cited above is the result of a Major Departmental Support Project for the BS&A taxation and assessment software upgrade that was recorded in Governmental Activities and recognized as contributed capital in the Information Technology ISF.</p> <p>While errors happen, the above comment and recommendation has validity. There was a time lapse between when the contributed capital was recorded in the Information Technology ISF and when the asset information was submitted for the CAFR. Additional time and review should have taken place when compiling the asset information for the CAFR to make sure that the assets recognized in Proprietary Funds were not duplicated in Governmental Activities. The capital asset duplication was corrected prior to the final issuance of the CAFR.</p>

County of Oakland, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-001 (Continued)	Fiscal services administration will be implementing additional procedures to review work products of staff and improve communication between the Proprietary Fund accountants and staff charged with coordinating the capital asset information for the Governmental Activities and Proprietary Funds. All projects will need to clearly identify where the asset will be reported, especially those projects where activity is being recorded in a separate fund such as Capital Project Fund or Grant Fund. Any assets to be recognized as contributed capital in a Proprietary Fund will require the supervisor/accountant to provide written notification to the person charged with coordinating the capital asset information for the CAFR of such capitalization. The person responsible for coordinating the capital asset information must acknowledge receipt of such correspondence and take appropriate action to avoid duplicating the asset information in the Governmental Activities. The person responsible with coordinating the capital asset information must then demonstrate to the CAFR project manager that the capital asset information is properly identified and free of duplications.

Reference Number	Finding
2014-002	<p>Finding Type - Significant deficiency</p> <p>Criteria - The County should recognize all transactions the year in which they occur.</p> <p>Condition - Certain accounts payable invoices were not accrued for in the proper period.</p> <p>Context - Several County invoices pertaining to purchases and services provided in the 2014 fiscal year were not recorded until the 2015 fiscal year.</p> <p>Cause - The accounts payable invoices had been received by the County subsequent to year end and therefore, the invoices were recorded in FY 2015.</p> <p>Effect - Certain accounts payable invoices were not recognized in the proper period.</p> <p>Recommendation - The County should implement a review process to ensure that all accounts payable invoices are recognized in the proper period.</p>

County of Oakland, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2014

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2014-002 (Continued)	<p>Views of Responsible Officials and Planned Corrective Actions - The condition cited in the finding impacted several funds, both governmental and proprietary funds. None of the findings were related to the General Fund. The main issue is the timing of when the invoices are received for processing from either the vendor itself and/or from the department authorizing the invoice prior to payment processing in relationship to the year-end closing schedule.</p> <p>The County already has a process to query payments that are made in October that relate to the prior year for an accrual purposes. One person is charged with recording General Fund accruals based on the information provided in the query and/or requests from General Fund departments. Careful review is performed to make sure that accruals are not recorded for amounts already encumbered by outstanding purchase orders. Individual accountants are charged with recording accruals for the other various funds. Accrual detail is to be maintained by the appropriate accountants.</p> <p>Additional action will be taken to remind department representatives several times during the closing process to submit invoices in a timely manner. Also, departments will be reminded to notify vendors to submit invoices promptly or to provide estimates of services rendered where an invoice cannot be timely submitted for accrual purposes. Material invoices/amounts that span two fiscal years need to be prorated. If material invoices that relate to the prior fiscal year are submitted for payment after the books are closed and amounts were not already accrued or encumbered by the respective accountant, the individual processing the payment is to immediately notify his or her supervisor and respective fiscal services chief. The fiscal year will be re-opened to record material amounts and determine a course of action to avoid such issues in the future.</p>

County of Oakland, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2014

Section III - Federal Program Audit Findings

Reference Number	Finding
2014-003	<p>Program Name - U.S. Department of Agriculture, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - CFDA No. 10.557</p> <p>Pass-through Entity - State of Michigan Department of Community Health</p> <p>Finding Type - Significant deficiency and material noncompliance with laws and regulations</p> <p>Criteria - A-102 Common Rule requires that for contracts and subawards greater than \$25,000, a verification must be performed to ensure that the contractor or subaward recipient is not suspended or debarred. The verification can be accomplished by (1) checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at https://www.sam.gov/portal/public/SAM/, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity.</p> <p>Condition - The County did not have a standard procedure to perform verification or maintain the required suspension and debarment documentation when the County entered into contracts with the subaward recipient over \$25,000.</p> <p>Questioned Costs - Not applicable</p> <p>Context - The required suspension and debarment check was not performed for the contract tested in the WIC program.</p> <p>Cause and Effect - Internal control procedures over suspension and debarment requirements did not operate effectively, as required compliance requirements were not addressed and adequately documented. Inadequate monitoring of suspension and debarment could cause funds to be disbursed to vendors or subrecipients who are not eligible to have goods or services purchased with federal monies. Subsequently, the County performed the procedure and noted that the subrecipient was not listed as suspended or debarred, resulting in no questioned costs.</p> <p>Recommendation - Internal control procedures should be performed and enforced to ensure that appropriate suspension and debarment certifications are received and maintained.</p>

County of Oakland, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2014

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding
2014-003 (Continued)	<p>Views of Responsible Officials and Planned Corrective Actions - Oakland County will take additional measures to ensure sufficient documentation is permanently maintained that validates that contractors or subaward recipients are not suspended or debarred.</p> <p>In the case of the WIC Program, CFDA No. 10.557, Oakland County has a contract relationship for the services provided by Oakland Livingston Human Service Agency (OLHSA). The contract between Oakland County and OLHSA includes a section that states, "the contractor shall comply with all applicable grant requirements." Also, the County receives a copy of the contractor's annual financial report and single audit as the County does provide federal pass-through dollars for other programs. It is evidenced in the OLHSA single audit that they are getting direct program dollars for Federal programs and this would indicate that the organization is in good standing in order to receive program dollars.</p>

County of Oakland, Michigan

Oakland County Health Division Substance Abuse Prevention and Treatment Schedule of Budgeted, Reported, and Audited Amounts Year Ended September 30, 2014

Fund Source	Budgeted (FINAL) (Unaudited)	Reported Expenditures (FINAL RER)	Audited Expenditures	Variance (Audited- Reported)
A Medicaid				
1 Current year PEPM (federal and state)	\$ 2,450,000	\$ 2,363,024	\$ 2,363,024	\$ -
2 Current year Healthy MI Plan (federal)	1,200,000	1,148,101	1,148,101	-
3 Federal share only for Women's Specialty	99,480	86,587	86,587	-
4 State share only for Women's Specialty	50,520	43,972	43,972	-
5 Healthy MI Plan only for Women's Specialty	-	10,277	10,277	-
6 Reinvestment savings	-	-	-	-
A Subtotal Medicaid	<u>3,800,000</u>	<u>3,651,961</u>	<u>3,651,961</u>	-
B Adult Benefit Waiver (ABW)				
1 Current year PEPM (federal and state)	199,000	255,916	255,916	-
2 Federal share only for Women's Specialty	663	-	-	-
3 State share only for Women's Specialty	337	-	-	-
B Subtotal ABW	<u>200,000</u>	<u>255,916</u>	<u>255,916</u>	-
Grand Total of Subtotals A-B	<u><u>\$ 4,000,000</u></u>	<u><u>\$ 3,907,877</u></u>	<u><u>\$ 3,907,877</u></u>	<u><u>\$ -</u></u>