

# **County of Oakland, Michigan**

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**Federal Awards  
Supplemental Information  
September 30, 2016**

### Independent Auditor's Reports:

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance	4-6
Schedule of Expenditures of Federal Awards	7-11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13-15

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

Independent Auditor's Report

To the Board of Commissioners  
County of Oakland, 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 the County of Oakland, Michigan (the "County") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated , which contained unmodified opinions on 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. 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 March 24, 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*

June 12, 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  
County of Oakland, 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 the County of Oakland, Michigan (the "County") as of and for the year ended September 30, 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 12, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the 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 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2016-001, that we consider to be a significant deficiency.

To Management and the Board of Commissioners  
County of Oakland, Michigan

### **Compliance and Other Matters**

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

### **County of Oakland, Michigan's Response to Finding**

The County of Oakland, Michigan's response to the 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 the financial statements and, accordingly, we express no opinion on it.

### **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 12, 2017

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) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016. 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.

The County of Oakland, Michigan's basic financial statements include the operations of the Road Commission of Oakland County discretely presented component unit, which received \$6,875,361 in federal awards and which is not included in the schedule during the year ended September 30, 2016. Our audit, described below, did not include the operations of the Road Commission of Oakland County because the Road Commission of Oakland County discretely presented component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

***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.

To the Board of Commissioners  
County of Oakland, Michigan

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 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.

### ***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, 2016.

### **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 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.

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. 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*

June 12, 2017



# Oakland County, Michigan

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2016

Federal Agency/Pass-through Agency/Program Title	CFDA Number		Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:					
Food Donation Program:	10.550		n/a	\$ -	\$ 12,690
Passed through Michigan Department of Education:					
National School Breakfast Program	10.553	(2)	n/a	-	94,306
National School Lunch Program	10.555	(2)	n/a	-	185,327
Child and Adult Care Food Program	10.558		n/a	-	77,365
Total passed through Michigan Department of Education				-	356,998
Passed through Michigan Department of Health and Human Services -					
Passed through Michigan Fitness Foundation -					
Local Health Department SNAP - Ed	10.561	(1)	ADMIN-15-99011 ADMIN-16-99011 FY16OCHD	-	28,264
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
Resident Services	10.557		1640390-00	-	2,396,075
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
Breastfeeding	10.557		1640380-00	-	143,397
Total passed through Michigan Department of Health and Human Services				-	2,567,736
Passed through Workforce Development Agency State of Michigan (WDASOM) -					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	(1)	16162M100S2520	267,874	283,517
Total U.S. Department of Agriculture				267,874	3,220,941
U.S. Department of Housing and Urban Development:					
Community Development Block Grant 11-12	14.218	(3)	n/a	-	3,065
Community Development Block Grant 12-13	14.218	(3)	n/a	21,105	116,140
Community Development Block Grant 13-14	14.218	(3)	n/a	379,339	1,088,953
Community Development Block Grant 14-15	14.218	(3)	n/a	1,472,929	2,764,431
Community Development Block Grant 15-16	14.218	(3)	n/a	958,211	1,838,940
Housing Counseling Assistance Program 15	14.169		n/a	-	19,432
Home Investment Partnership Program 11-12	14.239		n/a	-	87,660
Home Investment Partnership Program 12-13	14.239		n/a	-	142,562
Home Investment Partnership Program 13-14	14.239		n/a	-	960,242
Home Investment Partnership Program 14-15	14.239		n/a	-	804,657
Home Investment Partnership Program 15-16	14.239		n/a	-	1,195,417
Home Investment Partnership Program 16-17	14.239		n/a	-	338,921
Neighborhood Stabilization Program 08-09	14.218	(3)	n/a	197,474	197,474
Pontiac Neighborhood Stabilization Program 10-11	14.218	(3)	n/a	257,957	257,957
Emergency Shelter Grants Program 2014	14.231		n/a	-	3,479
Emergency Shelter Grants Program 2015	14.231		n/a	-	322,833
Passed through City of Pontiac - Pontiac Home Investment Partnership Program 09-10	14.239		n/a	-	10,361
Total U.S. Department of Housing and Urban Development				3,287,015	10,152,524

(1) Denotes the Supplemental Nutrition Assistance Program Cluster

(2) Denotes the Child Nutrition Cluster

(3) Denotes the CDBG - Entitlement Grants Cluster

# Oakland County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2016

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Justice:				
State Criminal Alien Assistance Program	16.606	n/a	\$ -	\$ 26,283
Bulletproof Vest Partnership Program	16.607	n/a	-	134
Edward Byrne Memorial Justice Assistance Grant Program 14-17	16.738	n/a	23,061	34,619
Edward Byrne Memorial Justice Assistance Grant Program 15-18	16.738	n/a	-	68,282
Passed through Michigan State Police:				
Edward Byrne Memorial Justice Assistance Grant	16.738	JAG-72181-N.E.T.-2016	-	134,000
Paul Coverdell 2015 Grant	16.742	2015-CD-BX-0012	-	52,712
Total passed through Michigan State Police			-	186,712
Total U.S. Department of Justice			23,061	316,030
U.S. Department of Labor - Passed through Workforce Development Agency - State of Michigan (WDASOM):				
WIA Local Administration AY-14	17.258	(4) AA253601455A26	57,455	180,419
WIA Local Administration AY-14	17.259	(4) AA253601455A26	61,337	192,610
WIA Local Administration AY-14	17.278	(4) AA253601455A26	75,313	236,496
WIA Adult AY-14	17.258	(4) AA253601455A26	224,872	224,872
WIA Youth AY-14	17.259	(4) AA253601455A26	114,549	114,549
WIA Rapid Response AY-13	17.278	(4) AA240991355A26	9,500	9,500
WIA Dislocated Worker AY-14	17.278	(4) AA253601455A26	269,819	269,819
SWA MWA OPS AY-15	17.258	(4) AA267861555A26	16,029	16,029
SWA MWA OPS AY-15	17.259	(4) AA267861555A26	17,365	17,365
SWA MWA OPS AY-15	17.278	(4) AA267861555A26	22,262	22,262
WIA SWA MWA SVCS CTR OPS AY-14	17.258	(4) AA253601455A26	9,536	9,536
WIA SWA MWA SVCS CTR OPS AY-14	17.259	(4) AA253601455A26	10,181	10,181
WIA SWA MWA SVCS CTR OPS AY-14	17.278	(4) AA253601455A26	12,500	12,500
WIOA Dislocated Worker AY-15 *	17.278	(4) AA267861555A26	1,441,106	1,441,106
WIOA Local Administration AY-15	17.258	(4) AA267861555A26	10,873	35,554
WIOA Local Administration AY-15	17.259	(4) AA267861555A26	11,779	38,516
WIOA Local Administration AY-15	17.278	(4) AA267861555A26	15,101	49,380
WIOA ADULT AY-15	17.258	(4) AA267861555A26	2,140,858	2,140,858
WIOA YOUTH AY-15	17.259	(4) AA267861555A26	1,517,865	1,517,865
WIOA ADULT AY-16	17.258	(4) AA283231655A26	50,402	50,402
WIOA DISLOCATED WORKER AY-16	17.278	(4) AA283231655A26	26,226	26,226
WAGNER PEYSER (WP) EMPLOYMENT SERVICES 7(A) AY-14	17.207	(5) ES260561455A26	41,961	62,251
WAGNER PEYSER (WP) EMPLOYMENT SERVICES 7(A) AY-15	17.207	(5) ES274971555A26	913,954	987,600
WAGNER PEYSER (WP) EMPLOYMENT SERVICES 7(A) AY-16	17.207	(5) ES294191655A26	20,833	42,291
UIA RESEA PROGRAM FY15	17.225	UI271181555A26	61,570	61,570
UNEMPLOYMENT INSURANCE STATE ADMINISTRATION RESEA 2016	17.225	UI281381660A26	33,829	33,829
TRADE ADJUSTMENT ASSISTANCE FY-14	17.245	TA252941455A26	1,071,057	1,098,131
TRADE BUSINESS SERVICES (EBT) AY-14	17.245	TA252941455A26	224,050	224,471
WIA JOB DRIVEN NATIONAL EMERGENCY #2622 GRANT AY14	17.277	EM258641460A26	125,629	125,629
NATIONAL EMERGENCY GRANT (NEG) FY15 SECTOR PARTNERSHIP	17.277	EM273571560A26	80,273	80,273
Total U.S. Department of Labor			8,688,084	9,332,090

(4) Denotes WIA/WIOA Cluster

(5) Denotes Employment Services Cluster

\* Effective July 1, 2015, the Workforce Innovation and Opportunity Act (WIOA) supersedes the Workforce Investment Act (WIA)

# Oakland County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2016

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation - Passed through Michigan Department of State Police - Emergency Management Division:				
Hazardous Materials Emergency Preparedness	20.703	HM-HMP-0471-15-01-00	\$ -	\$ 27,947
Hazardous Materials Emergency Preparedness	20.703	HM-HMP-0439-14-01-00	-	14,749
Total U.S. Department of Transportation			-	42,696
U.S. Environmental Protection Agency:				
Brownfield Assessment Grant	66.818		95,399	128,818
Passed through Michigan Department of Environmental Quality:				
State Drinking Water Revolving Fund Loan	66.468	(6) FS975487-13 FS975487-14 FS975487-15	-	20,065
State Drinking Water Revolving Fund Loan	66.468	(6) 7335-01	-	1,624,679
State Drinking Water Revolving Fund Loan	66.468	(6) 7406-01	-	812,352
EFSDS Middlebelt Tunnel	66.458	(7) 5493-01	-	13,874,644
Oakland Macomb Interceptor - Segment 3	66.458	(7) 5368-03	-	15,091
Total passed through Michigan Department of Environmental Quality			-	16,346,831
Total U.S. Environmental Protection Agency			95,399	16,475,649
Social Security Administration - Social Security - Work Incentives Planning and Assistance Program	96.008	n/a		152,800
U.S. Department of Health and Human Services - Passed through Workforce Development Agency State of Michigan (WDASOM) - Temporary Assistance For Needy Families (TANF), Partnership, Accountability, Training, Hope (PATH)				
	93.558	(8) 1601MITANF	3,830,592	4,251,734
Passed through Michigan State Court Administrative Office:				
Child Support For Access and Visitation Programs	93.597	SCAO-2016-024	-	23,500
Court Improvement Program	93.586	SCAO-2016-043	-	38,187
Total passed through Michigan State Court Administrative Office			-	61,687

(6) Denotes Drinking Water State Revolving Fund Cluster

(7) Denotes Clean Water State Revolving Fund Cluster

(8) Denotes TANF Cluster

# Oakland County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2016

Federal Agency/Pass-through Agency/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 Michigan Department of Health and Human Services:				
Child Support Enforcement - Friend of the Court	93.563	CSFOC13 - 63001	\$ -	\$ 7,567,421
Child Support Enforcement - Friend of the Court Federal Incentives Payments	93.563	CSFOC13 - 63001	-	1,728,339
Child Support Enforcement - Prosecuting Co-Up Reimbursement	93.563	CSPA13 - 63002	-	1,611,563
Federal Vaccine Shipped to Local Health Departments	93.268	n/a	-	1,346,899
Sexually Transmitted Disease (STD) Control	93.997	1640350-00	-	60,292
Immunization Cooperative Agreements - Immunization Action Plan (IAP)	93.268	1640200-00	-	220,948
Immunization Cooperative Agreements - Immunization Action Plan (IAP)	93.539	1640200-00	-	310,887
TB Control	93.116	1640365-00	-	76,346
HIV Prevention	93.940	1640170-00	-	155,160
Enabling Services Women - MCH	93.994	1640101-00	-	150,028
Fetal Infant Mortality Review (FIMR) Case Abstraction	93.994	1640120-00	-	5,400
Public Health Functions & Infrastructure - MCH	93.994	1640322-00	-	41,924
Nurse Family Partnership Services - MCH	93.994	1640312-00	-	129,505
CSHCS Medicaid Outreach	93.778	(9) 1640085-00	-	461,145
Children's Special Health Care Services (CSHCS) Outreach & Advocacy	93.778	(9) 1640065-00	-	142,500
Medicaid Outreach	93.778	(9) 1640305-00	-	67,605
Great Start Trauma Informed System Community Demonstration	93.110	1640129-00	-	3,767
Laboratory Services Bio	93.069	1640245-00	-	30,000
Nurse Family Partnership Services	93.505	1640311-00	-	156,040
Nurse Family Partnership Services	93.778	(9) 1640311-00	-	232,121
Adolescent STD Screening	93.977	1640010-00	-	73,000
Public Health Emergency Preparedness (PHEP) 10/1/15 - 6/30/16	93.069	1640025-00	-	212,025
Public Health Emergency Preparedness (PHEP) CRI 10/1/15 - 6/30/16	93.069	1640035-00	-	135,643
Public Health Emergency Preparedness (PHEP) 7/1/16 - 9/30/16	93.069	1640030-00	-	65,299
Public Health Emergency Preparedness (PHEP) CRI 7/1/16 - 9/30/16	93.069	1640036-00	-	44,802
Public Health Emergency Preparedness (PHEP) Ebola Virus Disease (EVD) Phase II	93.069	1640037-00	-	37,450
West Nile Virus Community Surveillance	93.323	1640378-00	-	6,500
HIV Surveillance Support	93.944	1640185-00	-	25,573
HIV Surveillance Support	93.940	1640185-00	-	1,738
HIV Surveillance Support	93.941	1640185-00	-	17,379
Gonococcal Isolate Surveillance Project	93.977	1640127-00	-	10,000
Total passed through Michigan Department of Health and Human Services			-	15,127,299
Passed through Michigan Department of Health and Human Services - Passed through Oakland County Community Mental Health Authority:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	20161615	-	170,468
Transforming Youth Suicide Prevention	93.243	20121486	-	137,287
Total passed through Michigan Department of Health and Human Services - Passed through Oakland County Community Mental Health Authority			-	307,755
Passed through Oakland University:				
CDC Racial and Ethnic Approaches to Community Health	93.738	IU58DP005885-01	-	28,729
CDC Racial and Ethnic Approaches to Community Health	93.738	NU58DP005885-02-00	-	87,623
Total passed through Oakland University			-	116,352
Total U.S. Department of Health and Human Services			3,830,592	19,864,827

(9) Denotes Medicaid Cluster

# Oakland County, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2016

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security:				
Passed through Michigan Department of State Police - Emergency Management and Homeland Security Division:				
Emergency Management Performance Grant	97.042	EMC-2016-EP-00001	\$ -	\$ 51,321
Public Assistance Grant - WRC	97.036	FEMA-4195-DR-MI 125-UJZPI-00	-	<u>298,728</u>
Total passed through Michigan Department of State Police - Emergency Management and Homeland Security Division			-	350,049
Passed through Michigan Department of State Police - Emergency Management and Homeland Security Division - Passed through the County of Macomb:				
Fiscal Year 2014 Homeland Security Grant Program	97.067	EMW-2014-SS-00059	108,456	451,469
Fiscal Year 2015 Homeland Security Grant Program	97.067	EMW-2015-SS-00033	<u>81,162</u>	<u>217,370</u>
Total Passed through Michigan Department of State Police - Emergency Management and Homeland Security Division - Passed through County of Macomb			189,618	668,839
Passed through Michigan Department of Natural Resources - Marine Safety Program				
	97.012	MS16-036	-	<u>75,275</u>
Total U.S. Department of Homeland Security			<u>189,618</u>	<u>1,094,163</u>
Total federal awards			<u>\$ 16,381,643</u>	<u>\$ 60,651,720</u>

# County of Oakland, Michigan

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## Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2016

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

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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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 assets, or cash flows of the County of Oakland, Michigan.

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

Expenditures reported on the Schedule are reported on the same basis of accounting with the exception of the Drinking Water Revolving Loan Fund and State Revolving Fund. In accordance with the 2016 OMB Compliance Supplement, these expenditures are reported when paid. Other 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. 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 of Oakland, Michigan has elected not to use the 10 percent *de minimus* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

# County of Oakland, Michigan

## Schedule of Findings and Questioned Costs Year Ended September 30, 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
66.458	Clean Water State Revolving und Cluster - Capitalization Grants for Clean Water State Revolving Funds
66.468	Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds
93.563	Child Support Enforcement, Title IV

Dollar threshold used to distinguish between type A and type B programs: \$1,819,552

Auditee qualified as low-risk auditee?  Yes  No

# County of Oakland, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2016

### Section II - Financial Statement Audit Findings

Reference Number	Finding
2016-001	<p><b>Finding Type</b> - Significant deficiency</p> <p><b>Criteria</b> - 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><b>Condition</b> - Some of the accounting takes place without a subsequent review by another person; as a result, the audit identified adjusting journal entries related to certain receivables and revenue and certain payables and expenses.</p> <p><b>Context</b> - The auditor identified certain audit adjustments pertaining to accounts payable including the reversal of certain prior year accruals in the amount of \$323,819 and increasing certain current year accruals in the amount of \$374,100. The auditor also identified an adjustment to decrease unbilled receivable and sewage disposals service revenue in the amount of \$355,066.</p> <p><b>Cause</b> - There is not always a review of all significant accounting information as part of the annual financial closing process.</p> <p><b>Effect</b> - Some errors were made that were detected by the auditors.</p> <p><b>Recommendation</b> - We recommend that the County review its staffing availability and determine whether there is an opportunity for additional supervision and review.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The audit adjustments pertaining to accounts payable and the unbilled receivable for the various water and sewer activities were simply errors. Within fiscal year 2016, fiscal services was restructuring and transitioning staff including new supervisory personnel supporting the Water Resources Commissioner area. The supervisory personnel became engaged in the actual closing process such that they were not able to review the transactions posted by their staff in a timely manner. Journal entries were posted to correct the errors and the fiscal year 2016 financial statements reflect the correct information.</p> <p>The County has approved filling a position within the Fiscal Services Division, through the reassignment of an existing position, to primarily provide accounting support to function in the Water Resources Commissioner area that will free supervision time so that they can provide more timely and thorough review of staff transaction postings.</p>



# **County of Oakland, Michigan**

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## **Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2016**

### **Section III - Federal Program Audit Findings**

None