

Macomb County, Michigan

**Federal Awards
Supplemental Information
December 31, 2015**

Macomb County, Michigan

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

Independent Auditor's Report

To the Board of Commissioners
Macomb County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macomb County, Michigan (the "County") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 24, 2016, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 24, 2016.

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 24, 2016

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

Independent Auditor's Report

To Management and the Board of Commissioners
Macomb County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Macomb County, Michigan (the "County") as of and for the year ended December 31, 2015 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 24, 2016.

Internal Control Over Financial Reporting

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

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

To Management and the Board of Commissioners
Macomb County, Michigan

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2015-001 and 2015-002 to be material weaknesses.

Compliance and Other Matters

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

Macomb County, Michigan's Responses to Findings

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

Purpose of this Report

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

Plante & Moran, PLLC

June 24, 2016

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

Independent Auditor's Report

To the Board of Commissioners
Macomb County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Macomb County, Michigan's (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. Macomb County, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Macomb County, Michigan's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

To the Board of Commissioners
Macomb County, Michigan

Opinion on Each Major Federal Program

In our opinion, Macomb County, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2015-003 to be a material weakness.

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

To the Board of Commissioners
Macomb County, Michigan

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 24, 2016

Macomb County, Michigan

Schedule of Expenditures of Federal Awards December 31, 2015

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total	
			Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:				
Child Nutrition Cluster -				
Passed Through State Department Of Education:				
National School Breakfast	10.553	N/A	\$	49,800
National School Lunch Program - After School Snack	10.555	N/A		14,327
National School Lunch Program	10.555	N/A		78,809
National School Lunch Program - USDA Commodities	10.555	N/A		10,754
Total Child Nutrition Cluster				153,690
Food Distribution Cluster:				
Passed Through State Department Of Education:				
Emergency Food Assistance Program - Food Distribution	10.568	N/A		300,338
Emergency Food Assistance Program - Commodities	10.569	N/A		902,681
Total Food Distribution Cluster				1,203,019
Supplemental Nutrition Assistance Program (SNAP) Cluster:				
Passed Through Workforce Development Agency - State of Michigan:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	15152MII00S2518	\$ 143,723	158,095
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	15152MII00S2520		93
Total Supplemental Nutrition Assistance Program (SNAP) Cluster				158,188
Passed Through State Department Of Education - Child and Adult Care Food Program	10.558	N/A		413,250
Passed Through State Department Of Community Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	IWI00342		1,807,810
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	W500342 & IWI00342		49,360
Total U.S. Department of Agriculture				3,785,317
U.S. Department of Commerce National Oceanic and Atmospheric Administration -				
Direct Program - Habitat Conservation - Clinton River Spillway	11.463	N/A		108,895
Total U.S. Department of Commerce National Oceanic and Atmospheric Administration				108,895
U.S. Department HUD:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-13-UC-26-0005	1,029,664	1,146,853
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-26-0005	516,567	516,567
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-26-0005	172,360	241,987
Emergency Solutions Grant	14.231	E-13-UC-26-0005		109,331
Emergency Solutions Grant	14.231	E-14-UC-26-0005		90,759
Supportive Housing Program - HUD Homeless	14.235	M10108L5F031306		16,137
Home Investment Partnerships Program	14.239	M-10-DC-26-0209		64,152
Home Investment Partnerships Program	14.239	M-11-DC-26-0209		567,556
Home Investment Partnerships Program	14.239	M-12-DC-26-0209		604,092
Home Investment Partnerships Program	14.239	M-13-DC-26-0209		49,732
HUD Grants Passed Through Other Than State:				
Community Development Block Grants/Entitlement Grants - CSA Chore Services	14.218	N/A		71,873
Emergency Solutions Grant - Homeless Veterans	14.231	N/A		61,282
Total U.S. Department of HUD				3,540,321

Macomb County, Michigan

Schedule of Expenditures of Federal Awards (Continued) December 31, 2015

Federal Agency/Pass-through Entity/Program Title	Federal		Total	
	CFDA Number	Pass-through Entity Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Justice:				
Justice Assistance Grant (JAG) Cluster:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Program	16.738	2012-DJ-BX-0275		\$ 37,061
Edward Byrne Memorial Justice Assistance Program	16.738	2013-DJ-BX-0113		15,001
Edward Byrne Memorial Justice Assistance Program	16.738	2014-DJ-BX-0625		15,199
Passed Through Office of Drug Control:				
Edward Byrne Memorial Justice Assistance Program - Anti-Drug Abuse	16.738	2014-H3675-MI-DJ		35,208
Edward Byrne Memorial Justice Assistance Program - Street Level Enforcement Team	16.738	2013-MV-BX-0051		17,604
Total Justice Assistance Grant (JAG) Cluster				120,073
Direct Programs:				
Public Safety Partnership and Community Policing Grants - COPS Technology Grant	16.710	2010CKWX0062		147,776
Equitable Sharing Program	16.922	N/A		70,572
Passed Through Michigan Department of Human Services -				
Juvenile Accountability Incentive Block Grant	16.523	JAIBG-12-50001		1,506
Passed Through Michigan Department of Community Health -				
Crime Victim Assistance - Domestic Violence Victim Advocate	16.575	2014-VA-GX-0046		157,526
Total U.S. Department of Justice				497,453
U.S. Department of Labor:				
Employment Services Cluster -				
Passed Through Workforce Development Agency - State of Michigan -				
Employment Service/Wagner-Peyser Funded Activities	17.207	ES260561455A26 ES2465251355A26		1,494,234
Total Employment Services Cluster				1,494,234
Workforce Investment Cluster (WIA):				
Passed Through Workforce Development Agency - State of Michigan:				
WIA Adult Program	17.258	AA240991355A26 AA253601455A26		3,947,936
WIA Adult Program - Mich Works Services Center	17.258	AA253601455A26 AA253601455A26		54,429
WIA Adult Program - Local Admin	17.258	AA240991355A26 AA240991355A26		152,467
WIA Youth Activities	17.259	AA253601455A26	\$ 1,635,657	2,183,608
WIA Youth Activities - Mich Works Services Center	17.259	AA253601455A26 AA253601455A26		58,107
WIA Youth Activities - Local Admin	17.259	AA240991355A26		129,193
Workforce Investment Act (WIA) National Emergency Grants	17.277	EM244571360A26		480,327
Workforce Investment Act (WIA) National Emergency Grants [Region 6]	17.277	EM258641460A26		288,224
Workforce Investment Act (WIA) National Emergency Grants [Region 10]	17.277	EM258641460A26 AA229421255A26 AA253601455A26		133,519
WIA Dislocated Worker Formula Grants	17.278	AA240991355A26		2,230,275
WIA Dislocated Worker Formula Grants - Mich Works Services Center	17.278	AA253601455A26 AA253601455A26		71,346
WIA Dislocated Worker Formula Grants - Local Admin	17.278	AA240991355A26		193,315
Total Workforce Investment Act (WIA) Cluster				9,922,746
Direct Programs:				
H-1B Job Training Grants [Job Innovation Accelerator Challenge]	17.268	JA-22455-11-60-A-26	370,134	417,629
H-1B Job Training Grants Job Accelerator - Make it in America Challenge	17.268	JA-24961-13-60-A-26	450,224	466,177
Passed Through Workforce Development Agency - State of Michigan:				
Trade Adjustment Assistance [Administrative]	17.245	TA243491355A26		114,000
Trade Adjustment Assistance [2002]	17.245	TA243491355A26		324,396
Trade Adjustment Assistance [2009/2011]	17.245	TA243491355A26		773,228
Trade Adjustment Assistance [Case Management 2009/2011]	17.245	TA243491355A26		601,292
Trade Adjustment Assistance [2014]	17.245	TA243491355A26		4,622
Passed Through State Office of Services to the Aging -				
Senior Comm Service Employment Program	17.235	20153916		746,990
Total U.S. Department of Labor				14,865,314

See Notes to Schedule of Expenditures
of Federal Awards.

Macomb County, Michigan

Schedule of Expenditures of Federal Awards (Continued) December 31, 2015

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount	
			Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation:				
Highway Safety Cluster -				
Passed Through Office of Highway Safety Planning:				
State and Community Highway Safety [Operation Nightcap - Belt Enforcement]	20.600	PT-15-21	\$ 150,799	\$ 200,045
National Priority Safety Programs	20.616	N/A		4,573
Total Highway Safety Cluster				204,618
Highway Planning and Construction Cluster -				
Passed Through Department of Transportation -				
Highway Planning and Construction	20.205	N/A		2,456,299
Total Highway Planning and Construction Cluster				2,456,299
Passed Through Office of Highway Safety Planning -				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0439-14-01-00		8,204
Total U.S. Department of Transportation				2,669,121
U.S. Department of Veterans Affairs -				
Passed through Community Action Partnership -				
VA Supportive Services for Veteran Families Program	64.033	14-ZZ-321		618,130
Total U.S. Department of Veterans Affairs				618,130
U.S. Environmental Protection Agency:				
Clean Water State Revolving Fund Cluster:				
Direct Programs -				
Capitalization Grants for Clean Water State Revolving Funds	66.458	N/A		26,415
Passed Through Michigan Department of Environmental Quality (DEQ) -				
Capitalization Grants for Clean Water State Revolving Funds	66.458	5540-01		928,111
Capitalization Grants for Clean Water State Revolving Funds	66.458	5579-01		416
Capitalization Grants for Clean Water State Revolving Funds	66.458	5487-01		313,409
Total Clean Water State Revolving Fund Cluster				1,268,351
Drinking Water State Revolving Fund Cluster -				
Passed Through Michigan Department of Environmental Quality (DEQ) -				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS97548712		1,969
Total Drinking Water State Revolving Fund Cluster				1,969
Direct Programs:				
Great Lakes Program [Lake St. Clair Coastal Marshland Restoration]	66.469	GL-00E00646-0		24,788
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	00E01236		738,743
Passed Through Michigan Department of Environmental Quality (DEQ):				
Beach Monitoring and Notification Program Implementation Grants	66.472	N/A		5,000
Total U.S. Environmental Protection Agency				2,038,851
U.S. Department of Energy -				
Passed Through Michigan Department of Human Services:				
Weatherization Assistance for Low-Income Persons	81.042	DOE13-50017		682,881
Weatherization Assistance for Low-Income Persons [LIHEAP]	81.042	LIHEAP-13-50017		440,274
Total U.S. Department of Energy				1,123,155

Macomb County, Michigan

Schedule of Expenditures of Federal Awards (Continued) December 31, 2015

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount	
			Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:				
Aging Cluster -				
Passed Through Area Agency on Aging I-B:				
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	15-9032-EB		\$ 12,000
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Chore Services]	93.044	15-9032-C		114,439
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Outreach]	93.044	15-9032-O		47,318
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Home Injury Control]	93.044	15-9032-J		25,451
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers [Dementia Adult Day Services]	93.044	159032-A		90,637
Special Programs for the Aging Title III, Part B Grants for Supportive Service and Senior Centers [Dementia Adult Day Services [Medicare Waiver Payments]	93.044	N/A		17,490
Special Programs for the Aging Title III, Part C Nutrition Services [Congregate Nutrition Programs]	93.045	15-9032-CH		277,762
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	15-9032-CH		794,239
Nutrition Services Incentive Program [Home Delivered Meals]	93.053	15-9032-CH		276,911
Nutrition Services Incentive Program [Congregate Nutrition Program]	93.053	15-9032-CH		64,343
Total Aging Cluster				1,720,590
Medicaid Cluster -				
Passed Through State Department of Community Health:				
Medical Assistance Program - Medicaid Outreach	93.778	05 U05M15ADM		23,845
Medical Assistance Program - OBRA Assessment	93.778	20151279		397,281
Medical Assistance Program - CSHCS Outreach - Advocacy	93.778	05 U05M15ADM		142,500
Total Medicaid Cluster				563,626
Temporary Assistance for Needy Families (TANF) Cluster -				
Passed Through Workforce Development Agency - State of Michigan:				
Temporary Assistance for Needy Families [PATH]	93.558	1502MITANF	\$ 884,400	4,908,356
Temporary Assistance for Needy Families [Supportive Services]	93.558	1502MITANF		10,000
Temporary Assistance for Needy Families [SYEP Supportive Services]	93.558	1502MITANF		7,560
Total Temporary Assistance for Needy Families (TANF) Cluster				4,925,916
Direct Program:				
Head Start	93.600	05CH8330-02-01		6,902,597
Head Start [Early Head Start]	93.600	05HP0010/01		479,537
Passed Through State Department of Community Health:				
Public Health Emergency Preparedness [Bioterrorism Program #1590]	93.069	U90TP000528		243,236
Public Health Emergency Preparedness [Ebola]	93.069	U90TP000528		300
Public Health Emergency Preparedness [Cities Readiness Initiative]	93.069	U90TP000528		153,542
Public Health Emergency Preparedness [Sexually Transmitted Disease Control]	93.069	2B01OT009028		30,360
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52CCU500499/ IU52PS004693		19,145
Projects for Assistance in Transition from Homelessness (PATH) [MITURN]	93.150	2X06SM016023(14)	60,962	60,962
Projects for Assistance in Transition from Homelessness (PATH) [Macomb Homeless Project]	93.150	2X06SM016023(14)		35,647
Family Planning Services	93.217	GFPHPA05017341		216,668
Immunization Cooperative Agreements	93.268	H23 CCH522556		339,262
Immunization Cooperative Agreements	93.268	N/A		1,424,732
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	IU50CK000369-01		5,039
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	H23IP000752		21,451
HIV Prevention Activities Health Department Based	93.940	U62 PS003671		92,013
Block Grants for Community Mental Health Services [Project 30050-20298]	93.958	14B1MICMHS		170,879
Block Grants for Community Mental Health Services [Project 30050-20308]	93.958	14B1MICMHS		141,839
Preventive Health and Health Services Block Grant	93.991	2B01OT009028		36,109
Maternal and Child Health Services Block Grant to the States [Other Michigan Varied]	93.994	B1MIMCHS		94,000
Maternal and Child Health Services Block Grant to the States [Immunization]	93.994	B1MIMCHS		95,488
Maternal and Child Health Services Block Grant to the States	93.994	B1MIMCHS		113,461

See Notes to Schedule of Expenditures
of Federal Awards.

Macomb County, Michigan

Schedule of Expenditures of Federal Awards (Continued) December 31, 2015

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Amount	
			Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued):				
Passed Through Michigan Department of Human Services:				
Child Support Enforcement [Coop Reimbursement Program Incentive]	93.563	CSFOC13-50001-4		\$ 1,053,210
Child Support Enforcement [Title IV-D]	93.563	CSPA13-50002		853,157
Child Support Enforcement [Friend of the Court]	93.563	CSFOC13-50001-4		4,882,470
Low-Income Home Energy Assistance	93.568	LCA-13-50017		11,704
Community Services Block Grant [Administration]	93.569	CSBG15-50117		173,776
Community Services Block Grant [Community Programming]	93.569	CSBG15-50117		912,328
Community Services Block Grant [Discretionary]	93.569	CSBG14-50017		23,900
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	\$2,140,966	3,049,761
Passed Through Workforce Development Agency - State of Michigan - Chafee Foster Care Independence Program	93.674	1501MICLIP	29,828	75,119
Passed Through State Court Administrative Office - Grants to States for Access and Visitation Programs	93.597	SCAO-2015-023		10,125
Passed through Nat'l Assoc. of County & City Health Officials (NACCHO):				
Medical Reserve Corps Small Grant Program [Challenge Award]	93.008	5MRCSG101005-04-00		4,441
Medical Reserve Corps Small Grant Program [Capacity Building Award]	93.008	5MRCSG101005-04-00		13
Passed through Greater Detroit Area Health Council - State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	IU58DP005453-01		38,925
Total U.S. Department of Health And Human Services				28,975,328
Office of National Drug Control Policy -				
Michigan Department of State Police - High Intensity Drug Trafficking AreaS Program	95.001	G15SM0002A		83,675
Total Office of National Drug Control Policy				83,675
U.S. Department of Homeland Security:				
Passed Through Michigan Department of State Police:				
Emergency Management Performance Grants	97.042	EMW-2015-EP-00029-S01		47,888
Emergency Management Performance Grants	97.042	EMW-2014-EP-00023-S01		3,083
Homeland Security Grant Program [2014 Stonegarden]	97.067	EMW-2014-SS-00059	10,019	22,176
Homeland Security Grant Program [2014 SHSP]	97.067	EMW-2014-SS-00059	136,691	211,135
Homeland Security Grant Program [2014 UASI]	97.067	EMW-2014-SS-00059	1,898,655	2,220,248
Homeland Security Grant Program [2013 Stonegarden]	97.067	EMW-2013-SS-00049	14,637	23,147
Homeland Security Grant Program [2013 SHSP]	97.067	EMW-2013-SS-00049	134,104	208,204
Homeland Security Grant Program [2013 UASI]	97.067	EMW-2013-SS-00049	2,135,426	2,639,047
Passed Through United Way - Emergency Food and Shelter National Board Program	97.024	474600-010		177,654
Total U.S. Department of Homeland Security				5,552,582
Total Federal Financial Assistance				<u>\$ 63,858,142</u>

Macomb County, Michigan

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Macomb County, Michigan under programs of the federal government for the year ended December 31, 2015. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Macomb County, Michigan, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Macomb County, Michigan.

Note 2 - Summary of Significant Accounting Policies

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

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

Macomb County, Michigan

Schedule of Findings and Questioned Costs Year Ended December 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
17.245	Trade Adjustment Assistance
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster
93.558	Temporary Assistance for Needy Families (TANF) Cluster
93.600	Head Start
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B programs: \$1,915,744

Auditee qualified as low-risk auditee? Yes No

Macomb County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section II - Financial Statement Audit Findings

Reference Number	Finding
2015-001	<p>Finding Type - Material weakness</p> <p>Criteria - Macomb County, Michigan (the "County") is required to prepare its basic financial statements in accordance with generally accepted accounting principles (GAAP).</p> <p>Condition - Instances of non-GAAP accounting methods were identified during the course of the financial statement audit, including inappropriate valuation of alternative investments in the County's Employees' Retirement Fund, misstated interfund activity and claims on cash balances between funds with differing year ends, and improper timing of certain expenditure and liability recognition.</p> <p>Context - Significant journal entries were identified subsequent to the commencement of the year-end audit.</p> <p>Cause - The County did not have a process in place to ensure an effective review of year-end balances was performed to verify that all significant adjustments posted were appropriate and in accordance with GAAP.</p> <p>Effect - At year end, investment balances in the Employees' Retirement Fund were overstated, the claims on cash and interfund balances in the General Fund and the September 30 year-end Child Care Fund were misstated, and certain expenses were not reflected in the proper period.</p> <p>Recommendation - We recommend that the County review its procedures for ensuring that year-end balances are appropriately stated, including supervisory review of transactions posted and overall review of balances for reasonableness.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Discussions with staff of the Finance Department have taken place and procedures have been documented to prevent these issues from reoccurring in the future.</p>

Macomb County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
2015-002	<p>Finding Type - Material weakness</p> <p>Criteria - The County should retain pertinent data provided to third parties related to significant transactions.</p> <p>Condition - During the audit, the County could not, from its own records, produce the census data file that was used by its actuary to determine material amounts reported in the financial statements (such as the total pension liability). Ultimately, the census data file was provided by the County's actuary.</p> <p>Context - The initial census data file provided to the actuary by the County required updates and revisions and a final version was not retained by the County.</p> <p>Cause - The County did not have a sufficient procedure in place to ensure that the data was retained.</p> <p>Effect - The County did not have the ability to support that the information utilized by the actuary to perform complex calculations of material balances was complete and accurate.</p> <p>Recommendation - We recommend that the County review its procedures for retaining key data provided to its third-party vendors that it is relying to determine material financial statement balances.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The County will retain copies of all files provided to its actuaries in the future.</p>

Macomb County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section III - Federal Program Audit Findings

Reference Number	Finding
2015-003	<p>CFDA Number, Federal Agency, and Program Name - Capitalization Grants for Clean Water State Revolving Fund (CFDA 66.458); Community Development Block Grant (CFDA 14.218); Home Investment Partnership Program (CFDA 14.239)</p> <p>Federal Award Identification Number and Year - Capitalization Grants for Clean Water State Revolving Fund (CFDA 66.458): N/A; Community Development Block Grant (CFDA 14.218) B-14-UC-26-0005 & B-15-UC-26-0005; Home Investment Partnership Program (CFDA 14.239): M-12-DC-26-0209 & M-13-DC-26-0209</p> <p>Pass-through Entity - Environmental Protection Agency (for Capitalization Grants for Clean Water State Revolving Fund only); N/A for Community Development Block Grant and Home Investment Partnership Program</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - No</p> <p>Criteria - 2 CFR 200 requires organizations to properly reflect federal expenditures in the schedule of expenditures of federal awards (SEFA).</p> <p>Condition - The original SEFA required adjustments related to expenditures recorded on the SEFA. The expenditures presented on the SEFA for the Capitalization Grants for Clean Water State Revolving Fund were adjusted by \$198,512. The adjustment was made as a result of non-federal expenditures being classified as federal expenditures. In addition, the expenditures presented on the SEFA for the Community Development Block Grant was adjusted by \$235,167 and the Home Investment Partnership Program was adjusted by \$47,460. The adjustments were made as a result of adjusting journal entries posted to correct federal expenditures on the basic financial statements, but not initially reflected on the SEFA.</p> <p>Questioned Costs - None</p> <p>Identification of How Questioned Costs Were Computed - N/A</p>

Macomb County, Michigan

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section III - Federal Program Audit Findings (Continued)

Reference

Number	Finding
2015-003 (Cont.)	<p>Context - While the adjustments made to the expenditures reported on the schedule of expenditures of federal awards did not directly affect major program determination, they did affect the determination of Type A and Type B programs.</p> <p>Cause and Effect - Internal control procedures over determining which expenditures should be reported on the SEFA did not operate effectively. This resulted in an inaccurate SEFA provided by the County to the auditors on a program and total expenditure basis.</p> <p>Recommendation - Internal control procedures should be initiated and enforced to ensure the proper expenditures are reported in the schedule of expenditures of federal awards.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Discussions with staff have taken place to ensure that program expenditures are properly identified as Federal or non-Federal in nature. In addition, the Finance Department will accelerate the year end closing process in subsequent years to ensure that all year end entries have been posted before the SEFA is prepared.</p>