

REPORT ON EXPENDITURES OF FEDERAL AWARDS

CLINTON COUNTY



YEAR ENDED DECEMBER 31, 2008

CLINTON COUNTY
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FOR THE YEAR ENDED DECEMBER 31, 2008
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Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2008

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Michigan Department of Education				
National School Breakfast Program	10.553 ^(d)	081970, 091970	\$ 1,151	\$ 1,151
National School Lunch Program	10.555 ^(d)	081950, 081960 091950, 091960	<u>1,287</u>	<u>1,287</u>
			2,438	2,438
Passed through Prosecuting Attorney's Association of Michigan				
Food Stamp Fraud Program	10.561	N/A	3,215	3,215
Passed through Michigan Department of Natural Resources				
Cooperative Forestry Assistance	10.664	AD-08-18	200	200
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Michigan State Housing Development Authority				
Community Development Block Grant (CDBG) Program	14.228			
State's Program				
06/07 CDBG Housing Grant Program		MSC-2005-1101-HOA	275,000	40,468
2008 CDBG Housing Grant Program		MSC-2008-1101-HOA	<u>275,000</u>	<u>110,768</u>
			550,000	151,236
U.S. DEPARTMENT OF JUSTICE				
Passed through Michigan Department of Human Services				
2008 BASIC Grant	16.540	N/A	15,000	14,993
Bureau of Justice Assistance				
2003 Bullet Proof Vest Partnership Program	16.607	2003BUBX0301548	5,295	3,323
U.S. DEPARTMENT OF LABOR				
Passed through the Michigan Jobs Commission				
Employment Services	17.207			
07/08		7025	89,351	46,216
08/09		8025	<u>89,351</u>	<u>43,817</u>
			178,702	90,033

Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended December 31, 2008

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Michigan State Police				
Office of Highway Safety Planning				
	20.600 ^(c)			
07/08 State and Community Highway Safety		PT-08-15	\$ 75,501	\$ 61,601
08/09 State and Community Highway Safety		PT-09-07	<u>60,000</u>	<u>6,917</u>
			135,501	68,518
Office of Highway Safety Planning				
	20.601 ^(c)			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants				
07/08		PT-08-15	24,500	19,518
08/09		PT-09-07	<u>24,956</u>	<u>7,568</u>
			49,456	27,086
Office of Highway Safety Planning				
	20.602 ^(c)			
07/08 Occupant Protection		PT-08-15	7,998	7,963
Office of Highway Safety Planning				
	20.609 ^(c)			
07/08 Occupant Protection		PT-08-15	<u>16,348</u>	<u>16,287</u>
			209,303	119,854
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Michigan Department of Human Services				
Child Support Enforcement (Title IV-D)				
	93.563			
Cooperative Reimbursement ^(a)				
Friend of the Court - 07/08		CS/FOC-08-19001	\$ 666,105	\$ 322,938
Friend of the Court - 08/09		CS/FOC-09-19001	673,968	128,037
Prosecuting Attorney - 07/08		CS/PA-08-19002	111,692	50,381
Prosecuting Attorney - 08/09		CS/PA-09-19002	112,200	23,469
Title IV D Incentive Payments ^(b)				
FY08		N/A	98,836	73,103
FY09		N/A	<u>24,709</u>	<u>24,709</u>
			1,687,510	622,637
Promoting Safe and Stable Families				
	93.556			
07/08		SFSC-07-19003	43,664	37,276
08/09		SFSC-07-19003	<u>42,866</u>	<u>9,474</u>
			86,530	46,750

Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended December 31, 2008

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Michigan State Police Emergency Management Performance Grant FY08 Regular	97.042	N/A	\$ 31,130	\$ 31,130
Passed through Michigan State Police and the City of Lansing Interoperable Communications Equipment	97.055	N/A	897,406	2,245
Homeland Security Grants 2007 HSGP - Planning	97.067		93,600	31,204
2006 HSGP - Training			10,000	158
2006 HSGP - Equipment			211,924	211,924
2006 HSGP - Planning			<u>47,800</u>	<u>12,482</u>
			363,324	255,768
Passed through Michigan Department of Natural Resources 2008 Boating Safety Financial Assistance	97.012	N/A	<u>5,000</u>	<u>4,981</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,035,053</u>	<u>\$ 1,348,803</u>

NOTE A: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of Clinton County, Michigan and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements which are reconciled in Note C.

NOTE B: SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE

The following descriptions identified below as (a)-(d) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards:

- (a) Reimbursement of these contracts is passed through the State Family Independence Agency. The amounts reported on the Schedule of Expenditures of Federal Awards represent the Federal portion of the respective amounts based on 66% of total contract expenditures.
- (b) The reimbursements for the IV-D Incentive Payments Program are based on support payments collected. Expenditures have been reported to the extent of earned revenues.
- (c) These programs are considered a U.S. Department of Transportation cluster per OMB Circular A-133.
- (d) These programs are considered a U.S. Department of Education cluster per OMB Circular A-133.

NOTE C: RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following reconciles the Federal revenues reported in the December 31, 2008, basic financial statements to the expenditures of the County administered Federal programs reported on the Schedule of Expenditures of Federal Awards:

	<u>Federal/ State Revenue</u>	<u>Less State Revenue</u>	<u>Adjustments</u>	<u>Federal Expenditures</u>
PRIMARY GOVERNMENT				
GENERAL FUND				
Highway Safety	\$ 119,854	\$ -	\$ -	\$ 119,854
Homeland Security	255,768	-	-	255,768
Arbor Day Mini Grant	200	-	-	200
Prosecuting Attorney Food Stamp	3,215	-	-	3,215
CRP - Prosecuting Attorney	74,426	576	-	73,850
Emergency Management	31,130	-	-	31,130
Employment Services	90,033	-	-	90,033
Support Incentive	97,812	-	-	97,812
Work of Heart	46,750	-	-	46,750
Marine Safety	4,981	-	-	4,981
Housing Grant	151,236	-	-	151,236
Other Programs	<u>1,076,434</u>	<u>1,076,434</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL FUND	1,951,839	1,077,010	-	874,829
SPECIAL REVENUE FUNDS				
Friend of the Court	519,704	68,729	-	450,975
Child Care	604,233	586,802	-	17,431
911 Central Dispatch	2,245	-	-	2,245
Other Programs	144,595	144,595	-	-
Drug Forfeiture	<u>3,323</u>	<u>-</u>	<u>-</u>	<u>3,323</u>
TOTAL SPECIAL REVENUE FUNDS	<u>1,274,100</u>	<u>800,126</u>	<u>-</u>	<u>473,974</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,225,939</u>	<u>\$ 1,877,136</u>	<u>\$ -</u>	<u>\$ 1,348,803</u>

**INDEPENDENT AUDITORS' 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**

June 10, 2009

Board of Commissioners
Clinton 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 **Clinton County, Michigan**, as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 10, 2009. We did not audit the financial statements of the Road Commission of the County of Clinton, which represents 67% of the total assets and 94% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Road Commission of the County of Clinton, is based solely on the report of the other auditors. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Clinton County, Michigan's** internal control over financial reporting in order to determine our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Clinton County, Michigan's** financial statements are free of 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 statements 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*.

This report is intended solely for the information and use of the Audit Committee, others within the organization, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Johnson".

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

June 10, 2009

Board of Commissioners
Clinton County, Michigan

Compliance

We have audited the compliance of **Clinton County, Michigan** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. **Clinton County, Michigan's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Clinton County, Michigan's** management. Our responsibility is to express an opinion on **Clinton County, Michigan's** compliance based on our audit.

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 **Clinton 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. Our audit does not provide a legal determination on **Clinton County, Michigan's** compliance with those requirements.

In our opinion, **Clinton County, Michigan** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of **Clinton County, Michigan** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Clinton County, Michigan's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 **Clinton County, Michigan's** internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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 Clinton County, Michigan, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 10, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Clinton County, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the financial statements of the Road Commission of the County of Clinton, which represents 67% of the total assets and 94% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Road Commission of Clinton County, is based solely on the report of the other auditors.

This report is intended solely for the information and use of the Audit Committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unqualified on financial statements*

Internal controls over financial reporting:
 Material weakness (es) identified? _____ yes no
 Significant deficiency(ies) identified 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 not
 considered to be material weaknesses? _____ yes none reported

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

Any audit findings disclosed that are required to
 be reported in accordance with Circular A-133,
 Section 510(a)? _____ yes no

Identification of Major Program:

CFDA Number

Name of Federal Program or Cluster

93.563 Child Support Enforcement (Title IV-D)
 Cooperative Reimbursement

Dollar threshold used to distinguish
 between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes _____ no

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Prior Year findings

There were no audit findings reported for the fiscal year ended December 31, 2007.