

Clinton  
County,  
Michigan



Year Ended  
December 31,  
2019

Single Audit Act  
Compliance

# CLINTON COUNTY, MICHIGAN

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**Independent Auditors' Report on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

May 11, 2020

Board of Commissioners  
Clinton County  
St. Johns, 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* (the "County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 11, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Rehmann Robson LLC*

CLINTON COUNTY, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended December 31, 2019

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
State Administrative Matching Grant for the SNAP	10.561	PAAM	N/A	\$ -	\$ 1,681
U.S. Department of Justice					
Bulletproof Vest Partnership Program:					
Bulletproof Vest Partnership 2018	16.607	Direct	N/A	-	859
Edward Byrne Memorial JAG Program:					
Byrne JAG State FY 2019	16.738	Direct	2017-MU-BX-0191	-	26,390
Total U.S. Department of Justice				-	27,249
U.S. Department of Labor					
Employment Service Cluster:					
FY18 Employment Service/Wagner-Peyser	17.207	CAMW	ES-CTFE-PY18	-	36,944
FY19 Employment Service/Wagner-Peyser	17.207	CAMW	ES-CTFE-PY19	-	20,581
Total U.S. Department of Labor				-	57,525
U.S. Department of Transportation					
Highway Safety Cluster:					
Alcohol Impairment Driving Countermeasures Grants:					
SCAO OHSPG Grant Program	20.601	SCAO	SCAO-19-14228	-	31,661
U.S. Department of Education					
18/19 Title I, Part D	84.010	CCRESA	191700-1819	-	451
U.S. Department of Health and Human Services					
Title IV-D Cooperative Reimbursement 2017 (Note 3a):					
Friend of the Court	93.563	MDHHS	CS/FOC-17-19001	-	491,583
Prosecuting Attorney	93.563	MDHHS	CS/PA-17-19002	-	98,423
Title IV-D Incentive Payments FY 2019 (Note 3b)	93.563	MDHHS	N/A	-	69,289
Title IV-D Incentive Payments FY 2020 (Note 3b)	93.563	MDHHS	N/A	-	22,140
Total U.S. Department of Health and Human Services				-	681,435
U.S. Department of Homeland Security					
2019 Boating Safety Financial Assistance					
	97.012	MDNR	MS19-032	-	3,300
Emergency Management Performance Grants:					
2019 Regular	97.042	MSP	EMC-2019-EP-00004	-	30,167
Homeland Security Grant Program:					
2016 HSGP - SHSP - Planning	97.067	Ingham	N/A	-	9,748
2017 HSGP - SHSP - Planning	97.067	Ingham	N/A	-	34,897
2017 HSGP - SHSP - Equipment	97.067	Ingham	N/A	-	14,029
2018 HSGP - SHSP - Equipment	97.067	Ingham	N/A	-	1,812
				-	60,486
Total U.S. Department of Homeland Security				-	93,953
Total Expenditures of Federal Awards				\$ -	\$ 893,955

See notes to schedule of expenditures of federal awards.

# CLINTON COUNTY, MICHIGAN

## Notes to the Schedule of Expenditure of Federal Awards

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Clinton County, Michigan (the "County") under programs of the federal government for the year ended December 31, 2019. 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's audited financial statements. The County's financial statements include the operations of the Clinton County Road Commission discretely-presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2019, as this entity was separately audited.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, 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.

### 2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. SUMMARY OF SIGNIFICANT EXPLANATIONS OF THE SCHEDULE

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

- (a) Reimbursement of these contracts is passed through the Michigan Department of Health and Human Services (MDHHS). The amounts reported on the Schedule of Expenditures of Federal Awards represent the Federal portion of the respective amounts based on 66% of Title IV-D eligible expenditures for the applicable grants. The entire amount paid by MDHHS for the reimbursable expenditures is considered Federal.
- (b) The reimbursements for the Title IV-D Incentive Payments Program are based on support payments collected. Expenditures have been reported to the extent of earned revenues and are 100% Federal.

# CLINTON COUNTY, MICHIGAN

## Notes to the Schedule of Expenditure of Federal Awards

### 4. RECONCILIATION

The following reconciles the intergovernmental revenues reported in the December 31, 2019, basic financial statements to the expenditures of the County administered Federal programs reported on the Schedule of Expenditures of Federal Awards:

	Intergovernmental Revenue	Less State Revenue	Adjustments	Federal Expenditures
<b>Primary Government</b>				
<b>General Fund:</b>				
Homeland Security	\$ 60,486	\$ -	\$ -	\$ 60,486
Prosecuting Attorney Food Stamp	1,681	-	-	1,681
CRP - Prosecuting Attorney	98,423	-	-	98,423
Emergency Management	30,167	-	-	30,167
Byrne - Trunarc grant	26,390	-	-	26,390
Employment Services	57,525	-	-	57,525
Support Incentive	91,429	-	-	91,429
Marine Safety	3,300	-	-	3,300
Juvenile Grant - Title I, Part D	451	-	-	451
OHSP - Planning Grant	31,661	-	-	31,661
Other Programs	2,660,952	2,660,952	-	-
<b>Total general fund</b>	<b>3,062,465</b>	<b>2,660,952</b>	<b>-</b>	<b>401,513</b>
<b>Special Revenue Funds:</b>				
Friend of the Court	562,388	70,805	-	491,583
Drug Forfeiture	859	-	-	859
Other Programs	1,162,179	1,162,179	-	-
<b>Total special revenue funds</b>	<b>1,725,426</b>	<b>1,232,984</b>	<b>-</b>	<b>492,442</b>
<b>Total Reporting Entity</b>	<b>\$ 4,787,891</b>	<b>\$ 3,893,936</b>	<b>\$ -</b>	<b>\$ 893,955</b>

# CLINTON COUNTY, MICHIGAN

## Notes to the Schedule of Expenditure of Federal Awards

### 5. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. These pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
CAMW	Capital Area Michigan Works
CCRESA	Clinton County RESA
Ingham	Ingham County
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MSP	Michigan State Police
PAAM	Prosecuting Attorney's Association of Michigan
SCAO	State Court Administrative Office



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*

May 11, 2020

Board of Commissioners  
Clinton County  
St. Johns, 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 *Clinton County, Michigan* (the "County"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 11, 2020. Our report includes a reference to other auditors who audited the financial statements of the Clinton County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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. 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.

**Compliance and Other Matters**

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

**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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Independent Auditors' Report on Compliance for the Major Federal Program  
and Internal Control over Compliance Required by the Uniform Guidance

May 11, 2020

Board of Commissioners  
Clinton County  
St. Johns, Michigan

Report on Compliance for the Major Federal Program

We have audited the compliance of *Clinton County, Michigan* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2019. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements include the operations of the Clinton County Road Commission, which received \$1,880,454 in federal awards, and which is not included in the County's schedule of expenditures of federal awards for the year ended December 31, 2019. Our audit, described below, did not include the operations of the Clinton County Road Commission because it arranged for a separate audit.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Independent Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for the County's major federal program 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* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### *Opinion on the Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

### Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

### *Purpose of this Report*

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.

*Rehmann Johnson LLC*

# CLINTON COUNTY, MICHIGAN

## Schedule of Findings and Questioned Costs For the Year Ended December 31, 2019

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes   X   no

Significant deficiency(ies) identified?            yes   X   none reported

Noncompliance material to financial statements noted?            yes   X   no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?            yes   X   no

Significant deficiency(ies) identified?            yes   X   none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes   X   no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
93.563	Child Support Enforcement	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs:   \$  750,000  

Auditee qualified as low-risk auditee?   X   yes            no

# CLINTON COUNTY, MICHIGAN

## ■ Schedule of Findings and Questioned Costs For the Year Ended December 31, 2019

### SECTION II - FINANCIAL STATEMENT FINDINGS

None.

### SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

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# CLINTON COUNTY, MICHIGAN

## Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2019

There were no audit findings reported for the fiscal year ended December 31, 2018.

