



Clinton County, Michigan

Report on Expenditures of Federal Awards

For the Year Ended December 31, 2009

CLINTON COUNTY
REPORT ON EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

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CLINTON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
U.S. Department of Agriculture			
Passed through Michigan Department of Education National School Breakfast Program	10.553 (d)	081970, 091970, 101970	\$ 969
National School Lunch Program	10.555 (d)	081950, 081960, 091950, 091960, 101950, 101960	645
Passed through Prosecuting Attorney's Association of Michigan State Administrative Matching Grant for the SNAP (RECOVERY)	10.561	N/A	2,448
Passed through Michigan Department of Natural Resources Cooperative Forestry Assistance	10.664	#09-30	<u>3,000</u>
Total U.S. Department of Agriculture			<u>7,062</u>
U.S. Department of Housing and Urban Development			
Passed through Michigan State Housing Development Authority 2008 Community Development Block Grant (CDBG) Program	14.228	MSC-2008-1101-HOA	<u>170,503</u>
Total U.S. Department of Housing and Urban Development			<u>170,503</u>
U.S. Department of Justice			
Passed through Michigan Family Independence Agency 2009 BASIC Grant	16.540	N/A	15,000
Bureau of Justice Assistance 2003 Bullet Proof Vest Partnership Program	16.607	2003BUBX0301548	<u>1,434</u>
Total U.S. Department of Justice			<u>16,434</u>
U.S. Department of Labor			
Passed through Michigan Department of Energy, Labor and Economic Growth and Capital Area MI Works 09/10 Employment Service/Wagner-Peyser (RECOVERY)	17.207	9225	28,181
09/10 Employment Service/Wagner-Peyser	17.207	9025	43,784
08/09 Employment Service/Wagner-Peyser	17.207	8025	<u>45,534</u>
Total U.S. Department of Labor			<u>117,499</u>
U.S. Department of Transportation			
Passed through Michigan State Police Office of Highway Safety Planning 08/09 State and Community Highway Safety	20.600 (c)	PT-09-07	52,972
08/09 Alcohol Impaired Driving Countermeasures Incentive Grant	20.601 (c)	PT-09-07	17,394
08/09 Occupant Protection Incentive Grant	20.602 (c)	PT-09-07	<u>4,000</u>
Total U.S. Department of Transportation			<u>74,366</u>

CLINTON COUNTY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
U.S. Department of Education			
Passed through Michigan Department of Education and Clinton County Regional Educational Service Agency			
08/09 Program for Neglected & Delinquent Children (Title I, Part D)	84.013	0917000809	\$ 8,103
09/10 Program for Neglected & Delinquent Children (Title I, Part D)	84.013	1017000910	4,995
09/10 Grants for Local Educational Agencies (Title I, Part D) (RECOVERY)	84.389	1017050910	<u>3,459</u>
Total U.S. Department of Education			<u>16,557</u>
U.S. Department of Health and Human Services			
Passed through Michigan Family Independence Agency			
Title IV-D Cooperative Reimbursement (a)			
Friend of the Court - 08/09	93.563	CS/FOC-09-19001	370,834
Friend of the Court - 09/10	93.563	CS/FOC-10-19001	143,727
Prosecuting Attorney - 08/09	93.563	CS/PA-09-19002	58,795
Prosecuting Attorney - 09/10	93.563	CS/PA-10-19002	25,001
Title IV-D Incentive Payments FY09 (b)	93.563	N/A	73,899
Title IV-D Incentive Payments FY10 (b)	93.563	N/A	<u>24,652</u>
Total U.S. Department of Health and Human Services			<u>696,908</u>
U.S. Department of Homeland Security			
Passed through Michigan State Police			
2009 Regular Emergency Management Performance Grant	97.042	N/A	28,866
Passed through Michigan State Police and the City of Lansing			
Homeland Security Grant Program			
2007 HSGP - Planning	97.067	N/A	49,989
2007 HSGP - SHSP Equipment	97.067	N/A	55,597
2007 HSGP - LETPP Equipment	97.067	N/A	41,740
Passed through Michigan Department of Natural Resources			
2009 Boating Safety Financial Assistance	97.012	N/A	<u>4,208</u>
Total U.S. Department of Homeland Security			<u>180,400</u>
Total Federal Financial Assistance			<u><u>\$ 1,279,729</u></u>

Clinton County, Michigan

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2009

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 Explanation 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 Department of Human Services (DHS). 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.
- (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 and are 100% Federal.
- (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 Agriculture 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, 2009, basic financial statements to the expenditures of the County administered Federal programs reported on the Schedule of Expenditures of Federal Awards:

Clinton County, Michigan

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2009

	<u>Federal/ Revenue Per Financial Statements</u>	<u>Less State Revenue</u>	<u>Federal Expenditures Per Schedule of Federal Awards</u>
Primary Government			
<u>General Fund</u>			
Highway Safety	\$ 74,366	\$ -	\$ 74,366
Homeland Security	147,326	-	147,326
Urban & Community Forestry Program	3,000	-	3,000
Prosecuting Attorney Food Stamp	2,448	-	2,448
CRP - Prosecuting Attorney	84,153	357	83,796
Emergency Management	28,866	-	28,866
Juvenile grant – Title I, Part D	16,557	-	16,557
Employment Service	117,499	-	117,499
Support Incentive	98,551	-	98,551
Marine Safety	4,208	-	4,208
Housing Grant	170,503	-	170,503
Other Programs	<u>1,055,287</u>	<u>1,055,287</u>	<u>-</u>
Total General Fund	1,802,764	1,055,644	747,120
<u>Special Revenue Funds</u>			
Friend of the Court	517,919	3,358	514,561
Child Care	554,812	538,198	16,614
Other Programs	395,350	395,350	-
Drug Forfeiture	1,434	-	1,434
Total Special Revenue Funds	<u>1,469,515</u>	<u>936,906</u>	<u>532,609</u>
Total Primary Government	<u>\$ 3,272,279</u>	<u>\$ 1,992,550</u>	<u>\$ 1,279,729</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***

May 11, 2010

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, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 11, 2010. We did not audit the financial statements of the Road Commission of the County of Clinton, which represents 67% of the total assets and 92% 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. 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 deficiency in internal controls exists when the design or operation of 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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, Board of Commissioners, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

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

May 11, 2010

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, 2009. The County'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 the County's management. Our responsibility is to express an opinion on the County'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 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County 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, 2009.

Internal Control Over Compliance

The management of the County 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 the County'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of 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.

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 deficiencies, 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.

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, 2009, and have issued our report thereon dated May 11, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County'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 Clinton County, which represents 67% of the total assets and 92% 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, Board of Commissioners, federal awarding agencies and pass-through entities, and others within the organization 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".

CLINTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2009

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

93.563

Name of Federal Program or Cluster

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, 2009

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, 2008.