

# **County of Oakland, Michigan**

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**Federal Awards  
Supplemental Information  
September 30, 2010**

# County of Oakland, Michigan

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## Contents

Independent Auditor's Report	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6-11
Notes to Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13-15
Summary Schedule of Prior Audit Findings	16
<b>Additional Information</b>	
Substance Abuse Prevention and Treatment - Schedule of Budgeted, Reported, and Audited Amounts	17
Substance Abuse Prevention and Treatment - Schedule of Expenditures and Funding Sources by Program	18

## Independent Auditor's Report

To the Board of Commissioners  
County of Oakland, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oakland, Michigan (the "County") as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 23, 2011. These basic financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Oakland, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards and the additional information schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information in these schedules 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.

*Plante & Moran, PLLC*

March 23, 2011

**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***

To the Board of Commissioners  
County of Oakland, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Oakland, Michigan as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 23, 2011. We have 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 the County of Oakland, Michigan's internal control over financial reporting as a basis for designing 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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 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.

To the Board of Commissioners  
County of Oakland, Michigan

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the cognizant agency, 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.

*Plante & Morse, PLLC*

March 23, 2011

## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Commissioners  
County of Oakland, Michigan

### **Compliance**

We have audited the compliance of the County of Oakland, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The major federal programs of the County of Oakland, Michigan are identified in the summary of auditor's 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 of Oakland, Michigan's management. Our responsibility is to express an opinion on the County of Oakland, 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 the County of Oakland, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Oakland, Michigan's compliance with those requirements.

In our opinion, the County of Oakland, Michigan complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2010-1.

To the Board of Commissioners  
County of Oakland, Michigan

### **Internal Control Over Compliance**

The management of the County of Oakland, 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 the County of Oakland, 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 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 entity'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.

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 compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as Finding 2010-1. 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.

The County of Oakland, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Oakland, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the cognizant agency, 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.

*Plante & Morse, PLLC*

June 27, 2011

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number		Federal Expenditures
U.S. Department of Agriculture:			
Direct programs - Food Donation Program	10.550		\$ 19,589
Direct programs - Food Donation Program	10.550		2,556
Passed through State of Michigan Department of Education:			
National School Breakfast Program	10.553	(3)	121,521
National School Lunch Program	10.555	(3)	216,969
ARRA 2009-2010 Equip Asst Children's Village	10.579		24,992
Children's Village Fresh Fruits and Vegetables	10.582		3,075
Total passed through State of Michigan Department of Education			366,557
Passed through State of Michigan Department of Community Health - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		2,307,898
Passed through State of Michigan Department of Labor and Economic Growth -			
State Administrative Matching Grants For The Supplemental Nutrition Assistance Program FY09/10	10.561	(10)	516,340
Total U.S. Department of Agriculture			3,212,940
U.S. Department of Housing and Urban Development - Direct Programs:			
Community Development Block Grants 04-05	14.218	(4)	115,589
Community Development Block Grants 05-06	14.218	(4)	108,549
Community Development Block Grants 06-07	14.218	(4)	500,550
Community Development Block Grants 07-08	14.218	(4)	984,324
Community Development Block Grants 08-09	14.218	(4)	931,789
Community Development Block Grants 09-10	14.218	(4)	1,913,932
Community Development Block Grants 10-11	14.218	(4)	379,096
Emergency Shelter Grant 08-09	14.231		47,990
Emergency Shelter Grant 09-10	14.231		114,968
Emergency Shelter Grant 10-11	14.231		3,103
Housing Counseling 08-09	14.169		-
Housing Counseling 09-10	14.169		55,976
Home Investment Partnership Program 03-04 Grant Year	14.239		153,010
Home Investment Partnership Program 04-05 Grant Year	14.239		22,446
Home Investment Partnership Program 05-06 Grant Year	14.239		6,135
Home Investment Partnership Program 06-07 Grant Year	14.239		46,224
Home Investment Partnership Program 07-08 Grant Year	14.239		149,322
Home Investment Partnership Program 08-09 Grant Year	14.239		858,601
Home Investment Partnership Program 09-10 Grant Year	14.239		353,832
Home Investment Partnership Program 10-11 Grant Year	14.239		124,059
ARRA - Community Development Block Grants - R 09-10	14.253	(4)	755,616
ARRA - HPRP 09-10	14.257		739,483
Neighborhood Stabilization Program 08-09	14.218	(4)	8,345,909
Total U.S. Department of Housing and Urban Development			16,710,503

(3) Denotes the Child Nutrition Cluster

(4) Denotes the Community Development Block Grant Cluster

(10) Denotes the Supplemental Nutrition Assistance Program Cluster

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
U.S. Department of Justice - Direct Programs:		
State Criminal Alien Assistance Program	16.606	\$ 72,448
Bulletproof Vest Partnership Program	16.607	4,823
Public Safety Partnership and Community Policing - 05	16.710	205,300
Public Safety Partnership and Community Policing - 06	16.710	3,580
Public Safety Partnership and Community Policing	16.710	50,915
Edward Byrne Memorial Justice Assistance Grant Program - 07	16.738	39,045
Edward Byrne Memorial Justice Assistance Grant Program - 09	16.738	175,257
Edward Byrne Memorial Justice Assistance Grant Program - 08	16.738	37,965
ARRA 2009 Recovery Act JAG Edward Byrne Memorial Justice Assistance Grant	16.804	866,638
Total direct programs		1,455,971
Passed through Michigan Family Independence Agency (FIA) - Juvenile Accountability Incentive Block Grants (JABG)	16.523	97,192
Passed through the State Department of Community Health - Prosecuting Attorney Crime Victim Assistance	16.575	68,555
Passed through SCAO Michigan Mental Health Court Grant Program - ARRA SCAO MMHCGP	16.803	829
Passed through Michigan State Police:		
Edward Byrne Memorial Justice Assistance Grant	16.738	299,695
ARRA - Expanded Jail Alliance w/Support for Inmates	16.803	132,806
ARRA - Net Restore- Byrne JAG Stimulus	16.803	133,319
Total passed through the Michigan State Police		565,820
Total U.S. Department of Justice		2,188,367

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number		Federal Expenditures
U.S. Department of Labor - Passed through Michigan Department of Labor and Economic Growth - Economic Growth:			
WIA NEG AUTO PY-07/08	17.260	(2) \$	345,369
ARRA WIA Local Admin PY08	17.258	(2)	344,803
ARRA WIA Adult PY08	17.258	(2)	1,674,833
ARRA WIA Youth PY08	17.259	(2)	1,032,508
ARRA WIA Dislocated Worker PY08	17.260	(2)	2,015,548
WIA Local Administration PY-09	17.258	(2)	861,091
WIA Adult PY-09	17.258	(2)	3,776,874
WIA Youth PY-09	17.259	(2)	2,432,820
WIA Dislocated Worker PY-09	17.260	(2)	2,236,992
Wagner Peyser (WP) Employment Services 7(A) PY-09	17.207	(1)	1,365,201
WIA SWA MWA Svcs Ctr Ops PY-09	17.260	(2)	419,681
WIA Rapid Response Incumbent Worker PY-09	17.260	(2)	468,128
ARRA Wagner Peyser(WP) Re-employment Service PY-09	17.207	(1)	789,188
SWA Capacity Building FY-09	17.260	(2)	12,466
ARRA WIA SWA ECAR PY09	17.260	(2)	115,510
ARRA Employment Services Wagner Peyser ECAR PY09	17.207	(1)	4,086
Trade Adjustment Assistance/Trade FY-10	17.245		7,525,060
ARRA WIA SWA NWLB Support AY08/09	17.258	(2)	(541)
WIA Joint Adjustment Committee (JAC) Oakland 3 PY09	17.260	(2)	5,517
Work Incentive Grant Disability Program PY-09	17.266		59,996
WIA SWA Work First Jet PY-09	17.260	(2)	245,800
ARRA WIA DW Neg REI SE MI FY10	17.260	(2)	1,473,490
WIA Joint Adjustment Committee (JAC) Oakland 10-06 PY09	17.260	(2)	11,718
WIA SWA Incentive PY-09	17.260	(2)	159,809
Trade Capacity Building FY-10	17.245		1,470
WIA SWA Credit Union PY-09	17.260	(2)	235
Workforce Innovation In Regional Economic Development (WIRED) for SE Michigan PY09	17.261		133,628
WIA Local Administration PY-10	17.258	(2)	274,965
WIA Adult PY-10	17.258	(2)	965,790
WIA Youth PY-10	17.259	(2)	1,002,319
WIA Dislocated Worker PY-10	17.260	(2)	933,769
Wagner Peyser (WP) Employment Services 7(A) PY-10	17.207	(1)	360,959
WIA SWA MWA Svcs Ctr Ops PY-10	17.260	(2)	30,862
WIA Rapid Response Incumbent Worker PY-10	17.260	(2)	53,489
ARRA WIA SWA Efficiency PY09	17.260	(2)	39,759
Older Worker Demonstration PY09	17.268		56,000
Work Incentive Grant Disability Program PY-10	17.266		7,736
ARRA Employment Services - MI NCRC AY09	17.207	(1)	94,429
WIA SWA - MI NCRC PY08/09	17.260	(2)	26,059
Wagner Peyser 7(A) - MI NCRC PY09	17.207	(1)	62,989
ARRA Re-employment Services Case Management AY09	17.207	(1)	113,308
Total U.S. Department of Labor - Passed through Michigan Department of Labor and Economic Growth			31,533,713

(1) Denotes the Employment Service Cluster

(2) Denotes the Workforce Investment Act Cluster

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
U.S. Department of Transportation:		
Passed through Michigan Department of Transportation - Oakland County Airport Improvement Program	20.106	\$ 1,631,437
Passed through Michigan State Police Office of Highway Safety Planning:		
Highway Safety Challenge Award Grant	20.600	(6) 1,915
MSP Electronic Crash & Capture Grant	20.610	(6) <u>38,700</u>
Total passed through Michigan State Police Office of Highway Safety Planning		40,615
Passed through Michigan Department of Labor and Economic Growth		
Road Construction Apprenticeship Readiness Program (RCAR) FY09	20.205	(5) 947
Road Construction Apprenticeship Readiness Program (RCAR) FY10	20.205	(5) <u>107,554</u>
Total passed through Michigan Dept. of Labor and Economic Growth		108,501
Passed through Michigan Department of State Police - Emergency Management Division		
Hazardous Materials Emergency Planning	20.703	<u>17,155</u>
Total U.S. Department of Transportation		1,797,708
National Foundation on the Arts and the Humanities, National Endowment for the Arts -		
Passed through Michigan Council for the Arts and Culture Affairs, Michigan Dept. of History, Arts and Libraries - Art, Culture and Film - MCACA Regranting Program	45.025	5,300
U.S. Environmental Protection Agency:		
Surveys, Studies, Investigations, and Special Purpose Grants - Beverly Hills Footing Drhousld	66.606	23,602
Surveys, Studies, Investigations, and Special Purpose Grants - Southfield Footing Drhousld	66.606	107,823
Surveys, Studies, Investigations, and Special Purpose Grants - Bloomfield Twp Footing Drhousld	66.606	38,680
Surveys, Studies, Investigations, and Special Purpose Grants - West Bloomfield Twp Footing Drhousld	66.606	203,479
Surveys, Studies, Investigations, and Special Purpose Grants - Lathrup Village Footing Drhousld	66.606	93,204
EPA IDEP Urban Area's Grant	66.202	81,474
CO-EF SDS I - I Reduction Project	66.202	923,904
Surveys, Studies, Investigations, and Special Purpose Grants - EFSDS Hydraulic Mod.	66.606	78,530
Brownfield Consortium Assessment Grant	66.818	425,409
Brownfield Supplemental Grant	66.818	<u>11,504</u>
Total direct programs		1,987,609
Passed through Michigan Department of Environmental Quality - EAD:		
ARRA Oakland Macomb Interceptor - Segment I	66.458	15,984,000
EPA Grant - Operator Certification	66.471	<u>8,005</u>
Total passed through Michigan Department of Environmental Quality - EAD		15,992,005
Passed through Wayne County - Rouge Program Office Environmental Protection Agency:		
EU Public ED Admin (RIXB-15)	66.202	21,614
CSO Basin TRC Minimization	66.202	<u>104,000</u>
Total passed through Wayne County - Rouge Program Office Environmental Protection Agency		125,614
Total U.S. Environmental Protection Agency		<u>18,105,228</u>

(5) Denotes Highway Planning and Construction Cluster

(6) Denotes the Highway Safety Cluster

See Notes to Schedule of Expenditures  
of Federal Awards.

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number		Federal Expenditures
U.S. Department of Health and Human Services:			
Direct programs - Social Security Incentive Payment	96.008		\$ 106,200
Passed through State of Michigan Dept. of Labor and Economic Growth:			
Temporary Assistance for needy families JET FY-10	93.558	(9)	3,206,524
Tanf Supportive Services JET FY-10	93.558	(9)	100,000
Total passed through State of Michigan Dept. of Labor and Economic Growth			3,306,524
Passed through State of Michigan Family Independence Agency:			
Child Support Enforcement	93.563		8,120,203
Child Support Enforcement	93.563		1,539,549
Child Support for Access and Visitation Programs	93.597		5,111
Child Support Enforcement	93.563		1,605,897
Total passed through Michigan Family Independence Agency			11,270,760
Passed through State Department of Human Services -			
2009-2010 Title IV-E Client Services Contract Profc	93.658		105,458
Zero to Three (ZTT)	93.558	(9)	97,658
Nurturing Parenting Program (NPP)	93.556		1,345
Total passed through State Department of Human Services			204,461
Passed through State of Michigan Department of Community Health:			
Immunization Action Plan I.A.P. and VFC Site Visits	93.268	(7)	492,627
ARRA IAP Reach A&C	93.712	(7)	116,520
Tuberculosis Outreach	93.116		71,778
AIDS/HIV Counseling/Testing and Expanded HIV	93.940		695,800
MDPH-OSAS Grant SPF/SIG	93.243		138,972
MDPH-OSAS Grant Prevention	93.959		760,259
MDPH-OSAS Community Grant	93.959		2,479,128
MCH Block- Maternal Infant Support Services	93.994		321,457
MCH Block - Field Nursing (CHSCS Care Coordination)	93.268	(7)	101,530
MCH Block - Field Nursing (CHSCS Care Coordination)	93.778	(8)	86,478
MCH Block - Field Nursing (CHSCS Care Coordination)	93.994		553
MCH Block - CHSCS Outreach/Advocacy	93.994		80,132
MCH Block- CHSCS Outreach/Advocacy	93.778	(8)	151,839
ARRA MDPH-OSAS Grant Medicaid Title XIX	93.778	(8)	1,393,907
OSAS ABW GRANT	93.767		62,463
OSAS ABW GRANT	93.778	(8)	90,555
ARRA OSAS ABW GRANT	93.778	(8)	16,720
Bioterrorism	93.283		2,539,395
Health Child Lead Service Delivery	93.994		44,518
Medicaid Outreach Activities	93.778	(8)	25,128
MI Child	93.767		14,802
STD Control VD Reimb	93.977		181,646
Federally Funded Vaccine H1N1	93.069		13,360
ARRA Federally Funded Vaccine	93.712	(7)	503,304
Federally Funded Vaccine VFC	93.268	(7)	2,701,988
Total passed through State of Michigan Department of Community Health			13,084,859
Total U.S. Department of Health and Human Services			27,972,804

(7) Denotes the Immunization Cluster

(8) Denotes the Medicaid Cluster

(9) Denotes TANF Cluster

See Notes to Schedule of Expenditures  
of Federal Awards.

# County of Oakland, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended September 30, 2010

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Expenditures
U.S. Department of Homeland Security:		
Passed through State of Michigan Department of State Police - Emergency Management Division:		
Emergency Management Planning Grant	97.042	\$ 89,449
2008 Homeland Security Grant Program	97.067 (11)	11,321
Michigan Citizen Corp Program Grant(CCP)	97.067 (11)	7,662
2004/2005 State Homeland Security Program/ LETPP	97.067 (11)	2,341
Homeland Security Grant Program - Urban Area Security Initiative	97.067 (11)	1,721,543
Homeland Security Grant Program - SHSG 2007 - 2010 Oakland	97.067 (11)	1,318,739
Homeland Security Grant Program - SHSGP 2008 Oakland County	97.067 (11)	49,780
Homeland Security Grant Program - SHSG 2007 - 2010 Monroe	97.067 (11)	662,165
Homeland Security Grant Program - SHSG 2007 - 2010 Regional	97.067 (11)	524,786
Homeland Security Grant Program - 2008 SHSGP - Regional Fiduciary	97.067 (11)	4,291
Homeland Security Grant Program - Monroe Co. Fiduciary	97.067 (11)	679
Total Passed through Michigan Department of State Police		4,392,756
Passed through Michigan Department of Natural Resources - Marine Safety Program	97.012	86,766
Total U.S. Department of Homeland Security		4,479,522
U.S. Department of Energy - Direct Programs -		
ARRA Energy Efficiency and Conservation Block Grant (EECBG)	81.128	560,004
Total federal awards		<b>\$ 106,566,089</b>

(11) Denotes the Homeland Security Cluster

# County of Oakland, Michigan

## Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2010

### Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Oakland, Michigan under programs of the federal government for the year ended September 30, 2010. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of the County of Oakland, Michigan, it is not intended to and does not present the financial position, changes in net assets, or cash flows.

### Note 2 - Subrecipient Awards

Of the federal expenditures presented in the schedule of expenditures of federal awards, Oakland County provided federal awards to various subrecipients as follows:

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
State Administrative Matching Grants for the		
Supplemental Nutrition Assistance Program	10.561	\$ 513,487
Community Block Development Grant	14.218	2,153,744
Neighborhood Stabilization Program	14.218	5,130,555
Community Block Development Grant - R	14.253	707,206
Justice Assistance Grants	16.804	866,638
Trade Adjustment Assistance	17.245	7,312,931
Workforce Investment Act	17.258, 17.259, 17.260	20,138,942
Road Construction Apprenticeship Readiness Program	20.205	108,501
Jobs, Education, and Training (JET), Temporary		
Assistance for Needy Families (TANF)	93.558	3,115,400
Urban Area Security Initiative	97.067	494,508

# County of Oakland, Michigan

## Schedule of Findings and Questioned Costs Year Ended September 30, 2010

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

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 program(s):

• 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 program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

CDFA Numbers	Name of Federal Program or Cluster
14.218, 14.253	Community Development Block Grant Cluster
16.804	Edward Byrne Memorial Justice Assistance Grant
17.207	Employment Services
17.258, 17.259, 17.260	Workforce Investment Act Cluster
66.458	Clean Water State Revolving Funds
81.128	Energy Efficiency Conservation Block Grant
93.268, 93.712	Immunization Vaccines

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?  Yes  No

# County of Oakland, Michigan

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## Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2010

### Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

# County of Oakland, Michigan

## Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2010

### Section III - Federal Program Audit Findings

Reference Number	Findings
2010-1	<p><b>Program Name</b> - 2009 Recovery Act JAG, CFDA #16.804, 2009 Recovery Act U.S. Department of Justice</p> <p><b>Finding Type</b> - Significant deficiency/Material noncompliance</p> <p><b>Criteria</b> - According to 28 CFR 31.401, the grantee must further assure and certify that subgrantees and contractors will adhere to other applicable federal laws, orders, and OMB circulars, which includes A-133.</p> <p><b>Condition</b> - The County did not perform the proper subrecipient monitoring activities including: ensuring subrecipients' A-133 audits were completed within nine months of the end of the subrecipient's audit period; making management decisions regarding audit findings within six months after the receipt of the subrecipient's audit report; and assuring that subrecipients take timely and appropriate corrective action on all audit findings.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Context</b> - The County did not perform the subrecipient monitoring procedures described above for any of the 20 subrecipients involved in the grant.</p> <p><b>Cause and Effect</b> - Internal control procedures over subrecipient monitoring were not sufficient to ensure proper pass-through equipment and vehicles were being reported on the subrecipients' schedule of federal awards. Inadequate controls over subrecipient monitoring could lead to a failure to comply with OMB Circular A-133, which requires governmental entities expending \$500,000 or more in federal awards during its fiscal year to have an A-133 audit performed.</p> <p><b>Recommendation</b> - The County should ensure that adequate controls are in place to ensure the proper subrecipient monitoring activities are being performed.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions</b> - The County will implement a control to ensure all subrecipients are properly monitored in compliance with OMB Circular A-133.</p>

# County of Oakland, Michigan

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## Summary Schedule of Prior Audit Findings Year Ended September 30, 2010

Finding	Federal Program	Status
The County omitted certain information on the CDBG Financial Summary report (CO4PR26) which caused it to appear to be noncompliant with an earmarking requirement.	Community Development Block Grant, CFDA # 14.218, U.S. Department of Housing and Urban Development Grant	Corrected

**Oakland County Health Division  
SUBSTANCE ABUSE PREVENTION & TREATMENT  
Schedule of Budgeted, Reported, and Audited Amounts  
For the Year Ended September 30, 2010**

<b>Fund Source</b>	<b>Budgeted (FINAL)</b>	<b>Reported (FINAL RER)</b>	<b>Audited Expenditures</b>	<b>Variance (Audited-Reported)</b>	<b>Local Match Funds</b>
<b>A State Agreement</b>					
1 Community Grant	\$3,128,557	\$3,104,049	\$3,104,049	\$0	
2 Prevention	\$951,239	\$950,324	\$950,324	\$0	
3 Communicable Diseases	\$207,498	\$208,475	\$208,475	\$0	
4 State Disability Assistance (SDA)	\$157,647	\$157,647	\$157,647	\$0	
5 SPF/SIG	\$138,972	\$138,972	\$138,972	\$0	
6 FASD Award	\$0	\$0	\$0	\$0	
7 Problem Gambling Prevention/Treatment	\$0	\$0	\$0	\$0	
8 Integrated Tx-MH Block Grant (100%)	\$0	\$0	\$0	\$0	
9 Integrated Tx-SAPT Block Grant (100%)	\$0	\$0	\$0	\$0	
10 Client-directed Outcomes Project	\$0	\$0	\$0	\$0	
11 Prevention Data System Support	\$0	\$0	\$0	\$0	
12 General Fund (100%)	\$0	\$0	\$0	\$0	
<b>A Subtotal</b>	<b>\$4,583,913</b>	<b>\$4,559,467</b>	<b>\$4,559,467</b>	<b>\$0</b>	
<b>B Medicaid</b>					
1 Current Year PEPM (Federal & State)	\$2,098,347	\$1,773,600	\$1,773,600	\$0	
2 Federal Share only for Women's Speciality	\$74,481	\$74,481	\$74,481	\$0	
3 State share only for Women's Speciality	\$27,172	\$27,172	\$27,172	\$0	
4 Reinvestment Savings	\$0	\$0	\$0	\$0	
<b>B Subtotal</b>	<b>\$2,200,000</b>	<b>\$1,875,253</b>	<b>\$1,875,253</b>	<b>\$0</b>	
<b>C Adult Benefit Waiver (ABW)</b>					
1 Current Year PEPM (federal share only)	\$306,489	\$193,270	\$193,270	\$0	
<b>C Subtotal</b>	<b>\$306,489</b>	<b>\$193,270</b>	<b>\$193,270</b>	<b>\$0</b>	
<b>D MI CHILD</b>					
1 Current Year PEPM	\$14,802	\$14,802	\$14,802	\$0	
2 savings	\$0	\$0	\$0	\$0	
<b>D Subtotal</b>	<b>\$14,802</b>	<b>\$14,802</b>	<b>\$14,802</b>	<b>\$0</b>	
<b>E Local</b>					
1 Current Year PA2	\$1,614,556	\$0	\$0	\$0	\$0
2 PA2 Fund Balance	\$1,034,675	\$16,169	\$16,169	\$0	16,169
3 Other Local (R325.4152 excluding subsection (1)(b))	\$760,000	\$841,209	\$841,209	\$0	841,209
<b>E Subtotal</b>	<b>\$3,409,231</b>	<b>\$857,378</b>	<b>\$857,378</b>	<b>\$0</b>	
<b>F Fees &amp; Collections- Subtotal (R325.4151 (1)(d))</b>	<b>\$201,000</b>	<b>\$157,158</b>	<b>\$157,158</b>	<b>\$0</b>	157,158
<b>G Other Contracts &amp; Sources (Subtotal)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	0
<b>Grand Total of Subtotals A-G</b>	<b>\$10,715,435</b>	<b>\$7,657,328</b>	<b>\$7,657,328</b>	<b>\$0</b>	

Amount Billable to MDCH (Section A audited subtotal)	<b>\$4,559,467</b>
Total MDCH Payments	<b>4,583,913</b>
(Overpayment)/Underpayment	<b>(\$24,446)</b>

Local Match Funds Total	<b>\$1,014,536</b>
Local Match Requirement [(Grand Total of Audited Expenditures-B-C-D-G) * 10%]	<b>557,400</b>
Local Match (Shortfall)/Excess	<b>\$457,136</b>

**OaklandCounty Health Division  
SUBSTANCE ABUSE PREVENTION & TREATMENT  
Schedule of Expenditures and Funding Sources by Program  
Year Ended September 30, 2010**

Program	Audited Expenditures						Audited Funding Sources										Variance (Audited-Reported)	Questioned Cost (Expenditures - Funding)	
	Budgeted (FINAL)	Reported (FINAL RER)	Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	SPF/SIG	General Fund (100%)	ABW	MI CHILD	PA2	Other Local	Other Sources	Total Funding			
Administration	\$1,450,004	\$1,453,071	\$1,453,071	\$513,374	\$96	\$939,601	\$741,993	\$0	\$0	\$0	\$0	\$0	\$0	\$197,608	\$0	\$939,601	\$0	\$0	
Prevention	1,151,339	1,202,274	1,202,274	0	0	1,202,274	950,324	0	0	0	0	0	0	251,950	0	\$1,202,274	0	0	
Treatment	7,160,178	4,175,472	4,175,472	1,260,226	155,686	2,759,560	2,215,744	157,647	0	0	0	16,169	370,000	0	0	\$2,759,560	0	0	
Women's Services	186,153	184,431	184,431	101,653	1,376	81,402	81,402	0	0	0	0	0	0	0	0	\$81,402	0	0	
Communicable Diseases	207,498	208,475	208,475	0	0	208,475	208,475	0	0	0	0	0	0	0	0	\$208,475	0	0	
ABW	381,489	240,460	240,460	0	0	240,460	47,190	0	0	0	193,270	0	0	0	0	\$240,460	0	0	
MI-CHILD	39,802	37,280	37,280	0	0	37,280	17,720	0	0	0	0	14,802	0	4,758	0	\$37,280	0	0	
SPF/SIG	138,972	155,865	155,865	0	0	155,865	0	0	138,972	0	0	0	0	16,893	0	\$155,865	0	0	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Totals</b>	<b>\$10,715,435</b>	<b>\$7,657,328</b>	<b>\$7,657,328</b>	<b>\$1,875,253</b>	<b>\$157,158</b>	<b>\$5,624,917</b>	<b>\$4,262,848</b>	<b>\$157,647</b>	<b>\$138,972</b>	<b>\$0</b>	<b>\$193,270</b>	<b>\$14,802</b>	<b>\$16,169</b>	<b>\$841,209</b>	<b>\$0</b>	<b>\$5,624,917</b>	<b>\$0</b>	<b>\$0</b>	
							<b>\$4,559,467</b>												
<b>Reconciliation of PA2 Funds:</b>			<b>Reconciliation of Medicaid Managed Care (PEPM) Funds:</b>																
Beginning Balance			\$928,724	Medicaid (PEPM) Payments Received			\$2,200,000												
Current Year PA2 Expenditures			1,614,556	Medicaid Savings Carried Over															
Ending Balance			<u>2,527,111</u>	Medicaid (PEPM) Expenditures			(1,875,253)												
				Medicaid Savings Carryforward															
				Returned to PIHP			<u>324,747</u>												