

COUNTY OF
SAGINAW,
MICHIGAN



Year Ended
September 30,
2021

Single Audit Act
Compliance

Rehmann

COUNTY OF SAGINAW, MICHIGAN

Table of Contents

	<u>Page</u>
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to Schedule of Expenditures of Federal Awards	7
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 <i>Government Auditing Standards</i>	9
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	11
Schedule of Findings and Questioned Costs	14
Summary Schedule of Prior Audit Findings	17



This page intentionally left blank.

**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

June 29, 2022

Board of Commissioners
County of Saginaw
Saginaw, 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 Saginaw, Michigan** (the "County") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Lobson LLC

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster:					
Non-cash assistance (commodities):					
Entitlement Commodities	10.555	MDE	730008002	\$ -	\$ 4,994
Cash assistance:					
National School Lunch Program:					
Children's Facility	10.555	MDE	730008002	-	38,901
				<u>-</u>	<u>43,895</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):					
Women and Infant Care	10.557	MDHHS	N/A	-	772,302
Women and Infant Care - Breastfeeding	10.557	MDHHS	N/A	-	82,996
				<u>-</u>	<u>855,298</u>
SNAP Cluster:					
State Admin Match Grants for the SNAP	10.561	LEO	202020Q8750342	6,789	16,689
SAM-Grants-SNAP-50%FED/50%GF	10.561	LEO	202020Q252042	127	127
				<u>6,916</u>	<u>16,816</u>
Total U.S. Department of Agriculture				<u>6,916</u>	<u>916,009</u>
U.S. Department of Housing and Urban Development					
Community Development Block Grant	14.228	MEDC	MSC 220007-CV1	-	319,806
U.S. Department of Interior					
National Resource Damage Assessment and Restoration	15.658	Direct	F21AC01717-00	-	50,000
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	Direct	N/A	-	2,173
Edward Byrne Memorial Justice Assistance Grant (JAG) Program:					
Edward Byrne Memorial JAG Program	16.738	Direct	2018-DJ-BX-0804	-	35,197
Edward Byrne Memorial JAG Program	16.738	Direct	2019-DJ-BX-0929	-	36,449
Edward Byrne Memorial JAG Program	16.738	SCAO	21-21617	-	97,623
				<u>-</u>	<u>169,269</u>
Total U.S. Department of Justice				<u>-</u>	<u>171,442</u>
U.S. Department of Labor					
Employment Services Cluster:					
Clean Slate Pilot Program	17.207	LEO	ES334001955A26	697,567	845,116
Employment Service	17.207	LEO	ES334001955A26	3,339	50,237
				<u>700,906</u>	<u>895,353</u>
Reemployment Services and Eligibility Assessment Program:					
UIA Admin. RESEA	17.225	LEO	UI328461960A26	70,468	70,468
Trade Adjustment Assistance:					
Trade Case Management	17.245	LEO	TA317061855A26	334,887	369,837
Workforce Innovation and Opportunity Act (WIOA) Cluster:					
Workforce Innovation and Opportunity Act - Adult	17.258	LEO	AA321961855A26	914,742	1,069,341
Workforce Innovation and Opportunity Act - One Stop Operations	17.258	LEO	AA321961855A26	-	20,792
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.258	LEO	AA321961855A26	4,718	4,718

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Labor (Concluded)					
Workforce Innovation and Opportunity Act (WIOA) Cluster (Concluded):					
Workforce Innovation and Opportunity Act - Administration	17.258	LEO	AA321961855A26	\$ -	\$ 156,618
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.258	LEO	AA321961855A26	-	10,398
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.258	LEO	AA332361955A26	41,280	46,535
				<u>960,740</u>	<u>1,308,402</u>
Workforce Innovation and Opportunity Act - Youth	17.259	LEO	AA321961855A26	1,420,179	1,717,896
Workforce Innovation and Opportunity Act - One Stop Operations	17.259	LEO	AA321961855A26	-	22,643
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.259	LEO	AA321961855A26	5,138	5,138
Workforce Innovation and Opportunity Act - Administration	17.259	LEO	AA321961855A26	-	170,560
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.259	LEO	AA321961855A26	-	11,324
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.259	LEO	AA332361955A26	44,955	50,678
				<u>1,470,272</u>	<u>1,978,239</u>
Workforce Innovation and Opportunity Act - Dislocated Worker	17.278	LEO	AA332361955A26	703,529	891,511
Workforce Innovation and Opportunity Act - One Stop Operations	17.278	LEO	AA332361955A26	-	18,263
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.278	LEO	AA332361955A26	4,144	4,144
Workforce Innovation and Opportunity Act - Administration	17.278	LEO	AA332361955A26	-	137,563
WIA RR CRM	17.278	LEO	AA332361955A26	-	6,610
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.278	LEO	AA332361955A26	-	9,133
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.278	LEO	AA332361955A26	36,258	40,874
				<u>743,931</u>	<u>1,108,098</u>
				<u>3,174,943</u>	<u>4,394,739</u>
Total U.S. Department of Labor				<u>4,281,204</u>	<u>5,730,397</u>
U.S. Department of Transportation					
Rural Transit Assistance Program (RTAP)	20.509	MPTA	N/A	-	2,937
Highway Safety Cluster:					
Alcohol Traffic Safety and Drunk Driving Prevention					
Incentive Grant - DWI Sobriety Court	20.601	SCAO	21-21927	-	86,748
Saginaw County Traffic Enforcement Program	20.616	MSP	PT-21-13	-	31,865
				<u>-</u>	<u>118,613</u>
Total U.S. Department of Transportation				<u>-</u>	<u>121,550</u>
U.S. Department of Treasury					
COVID-19 Coronavirus Relief Funds:					
Public Safety Public Health Payroll Reimbursement	21.019	MDT	N/A	-	20,248
CRF Immunizations COVID Response	21.019	MDT	N/A	-	85,235

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Treasury (Concluded)					
COVID-19 Coronavirus Relief Funds (Concluded):					
CRF Local Health Department Contact Tracing	21.019	MDT	N/A	\$ -	\$ 180,556
CRF Local Health Department Lab	21.019	MDT	N/A	-	286,540
CRF Local Health Department Testing	21.019	MDT	N/A	-	86,800
Coronavirus Relief Fund	21.019	MDT	73-0000-CRLGG	-	1,440,508
				-	2,099,887
Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.207	MDT	N/A	-	354,824
Total U.S. Department of Treasury				-	2,454,711
U.S. Small Business Administration					
COVID-19 - Shuttered Venue Operators Grant	59.075	Direct	SBAHQ21SV012087	-	1,171,073
U.S. Environmental Protection Agency					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds	66.468	EGLE	FS975487-19	-	768
U.S. Department of Health and Human Services					
Special Programs for the Aging - Title III, Part D -					
Disease Prevention and Health Promotion Services:					
Evidence Based Programs	93.043	MOAS	N/A	-	6,945
Aging Cluster:					
Case Coordination and Support	93.044	MOAS	N/A	-	95,094
Case Coordination and Support -					
In-Home Support Services	93.044	MOAS	N/A	-	48,386
Outreach	93.044	MOAS	N/A	-	19,156
Senior Center Staffing - MO	93.044	MOAS	N/A	-	10,512
Senior Center Staffing	93.044	MOAS	N/A	-	17,991
Senior Center Operations	93.044	MOAS	N/A	-	12,000
				-	203,139
Nutrition - Title III C-1 Congregate	93.045	MOAS	N/A	-	119,194
Nutrition - Title III C-2 HDM	93.045	MOAS	N/A	-	240,480
Nutrition - Title III C-2 - CAA-HDM	93.045	MOAS	N/A	-	14,847
				-	374,521
Nutrition Services Incentive Program Congregate	93.053	MOAS	N/A	-	40,874
Nutrition Services Incentive Program - HDM	93.053	MOAS	N/A	-	119,940
				-	160,814
				-	738,474
National Family Caregiver Support, Title III, Part E:					
Title III E Kinship Care	93.052	MOAS	N/A	-	5,208
National Family Caregiver Support Program	93.052	MOAS	N/A	-	50,173
Supplemental funds - Title III E	93.052	MOAS	N/A	-	17,938
				-	73,319
Public Health Emergency Preparedness:					
PHEP - Bioterrorism Nine	93.069	MDHHS	20210272	-	102,266
PHEP - Laboratory Services Bio	93.069	MDHHS	20210272	-	15,000
Hospital Preparedness Program:					
Capacity Bldg Assist - Bioterrorism Three	93.069	MDHHS	20200087	-	34,385
				-	151,651

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Tuberculosis Control	93.116	MDHHS	20210272	\$ -	\$ 484
Enhanced Toxicology Screening & Opioid Discretionary	93.136	MDHHS	20211215	-	46,436
Family Planning Services	93.217	MDHHS	20210272	-	114,505
Region V Public Health Training Center	93.249	RUM	18-3724056	10,000	10,000
Immunization Cooperation Agreements:					
Immunizations - IAP	93.268	MDHHS	20210272	-	67,405
Federally Funded Vaccines	93.268	MDHHS	20210272	-	116,427
Immunization Fixed Fees	93.268	MDHHS	20210272	-	150
COVID-19 - Immunizations	93.268	MDHHS	20210272	-	484,964
COVID-19 - Influenza Vaccination Supplemental	93.268	MDHHS	20210272	-	80,857
				-	749,803
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):					
COVID-19 - ELC Contact Tracing Testing Coord	93.323	MDHHS	20210272	-	624,632
COVID-19 - ELC Infection Prevention	93.323	MDHHS	20210272	-	135,000
COVID-19 - ELC Contact Tracing and Wraparound	93.323	MDHHS	20210272	-	75,000
COVID-19 - ELC Enhancing Detection	93.323	MDHHS	20210272	-	153,369
				-	988,001
Public Health Crisis Response - Coronavirus:					
COVID-19 - PHEP Response	93.354	MDHHS	20200087	-	141,938
Temporary Assistance for Needy Families:					
TANF - JET Type T	93.558	LEO	201MITANF	2,287,021	3,982,279
Child Enforcement Support:					
Title IV-D Maintenance Assistance (Federal Incentive) (FOC)	93.563	MDHHS	CSFOC-17-73001	-	296,728
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	MDHHS	CSFOC-17-73001	-	2,905,938
Title IV-D Cooperative Reimbursement Program (PA)	93.563	MDHHS	CSPA-17-73002	-	520,025
				-	3,722,691
Federal Access and Visitation	93.597	SCAO	SCAO-2021-025	-	5,500
Foster Care Title IV-E:					
Child and Parent Legal Representation (CPLR) - 2020	93.658	MDHHS	E20203783	-	104,082
Child and Parent Legal Representation (CPLR) - 2021	93.658	MDHHS	E20213253	-	67,743
				-	171,825
Medicaid Cluster:					
CSHCS Care Coordination	93.778	MDHHS	20210272	-	2,870
CSHCS Outreach & Advocacy	93.778	MDHHS	20210272	-	49,379
CSHCS Elevated Blood Level	93.778	MDHHS	20210272	-	1,209
POS Waiver	93.778	MOAS	N/A	-	82,641
				-	136,099
Opioid STR:					
Harm Education Support Services	93.788	MDHHS	20210272	-	24,089
ACA - Maternal, Infant & Early Childhood Home:					
NFP (Nurse Family Partnership)	93.870	MDHHS	20210272	-	194,826

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Concluded)					
HIV Prevention Activities Health Department Based: HIV Prevention	93.940	MDHHS	20210272	\$ -	\$ 960
Preventative Health and Health Services Block Grant: Family Planning Services	93.991	MDHHS	20210272	-	10,000
Maternal and Child Health Services Block Grant: Enabling Services Children-MCH	93.994	MDHHS	20210272	-	136,871
CSHCS Care Coordination	93.994	MDHHS	20210272	-	4,670
Public Health Functions & Infrastructure	93.994	MDHHS	20210272	-	32,962
				-	174,503
Total U.S. Department of Health and Human Services				2,297,021	11,444,328
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster: Foster Grandparent Program	94.011	Direct	13SFNMI006	-	235,819
U.S. Department of Homeland Security					
Marine Safety Program	97.012	MDNR	MSR-M21-037	-	7,724
Emergency Food and Shelter: National Board Program	97.024	UWSC	481400-005	-	3,396
COVID-19 - Public Assistance Grant - MI Coronavirus Disaster	97.036	MSP	FEMA-4494-DR-MI-PA	-	80,358
Public Assistance Grant - Imerman Park	97.036	MSP	FEMA-4547-DR-MI-PA	-	12,071
				-	92,429
Emergency Management Performance Grant	97.042	MSP	EMC-2021-EP-00003	-	48,044
COVID-19 - Emergency Management Performance Grant - American Rescue Plan Act	97.042	MSP	EMC-2020-EP-00005	-	25,039
				-	73,083
3rd District Regional Homeland Security Grant	97.067	IOSCO	EMW-2017-SS-00013	-	1,981
3rd District Regional Homeland Security Grant	97.067	Midland	EMW-2018-SS-00042	-	14,739
3rd District Regional Homeland Security Grant	97.067	Midland	EMW-2019-SS-00021	-	9,480
				-	26,200
Total U.S. Department of Homeland Security				-	202,832
Total Expenditures of Federal Awards				\$ 6,585,141	\$ 22,818,735

concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF SAGINAW, MICHIGAN

Notes to Schedule of Expenditures 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 the **County of Saginaw, Michigan** (the "County") under programs of the federal government for the year ended September 30, 2021. 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.

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 or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, 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 when available.

2. 10% DE MINIMIS COST RATE

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

3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. 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
IOSCO	Iosco County, Michigan
LEO	Labor and Economic Opportunity
MIDLAND	Midland County, Michigan
MDE	Michigan Department of Education
MDT	Michigan Department of Treasury
EGLE	Michigan Department of Environment, Great Lakes and Energy
MEDC	Michigan Economic Development Corporation
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MOAS	Michigan Office of Aging Services
MPTA	Michigan Public Transit Association
MSP	Michigan State Police
RUM	Regents of U of M
SCAO	State Court Administrative Office
UWSC	United Way of Saginaw County



This page intentionally left blank.

**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***

March 29, 2022

Board of Commissioners
County of Saginaw
Saginaw, 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 the **County of Saginaw, Michigan** (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of the Saginaw 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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 financial statements. 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*.

County of Saginaw's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

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

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

June 29, 2022

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of the **County of Saginaw, Michigan** (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each 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 each of its major federal programs for the year ended September 30, 2021.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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.



COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

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? X yes _____ 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:

Assistance Listing Number

Name of Federal Program or Cluster

17.207

Employment Services Cluster

17.258, 17.259, & 17.278

Workforce Innovation and Opportunity Act (WIOA) Cluster

21.019

COVID-19 - Coronavirus Relief Funds

59.075

COVID-19 - Shuttered Venue Operators Grant

93.323

COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

2021-001 - Cash and investment reconciliations

Finding Type: Significant Deficiency in Internal Control over Financial Reporting

Criteria. The State of Michigan requires that bank reconciliations be completed within six weeks of each month end and also at year end. This is also an important part of ensuring effective control over the County's assets. The County should maintain a complete list of all bank and investment accounts as well as all certificates of deposit ("CD"). In addition, the County should post the interest allocation on a monthly basis.

Condition. During the audit, a listing of bank, investment and CD accounts held with each financial institution was provided, however the listing did not include all bank, investment and CD accounts held by the County at year end. The County relied on auditors to help identify accounts missing from the bank, investment and CD listings. In addition, multiple versions of several bank reconciliations were provided during the audit in order to reconcile the end of the year cash. There were also delays in receiving bank and investment reconciliations, which were provided throughout the audit with the last one provided on February 24, 2022. We further noted no documentation for the date of completion for the Friend of Court depository account. Additionally, the Drain Commission Chapter 8 Debt Service bank account was not reconciled until February 4, 2022. Also, the interest allocation was not performed throughout the year and was not completed for the fiscal year until March 2022.

Cause. This condition was a result of the Treasurer's department not performing bank and investment reconciliations for all accounts held by the County on a timely basis and a current list of all accounts was not maintained or updated as of year end. In addition, the Treasurer's department did not perform the monthly interest allocation function, which is necessary to reconcile all of the accounts.

Effect. As a result of this condition, the County has not complied with the State of Michigan requirements or the County policy related to timely completion of bank reconciliations for certain bank and investment accounts and the interest allocation was not performed until five and a half months after the fiscal year ended, which also caused significant delays in the audit process.

Recommendation. We recommend that the County review and update accordingly the written policy for complying with the State of Michigan's bank reconciliation and accrued interest calculation policy and communicate this policy to all County employees that are responsible for performing bank and investment reconciliations. In addition, the County should maintain a complete list of bank, investment and CD accounts that it holds and ensure to update this list each time a change in account is made. We also recommend that the County review their interest allocation process to ensure this is completed timely on a monthly basis.

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

View of Responsible Officials. The Treasurer’s office understands the importance of timely bank reconciliation and interest allocation. The office will review and update the list of bank and investment accounts to ensure that the County has an up to date and readily available list. The office is continuing to review the interest allocation process so that there is a more timely distribution, including implementing the new software program that will help the process. It will be communicated to any and all staff and personnel that work with bank reconciliation and investment reconciliations the importance of following policy of timely work.

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



COUNTY OF SAGINAW, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2021

None reported.

