WASHTENAW COUNTY, MICHIGAN

SINGLE AUDIT

For the Year Ended December 31, 2009

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WASHTENAW COUNTY, MICHIGAN
SINGLE AUDIT

Table of Contents

Year Ended December 31, 2009

	PAGE
Schedule of Expenditures of Federal Awards	1-4
Notes to Schedule of Expenditures of Federal Awards	5
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*	6-7
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	8-9
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11-17

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
Direct Program -		
Food Commodities -		
Entitlement & Bonus Commodities	10.550	$ 1,745
Passed through Michigan Department of Education:		
School Breakfast Program:		
National School Lunch/Breakfast	10.553	25,565
CACFP	10.558	7,677
National School Lunch Program:		
National School Lunch	10.555	100,800
CACFP	10.558	21,436
Total Michigan Department of Education		155,478
Passed through Michigan Department of Community Health:		
Women, Infants and Children	10.557	697,482
Steps Up-FSNE	10.557	32,604
Total Michigan Department of Community Health		730,086
Total U.S. Department of Agriculture		887,309
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
Community Development Block Grant / Entitlement Grants	14.218	1,077,579
ARRA - CDBG - R	14.218	7,665
ARRA - Community Development / Neighborhood Stabilization Program	14.218	286,040
HOME Investment Partnerships Program	14.239	819,100
Total Direct Programs		2,190,384
Passed through SOS Community Services, Inc. -		
Supportive Housing Program	14.235	162,126
Passed through City of Ann Arbor:		
ARRA - MCHDA - NSP	14.218	24,127
ARRA - CDBG - R	14.253	8,231
Total City of Ann Arbor		32,358
Total U.S. Department of Housing and Urban Development		2,384,868
U.S. DEPARTMENT OF THE INTERIOR		
Passed through Michigan Department of History, Arts and Libraries -		
Historic Preservation Fund Grants-In-Aid	15.904	11,338

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Expenditures
U.S. DEPARTMENT OF JUSTICE		
Direct Programs:		
Violence Against Women	16.590	$ 222,252
ARRA - Byrne - JAG Stimulus	16.738	11,134
Byrne Justice Assistance Grant	16.738	13,175
Coverdell	16.742	94,985
Total Direct Programs		341,546
Passed through Michigan Department of State Police -		
2009 - COPS Meth Initiative	16.710	195,541
Passed through Michigan Department of Human Services -		
Juvenile Accountability Incentive Block Grants:		
Juvenile Accountability	16.523	10,984
Disproportionate Minority Contact Reduction Project Grant	16.540	15,060
Federal Drug Court Grant Program	16.585	91,072
Total Michigan Department of Human Services		117,116
Passed through the Office of Juvenile Justice and Delinquency Prevention -		
National CASA Expansion Grant	16.547	9,027
Total U.S. Department of Justice		663,230
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through Michigan Office of Highway Safety Planning -		
State and Community Highway Safety:		
Safe Routes To School	20.205	21,653
Drive Michigan Safely - Safe Communities	20.600	46,039
Drive Michigan Safely - Youth Alcohol	20.601	4,114
Drive Michigan Safely - Car Seats	20.602	4,000
Total U.S. Department of Transportation		75,806
U.S. ENVIRONMENTAL PROTECTION AGENCY		
Passed through State of Michigan Department of Environmental Quality:		
Capitalization Grants for Clean Water State Revolving Funds:		
Allen Creek - Project 5338-01	66.458	1,054,429
Allen Creek - Project 5337-01	66.458	275,000
Allen Creek - Project 5434-01	66.458	38,500
Drinking Water and Radiological Protection Division	66.471	6,771
Total U.S. Environmental Protection Agency		1,374,700

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs:		
ARRA - Head Start	93.600	$ 43,611
Head Start	93.600	3,236,663
Total Direct Programs		3,280,274
Passed through State Court Administration Office -		
Access & Visitation	93.597	14,051
Passed through Michigan Department of Community Health:		
Tuberculosis Control Programs	93.116	21,502
Suicide Prevention	93.243	4,145
Immunization Grants:		
Immunization Action Plan	93.268	143,153
Vaccines	93.268	1,074,511
VFC Provider Site Visits	93.268	4,800
Immunization Nurse Training	93.268	3,450
Immunization AFIX	93.268	100
CDC Emergency Prep. - Focus A	93.283	66,442
CDC Emergency Prep. - Pan Flu H1N1	93.069	8,004
Chronic Disease - Obesity	93.283	2,572
Medical Assistance Program:		
Care Coordination	93.778	16,464
Infant Mortality	93.778	27,108
Child Special Health Care	93.778	28,811
HIV Prevention Program -		
HIV/AIDS Counseling and Testing	93.940	86,135
Maternal and Child Health Services Block Grant:		
Local Maternal and Child Health	93.994	109,008
STD	93.991	27,249
Health Disparities	93.991	4,525
Child Special Health Care	93.994	21,403
Total Michigan Department of Community Health		1,649,382
Passed through Washtenaw Community Health Organization:		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	141,026
Substance Abuse and Mental Health Services -		
SPF/SIG	93.243	107,703
Community Mental Health Services Block Grant:		
Anti Stigma	93.958	62,498
Youth Aging Out	93.958	40,000
Trauma Training	93.958	51,226

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONCLUDED)		
Passed through Washtenaw Community Health Organization (Concluded):		
Community Mental Health Services Block Grant (Concluded):		
Child Respite	93.958	$ 7,620
Crisis Stabilization	93.958	70,000
Omnibus Budget Reconciliation Act - Preadmission Screenings and Annual Resident Reviews	93.778	485,447
Total Washtenaw Community Health Organization		965,520
Passed through Michigan Department of Human Services:		
Family Support Payments to States	93.560	312,349
Strong Families/Safe Children Coordination	93.558	29,713
Child Support Enforcement:		
Friend of the Court	93.563	3,883,685
Prosecuting Attorney	93.563	357,017
Total Michigan Department of Human Services		4,582,764
Total U.S. Department of Health and Human Services		10,491,991
OFFICE OF NATIONAL DRUG CONTROL POLICY		
Passed through Michigan Department of State Police - HIDTA - Southeastern Michigan:		
2008 - ISDC	07.000	141,634
2008 - LAWNET	07.000	41,883
2008 - Management and Coordination Initiative	07.000	191,663
2009 - ISDC	07.000	320,504
2009 - LAWNET	07.000	81,232
2009 - Management and Coordination Initiative	07.000	525,861
Total Office of National Drug Control Policy		1,302,777
U.S. DEPARTMENT OF HOMELAND SECURITY		
Passed through Michigan Department of State Police - Homeland Security Grant Program:		
Emergency Management Performance Grant	97.042	52,228
Homeland Security Grant Program	97.067	735,908
Total Michigan Department of State Police		788,136
Passed through Oakland County - Homeland Security Grant Program	97.067	92,347
Total U.S. Department of Homeland Security		880,483
TOTAL EXPENDITURES OF FEDERAL AWARDS		**$ 18,072,502**

WASHTENAW COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Washtenaw County, Michigan (the "County") and is presented on the 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 Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Washtenaw County, Michigan provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
High Intensity Drug Trafficking Area	07.000	$ 81,232
Women, Infants and Children	10.557	137,547
Community Development Block Grant	14.218	429,994
Community Development / Neighborhood Stabilization Program	14.218	208,069
HOME	14.239	459,873
Violence Against Women	16.590	34,487
SPF/SIG Grant	93.243	2,221
Steps Up	93.283	36,723
Access & Visitation	93.597	12,636
Head Start	93.600	940,999
Infant Mortality	93.778	15,293

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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 24, 2010

To the Board of Commissioners
of Washtenaw County
Ann Arbor, 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 ***WASHTENAW COUNTY, MICHIGAN,*** as of and for the year ended December 31, 2009, and have issued our report thereon dated March 24, 2010. Our report includes a reference to 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. The financial statements of the Washtenaw County Road Commission were not audited in accordance with *Government Auditing Standards*. Other auditors audited the financial statements of the Employment Training and Community Services Fund, 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, we considered Washtenaw County, 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 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 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.

Our consideration of the 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 the 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying *schedule of findings and questioned costs* as item 2009-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***Washtenaw 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 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 and the reports of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of Washtenaw County in a separate letter dated March 24, 2010.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 24, 2010

To the Board of Commissioners
of Washtenaw County
Ann Arbor, Michigan

Compliance

We have audited the compliance of ***Washtenaw County, Michigan*** (the "*County*") 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.

The County's basic financial statements include the operations of the Employment Training and Community Services Fund, which expended $12,912,250 in federal awards, which is not included in the schedule of expenditures of federal awards for the year ended December 31, 2009. Our audit, described below, did not include the operations of the Employment Training and Community Services Fund because an audit in accordance with OMB Circular A-133 for those activities was performed separately and a separate report was issued.

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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-2, 2009-3 and 2009-4.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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.

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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2009-2 through 2009-4. *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's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, the governing body, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

March 24, 2010

To the Board of Commissioners
of Washtenaw County
Ann Arbor, 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, as of and for the year ended December 31, 2009, and have issued our report thereon dated March 24, 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 purposes of additional analysis as required by OMB Circular A-133 and is not a 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.

Our report includes a reference to other auditors.

Rehmann Robson

WASHTENAW COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified			
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	X	no
Significant deficiencies identified not considered to be material weaknesses?	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 deficiencies identified not considered to be material weaknesses?	X	yes	_____	none reported
Type of auditors' 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)?	X	yes	_____	no

WASHTENAW COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
07.000	High Intensity Drug Trafficking Area
14.218 & 14.253	Community Development Block Grants Entitlement Grants Cluster
66.458	Capitalization Grants for Clean Water State Revolving Fund
93.268	Immunization
93.563	Child Support Enforcement
93.600	Head Start
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $542,175

Auditee qualified as low-risk auditee? _____ yes __X__ no

SECTION II – FINANCIAL STATEMENT FINDINGS

2009-1 Significant Audit Adjustments (Repeat)

Finding type: Significant deficiency in internal controls over financial reporting.

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed an adjustment (which was approved and posted by management) that was significant to the County's financial statements. This adjustment was the posting of a liability and receivable.

Cause. Internal controls did not detect all adjustments necessary to properly record year-end balances.

Effect. As a result the accounts payable and receivable as well as the corresponding revenue and expense accounts in the Washtenaw County special revenue High Intensity Drug Trafficking Area fund were initially understated by approximately $120,000.

Recommendation. We recommend that the County take steps to insure that all year-end adjustments are identified and posted for financial reporting purposes.

View of Responsible Official. Upon receiving this finding last year, we made improvements to our year end cut off procedures. As a result, all invoices received during January 2010 for payment were reviewed centrally by the Payables division of Finance to see if they pertained to 2009 business. This enabled us to identify a number of items that needed to be accrued back to 2009. The item in question above was not approved by HIDTA for payment until early March. We have notified the appropriate fiscal staff to take extra care to ensure that the cost of goods or services provided to the County in a particular year is properly charged to that year and that year end accrual journal entries be prepared when needed to accomplish this.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2009-2 **Allowable Costs/Cost Principles – Payroll Allocation**
Immaterial noncompliance / significant deficiency in internal controls over compliance

Program: CDBG (CFDA# 14.218 and 14.253)

Finding type: Significant deficiency in internal controls over employee time reporting.

Criteria. Employee timesheets submitted to the payroll department should accurately reflect actual time worked by employees.

Condition. Employees that are charged to multiple grants complete a County timesheet used to determine payroll and a second community development timesheet used to allocate hours worked on individual federal programs. Through our payroll testing, we noted 2 out of 40 instances where the County timesheets did not agree with the timesheets used to allocate hours. The instances noted were employees having sick or vacation time being allocated to the federal grants but these hours not showing up on the County timesheet. This would cause cumulative unused employee sick and vacation time to be overstated.

Cause. The County timesheet and the employee allocation timesheet are reviewed by separate individuals and not compared for agreement.

Effect. This condition increases the risk that employee hours are not being accurately reflected in the County payroll system.

Recommendation. We recommend the two timesheets that the community development employees complete are reviewed and compared for agreement by the same individual.

View of Responsible Officials: The County will implement this recommendation.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2009-3 **Allowable Costs/Cost Principles – Semi-annual Payroll Certifications Immaterial noncompliance / Significant deficiency in internal controls over compliance**

Program: HIDTA (CFDA# 07.000) and Immunization (CFDA# 93.268)

Criteria. Office of Management and Budget Circular No. A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, requires that when employees work on multiple activities, the distribution of their salaries or wages must be supported by personnel activity reports or a statistical sampling system that has been approved by the cognizant Federal agency. The Circular also requires that where employees are expected to work solely on a single federal award, charges for their salaries can be supported by at least semi-annual certifications that they worked solely on that program for the period covered by the certification.

Condition. During the year ended December 31, 2009, three employees did not complete, sign or date the semi-annual certifications required by A-87.

Cause. These employees were missed due to oversight by management.

Effect. This condition increases the risk that the County could report an incorrect amount for expenditures related to federal grant programs.

Recommendation. We recommend that the County implement procedures to identify all employees that are charged 100% to these federal grants and review the certifications on a semi-annual basis to insure that they are completed.

View of Responsible Officials. It is the normal practice in County departments that administer federal grant programs to make sure that their employees track their time spent on each federal grant or if working solely on one federal grant to sign a certification form twice per year stating that they worked only on that federal grant. The three employees cited were inadvertently missed in this process. The respective departments have notified us that they will increase their monitoring and oversight of this process to make sure all employees are in compliance in the future.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concluded)

2009-4 **Equipment and Real Property Management – Tracking of equipment purchased with federal funds.**
Immaterial noncompliance / Significant deficiency in internal controls over compliance

Program: Head Start (CFDA# 93.600) and Homeland Security (CFDA# 97.067)

Criteria. OMB Circular A-87 and the OMB Circular A-102 Common Rule require governments to identify and properly track equipment purchased with federal funds.

Condition. During the year ended December 31, 2009, equipment purchased with Head Start and Homeland Security federal funds were not identified by the County as items that needed to be capitalized.

Cause. These expenditures were not posted to capital outlay expense accounts and therefore were not identified by the County as items that needed to be capitalized.

Effect. While the affected departments were aware of these capital equipment purchases and had the ability to track on a decentralized basis, County Finance was not initially aware of them and thus was unable to record and track them on its physical inventory system.

Recommendation. A review of expenditures of federal awards should be done on a regular basis to determine if there are items that should be capitalized.

View of Responsible Officials. The County will implement this recommendation immediately. We will work with departments when they are preparing the budgets for their grants so that they use the appropriate capital asset line items for any anticipated capital purchases greater than $5,000. This will better enable us to identify items that should be capitalized and tracked.

WASHTENAW COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2009

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS

2008-1 Material Audit Adjustments

Issue was not resolved, repeated as finding 2009-1

2008-2 Review of Bond Expenditures

Issue was adequately resolved

2008-3 Suspended and Debarrred Parties

Issue was adequately resolved

2008-4 Required Percentage of Income Eligible Students

Issue was adequately resolved

* * * * *