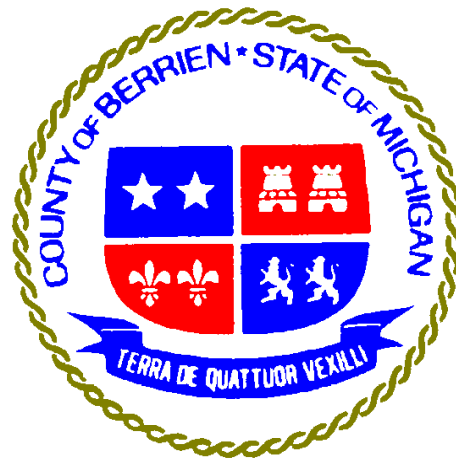


County of Berrien,
Michigan



Year Ended
December 31, 2014

Single Audit Act
Compliance

COUNTY OF BERRIEN, MICHIGAN

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INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

June 25, 2015

Board of Commissioners of the
County of Berrien, Michigan
St. Joseph, 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 Berrien, Michigan* (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 25, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. In addition, the accompanying supplemental schedules of federal and state awards as required by the Michigan Department of Transportation are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the accompanying required supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Rehmann Robson LLC".

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Farmers' Market Promotion Program 2011	10.168	Direct	n/a	\$ 833
Child Nutrition Cluster:				
School Breakfast Program:				
2013/2014	10.553	MDE	n/a	13,401
2014/2015	10.553	MDE	n/a	4,605
National School Lunch Program:				
2013/2014	10.555	MDE	n/a	21,427
2014/2015	10.555	MDE	n/a	7,326
Snack Program:				
2013/2014	10.555	MDE	n/a	2,523
2014/2015	10.555	MDE	n/a	1,246
				<u>50,528</u>
Special Supplemental Food Program for Women, Infants and Children:				
2013/2014	10.557	MDCH	IW100342	556,442
2014/2015	10.557	MDCH	IW100342	178,717
WIC Breastfeeding				
2014/2015	10.557	MDCH	IW100342	6,448
				<u>741,607</u>
State Administrative Matching Grants				
Supplemental Nutrition Assistance Program				
2013/2014	10.561	MDCH	n/a	16,159
2014/2015	10.561	MDCH	n/a	4,196
				<u>20,355</u>
Total U.S. Department of Agriculture				<u>813,323</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant:				
CDBG Homeowner Assistance Program				
2013/2014	14.228	MSHDA	MSC-2010-1091-HOA	92,325
2014/2015	14.228	MSHDA	MSC-2010-1091-HOA	61,014
Total U.S. Department of Housing and Urban Development				<u>153,339</u>
U.S. Department of Justice				
Drug Court Discretionary Grant Program:				
2013/2014	16.585	Direct	2009-DC-BX-0095	39,946
2014/2015	16.585	Direct	2009-DC-BX-0095	135
				<u>40,081</u>

continued....

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Justice (continued)				
JAG Program:				
Byrne Memorial JAG FY14	16.738	Direct	2014-DJ-BX-0821	\$ 23,197
Total U.S. Department of Justice				<u>63,278</u>
U.S. Department of Transportation				
Formula Grants for Rural Areas:				
Small Bus Program - Section 5311	20.509	MDOT	2012-0046	195,279
Capital Bus Program - Section 5311	20.509	MDOT	2012-0046/P3	138,965
				<u>334,244</u>
Alcohol Enforcement:				
2013/2014	20.601	MSP	410	30,412
2014/2015	20.601	MSP	410	2,320
				<u>32,732</u>
Total U.S. Department of Transportation				<u>366,976</u>
U.S. Environmental Protection Agency				
Reimburse Operators of Small Water Systems for Training and Certification Costs -				
2014/2015	66.471	MDEQ	n/a	5,612
Great Lakes Program:				
State Drinking Water Revolving Loan Fund Program	66.468	MDEQ	n/a	198
Surface Water Monitoring Project	66.469	MDNR	2010-7216	3,774
Total U.S. Environmental Protection Agency				<u>9,584</u>
U.S. Department of Health and Human Services				
Bioterrorism:				
Emergency Preparedness:				
2013/2014- Oct 13 to June 14	93.069	MDCH	U90TP00528	66,174
2013/2014- July 14 to Sept 14	93.069	MDCH	U90TP00528	33,808
2014/2015- Oct 14 to June 15	93.069	MDCH	U90TP00528	37,063
				<u>137,045</u>
Tuberculosis Control Program and Aids				
TB Control:				
2014/2015	93.116	MDCH	U52 CCU500499	24
Family Planning Services:				
2013/2014	93.217	MDCH	GFPHPA050173 41	56,201
2014/2015	93.217	MDCH	GFPHPA050173 41	20,025
				<u>76,226</u>
Immunization Grants:				
Infant Immunization Action Plan:				
2013/2014	93.268	MDCH	H23 CCH522556	54,384
2014/2015	93.268	MDCH	H23 CCH522556	18,148
Value of Federal Vaccines Received	93.268	MDCH	n/a	120,767
				<u>193,299</u>
Positive Parenting Program	93.283	NACCHO	n/a	9,842

continued...

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)				
State Partnership Grant Program to Improve Minority Health				
Health Disparities Capacity Building Phase II -				
2013/2014	93.296	MDCH	1STTMP131098	\$ 3,759
2014/2015	93.296	MDCH	1STTMP131098	924
				<u>4,683</u>
Support for Expectant & Parenting Teens				
MI Adolescent Pregnancy & Parenting Program:				
2013/2014	93.500	MDCH	SP1AH000029 01	87,615
2014/2015	93.500	MDCH	SP1AH000029 01	37,834
				<u>125,449</u>
Affordable Care Act Maternal, Infant and Early				
Childhood Home Visiting Program -				
MIECHV Competitive Cexpansion Grant Seed Funding				
2013/2014	93.505	MDCH	D89MC26358	8,000
Nurse Family Partnership:				
2013/2014	93.505	MDCH	D89MC23151	187,785
2014/2015	93.505	MDCH	D89MC23151	60,900
				<u>256,685</u>
Title IV-D Child Support Enforcement:				
Incentive Payments:				
2013/2014	93.563	MDHS	n/a	190,872
2014/2015	93.563	MDHS	n/a	62,586
Friend of the Court:				
2013/2014	93.563	MDHS	CS/FOC-13-11001	1,200,082
2014/2015	93.563	MDHS	CS/FOC-13-11001	362,558
Prosecuting Attorney:				
2013/2014	93.563	MDHS	CSPA-13-11002	176,128
2014/2015	93.563	MDHS	CSPA-13-11002	65,947
				<u>2,058,173</u>
Prosecuting Attorney Title IV-E				
2014	93.658	MDHS	PROFC-11-11001	46,293
2014/2015	93.658	MDHS	PROFC-14-11001	53,750
				<u>100,043</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)				
Medical Assistance Program:				
Children's Special Health Care Services:				
Medicaid Outreach:				
2013/2014	93.778	MDCH	05U05M15ADM	\$ 33,604
2013/2014	93.778	MDCH	05U05M15ADM	25,384
2014/2015	93.778	MDCH	05U05M15ADM	11,201
Medicaid Outreach:				
2013/2014	93.778	MDCH	05U05M15ADM	14,873
2014/2015	93.778	MDCH	05U05M15ADM	7,378
Nurse Family Partnership Medicaid Outreach:				
2013/2014	93.778	MDCH	05U05M15ADM	75,114
2014/2015	93.778	MDCH	05U05M15ADM	20,622
Nurse Family Partnership:				
2013/2014	93.778	MDCH	05U05M15ADM	91,350
2014/2015	93.778	MDCH	05U05M15ADM	30,450
				<u>309,976</u>
Breast and Cervical Cancer	93.919	Direct	n/a	<u>3,457</u>
HIV Prevention Activities - Health Department Based - AIDS/HIV Prevention:				
2013/2014	93.940	MDCH	U62 PS003671	14,502
2014/2015	93.940	MDCH	U62 PS003671	4,659
				<u>19,161</u>
Preventive Health and Health Services Block Grant:				
Health Disparities Capacity Building Phase II:				
2013/2014	93.991	MDCH	2B01OT009028	4,441
2014/2015	93.991	MDCH	2B01OT009028	1,092
Building Healthy Communities -				
2014/2015	93.991	MDCH	2B01OT009028	4,375
Sexually Transmitted Disease (STD) -				
2014/2015	93.991	MDCH	2B01OT009028	14,823
				<u>24,731</u>
Maternal and Child Health Services Block Grant:				
Fetal Infant Mortality Review -				
2014/2015	93.994	MDCH	B1MMCHS	2,970
Childhood Lead Poisoning Education and Outreach:				
2013/2014	93.994	MDCH	B1MMCHS	15,563
2014/2015	93.994	MDCH	B1MMCHS	372
Family Planning Services:				
2013/2014	93.994	MDCH	B1MMCHS	160,544
2014/2015	93.994	MDCH	B1MMCHS	58,285
				<u>237,734</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (concluded)				
Block Grants for Prevention and Treatment of Substance Abuse -				
Drug Prevention:				
2013/2014	93.959	LCC	n/a	\$ 103,127
2014/2015	93.959	LCC	n/a	46,450
				<u>149,577</u>
Total U.S. Department of Health and Human Services				<u>3,706,105</u>
U.S. Department of Homeland Security				
Emergency Management Performance Grant	97.042	MSP	EMW-2013-EP-00026	<u>48,710</u>
Homeland Security Grant Program:				
Regional Homeland Security Grant				
2011	97.067	VC	n/a	31,732
2013	97.067	VC	n/a	7,164
Regional Homeland Security Grant	97.067	VC	2010-SS-T0-0009	2,400
				<u>41,296</u>
Total U.S. Department of Homeland Security				<u>90,006</u>
Total Expenditures of Federal Awards				<u>\$ 5,202,611</u>
				concluded.

See notes to schedule of expenditures of federal awards.

COUNTY OF BERRIEN, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the County of Berrien, Michigan (the “County”) under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the County’s financial statements. The County’s financial statements include the operations of the Berrien County Road Commission and the Berrien Mental Health Authority discretely presented component units, which each received federal awards that are not included in the schedule for the year ended December 31, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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
MDE	Michigan Department of Education
MDCH	Michigan Department of Community Health
MSHDA	Michigan State Housing Development Authority
MSP	Michigan State Police
MDHS	Michigan Department of Human Services
MDOT	Michigan Department of Transportation
MDEQ	Michigan Department of Environmental Quality
MDNR	Michigan Department of Natural Resources
LCC	Lakeshore Coordinating Council
VC	Van Buren County
NACCHO	National Association of County and City Health Officials



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*

June 25, 2014

Board of Commissioners of the
County of Berrien, Michigan
St. Joseph, 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 Berrien, Michigan* (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Berrien County Road Commission and the Berrien Mental Health Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 25, 2015

Board of Commissioners of the
County of Berrien, Michigan
St. Joseph, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of the *County of Berrien, Michigan* (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Berrien County Road Commission and the Berrien Mental Health Authority, which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2014. Our audit, described below, did not include the operations of the Berrien County Road Commission and the Berrien Mental Health Authority because other auditors were engaged to perform the audits.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 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 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 December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which 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 item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

The County's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rehmann Loborn LLC

COUNTY OF BERRIEN, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? X yes _____ none reported

Type of auditors' report issued on compliance for major programs: See opinion for each major program below

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? X yes _____ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion</u>
10.557	Special Supplemental Food Program for Women, Infants and Children (WIC)	Unmodified
20.509	Formula Grants for Rural Areas	Unmodified
93.563	Title IV-D Child Support Enforcement	Unmodified
93.778	Medicaid Cluster	Unmodified
93.505	Infant & Early Childhood Home Visiting Program	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

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

COUNTY OF BERRIEN, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2014-001 - Reporting - Quarterly Reports

Finding Type. Immaterial Noncompliance; Significant Deficiency in Internal Controls over Compliance.

Program. Formula Grants for Rural Areas; U.S. Department of Transportation; Passed through the Michigan Department of Transportation; CFDA Number 20.509; Award Number 2012-0046.

Criteria. Reports submitted should agree to the underlying general ledger detail and/or other supporting documentation.

Condition. The County was unable to provide a reconciliation of expenditures in the ledger to the amounts reported on the Quarterly Section 5311 reports.

Cause. The County does not currently perform a reconciliation of certain reports to the general ledger prior to requesting those funds for reimbursement.

Effect. Amounts reported by the County to grantor agencies may not have been accurate representation of actual costs incurred, and those costs may not have been incurred prior to the County requesting reimbursement.

Questioned Costs. None.

Recommendation. We recommend that the County prepare all financial reports based on information generated from the general ledger and maintain documentation of the supporting documentation used in preparing the reports. This documentation should be reviewed by an individual knowledgeable of grant requirements.

View of Responsible Officials. The County prepares quarterly submissions from general ledger reports reflecting transactional information for a specific quarter in combination with a report submitted by the Transit Authority. Transit Authority transactions are recorded the month after being incurred. Therefore, the submission of Transit Authority transactions for the last month of a quarter will be a part of the reimbursement request, however recorded in the following quarter in the general ledger. The County makes judgments on eligibility of expenditures noted above based on program requirements and therefore is “estimating” the applicable expenditures. Per an agreement between the State of Michigan Department of Transportation and Berrien County, Agreement 2012-0046, payments will be based on a percentage of estimated eligible costs. At the end of each federal fiscal year a reconciliation and audit occurs. If, as a result of this process, it is determined that ineligible costs were reimbursed or eligible costs were unreimbursed, MDOT will settle this discrepancy by either requesting repayment of ineligible reimbursed costs or forwarding payment on eligible unreimbursed costs. This is not different than the final settlement process that occurs with all federal funds. We support the recommendation to perform internal reconciliations of our ledger on a quarterly basis.



COUNTY OF BERRIEN, MICHIGAN

■ Summary Schedule of Prior Audit Findings For the Year Ended December 31, 2014

Finding 2013-SA-01 - Allowable Costs/Cost Principles - Allocation of Annual Leave and Retirement Payouts

The County charged more costs to one federal program for annual leave rather than equitably charging all programs in which the individual's time was spent for the WIC program. For the PHEP program, the County directly charged unallowable costs to the grant. The finding has been adequately resolved.



COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal and State Awards - Small Bus Program
 For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Pass-Through Entity	Pass-through Grantor Number	Expenditures
Federal				
U.S. Department of Transportation Small Bus Program - Section 5311	20.509	MDOT	2012-0046/P3	\$ 195,279
State				
Michigan Department of Transportation State Formula Operating Assistance	-n/a-	-n/a-	-n/a-	<u>462,283</u>
Total Expenditures of Federal and State Awards - Small Bus Program				<u><u>\$ 657,562</u></u>

COUNTY OF BERRIEN, MICHIGAN

Schedule of Expenditures of Federal and State Awards - Capital Bus Program

For the Year Ended December 31, 2014

Federal Agency / Cluster / Program Title	CFDA Number	Pass-Through Entity	Pass-through Grantor Number	Expenditures
Federal				
U.S. Department of Transportation Capital Bus Program - Section 5311	20.509	MDOT	2012-0046	\$ 138,965
State				
Michigan Department of Transportation Bus Purchase - 20%	-n/a-	-n/a-	-n/a-	<u>34,741</u>
Total Expenditures of Federal and State Awards - Capital Bus Program				<u><u>\$ 173,706</u></u>