

County of
Saginaw,
Michigan



Year Ended
September 30,
2023

Single Audit Act
Compliance

Rehmann

COUNTY OF SAGINAW, MICHIGAN

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

June 28, 2024

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 25, 2024, 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, 2023

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	\$ -	\$ 6,711
Cash assistance:					
National School Lunch Program:					
Children's Facility	10.555	MDE	730008002	-	68,181
				-	74,892
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):					
Women and Infant Care	10.557	MDHHS	20231378	-	796,928
Women and Infant Care - Breastfeeding	10.557	MDHHS	20232188	-	85,926
				-	882,854
SNAP Cluster:					
State Admin Match Grants for the SNAP	10.561	LEO	202020Q8750342	65,573	86,581
SAM-Grants-SNAP-50%FED/50%GF	10.561	LEO	202020Q252042	2,204	2,204
				67,777	88,785
Water & Waste Disposal System Systems for Rural Communities	10.760	USDA	N/A	-	126,000
Total U.S. Department of Agriculture				67,777	1,172,531
U.S. Department of Housing and Urban Development					
Community Development Block Grant	14.228	MEDC	MSC 220007-CV1	12,160	12,160
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	Direct	N/A	-	1,375
Edward Byrne Memorial Justice Assistance Grant (JAG) Program:					
Edward Byrne Memorial JAG Program	16.738	Direct	2020-DJ-BX-0489	-	7,700
Edward Byrne Memorial JAG Program	16.738	Direct	15PBJA-21-GG-01591-JAGX	-	5,080
Edward Byrne Memorial JAG Program	16.738	SCAO	23-28760	-	98,000
				-	110,780
Total U.S. Department of Justice				-	112,155
U.S. Department of Labor					
Employment Services Cluster:					
Employment Service	17.207	LEO	ES334001955A26	491,727	811,016
Clean Slate Pilot Program	17.207	LEO	ES334001955A26	88,531	94,332
				580,258	905,348
Unemployment Insurance Program					
UIA Admin. RESEA	17.225	LEO	UI328461960A26	179,338	218,776
Trade Adjustment Assistance:					
Trade Case Management	17.245	LEO	TA317061855A26	199,902	229,115
Workforce Innovation and Opportunity Act (WIOA) Cluster:					
Workforce Innovation and Opportunity Act - Adult					
Workforce Innovation and Opportunity Act - SWA Add'l Participant Training	17.258	LEO	AA321961855A26	1,015,523	1,283,035
Workforce Innovation and Opportunity Act - MiREACH Statewide Activities	17.258	LEO	AA347752055A26	54,439	59,432
Workforce Innovation and Opportunity Act - MiREACH Statewide Activities	17.258	LEO	AA385362255A26	1,779	6,731

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Labor (Continued)					
Workforce Innovation and Opportunity Act (WIOA) Cluster (Continued):					
Workforce Innovation and Opportunity Act - MiCOACH Statewide Activities	17.258	LEO	AA385362255A26	\$ 5,937	\$ 10,514
Workforce Innovation and Opportunity Act - SWA Career Ex Events	17.258	LEO	AA332361955A26	-	19,356
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.258	LEO	AA321961855A26	4,979	4,979
Workforce Innovation and Opportunity Act - Administration	17.258	LEO	AA321961855A26	-	106,969
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.258	LEO	AA321961855A26	-	10,932
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.258	LEO	AA332361955A26	61,614	77,138
Workforce Innovation and Opportunity Act - MiREACH Statewide Activities	17.258	LEO	AA385362255A26	1,934	7,317
Workforce Innovation and Opportunity Act - MiCOACH Statewide Activities	17.258	LEO	AA385362255A26	6,454	11,430
Workforce Innovation and Opportunity Act - SWA Career Ex Events	17.258	LEO	AA332361955A26	-	21,042
Workforce Innovation and Opportunity Act - MiREACH Statewide Activities	17.258	LEO	AA385362255A26	1,802	6,816
Workforce Innovation and Opportunity Act - MiCOACH Statewide Activities	17.258	LEO	AA385362255A26	6,012	10,648
				<u>1,160,473</u>	<u>1,636,339</u>
Workforce Innovation and Opportunity Act - Youth	17.259	LEO	AA321961855A26	811,935	1,046,944
Workforce Innovation and Opportunity Act - SWA Add'l Participant Training	17.259	LEO	AA347752055A26	59,181	64,609
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.259	LEO	AA321961855A26	5,412	5,412
Workforce Innovation and Opportunity Act - Administration	17.259	LEO	AA321961855A26	-	116,286
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.259	LEO	AA321961855A26	-	11,885
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.259	LEO	AA332361955A26	66,981	83,857
				<u>943,509</u>	<u>1,328,993</u>
Workforce Innovation and Opportunity Act - Dislocated Worker	17.278	LEO	AA332361955A26	825,112	1,115,490
Workforce Innovation and Opportunity Act - SWA Career Ex Events	17.278	LEO	AA332361955A26	-	19,602
Workforce Innovation and Opportunity Act - SWA Add'l Participant Training	17.278	LEO	AA347752055A26	55,131	60,187
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.278	LEO	AA332361955A26	5,042	5,042
Workforce Innovation and Opportunity Act - Administration	17.278	LEO	AA332361955A26	-	108,328
WIA RR CRM	17.278	LEO	AA332361955A26	-	6,610
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.278	LEO	AA332361955A26	-	11,071
Workforce Innovation and Opportunity Act - SWA Summer Young Professionals	17.278	LEO	AA332361955A26	62,398	78,118
				<u>947,683</u>	<u>1,404,448</u>
				<u>3,051,665</u>	<u>4,369,780</u>

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Labor (Concluded)					
Apprenticeship USA Grants	17.285	LEO	AO334931960A26	\$ -	\$ 56,500
Total U.S. Department of Labor				<u>4,011,163</u>	<u>5,779,519</u>
U.S. Department of Transportation					
Rural Transit Assistance Program (RTAP)	20.509	MPTA	N/A	-	4,901
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Disabilities Program	20.513	MPTA	MI-2022-041-00	-	8,918
Total U.S. Department of Transportation				<u>-</u>	<u>13,819</u>
U.S. Department of Treasury					
COVID-19 Coronavirus Relief Funds:					
Coronavirus State & Local Fiscal Recovery Funds - Virtual Backlog Response Docket Grant	21.027	SCAO	SCAO-2023-070	-	51,126
Coronavirus State & Local Fiscal Recovery Funds (ARPA)	21.027	Direct	N/A	-	2,234,886
Total U.S. Department of Treasury				<u>-</u>	<u>2,286,012</u>
U.S. Environmental Protection Agency					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds	66.468	EGLE	FS975487-20	-	350
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	-	15,974
Preventative Health ARP	93.043	MOAS	N/A	-	7,738
				<u>-</u>	<u>23,712</u>
Aging Cluster:					
Case Coordination and Support	93.044	MOAS	N/A	-	100,770
Case Coordination and Support - In-Home Support Services	93.044	MOAS	N/A	-	72,622
Outreach	93.044	MOAS	N/A	-	19,156
Transportation	93.044	MOAS	N/A	-	6,188
Senior Center Staffing - MO	93.044	MOAS	N/A	-	10,512
Senior Center Staffing	93.044	MOAS	N/A	-	19,400
Senior Center Operations	93.044	MOAS	N/A	-	13,000
Title IIIB ARP	93.044	MOAS	N/A	-	127,846
				<u>-</u>	<u>369,494</u>
Nutrition - Title III C-1 Congregate	93.045	MOAS	N/A	-	178,052
Nutrition - Title III C-2 HDM	93.045	MOAS	N/A	-	247,100
Congregate ARP	93.045	MOAS	N/A	-	86,502
HDM ARP	93.045	MOAS	N/A	-	118,973
				<u>-</u>	<u>630,627</u>
Nutrition Services Incentive Program Congregate	93.053	MOAS	N/A	-	40,874
Nutrition Services Incentive Program - HDM	93.053	MOAS	N/A	-	119,256
				<u>-</u>	<u>160,130</u>
				<u>-</u>	<u>1,160,251</u>
National Family Caregiver Support, Title III, Part E:					
Title IIIE Kinship Care	93.052	MOAS	N/A	-	5,231
National Family Caregiver Support Program	93.052	MOAS	N/A	-	50,173
Supplemental funds - Title III E	93.052	MOAS	N/A	-	15,883
Caregiver Support ARP	93.052	MOAS	N/A	-	23,312
				<u>-</u>	<u>94,599</u>

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

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)					
PHEP - Bioterrorism Three	93.069	MDHHS	20235323	\$ -	\$ 31,724
PHEP - Laboratory Services Bio	93.069	MDHHS	20231417	-	124
				-	31,848
Tuberculosis Control	93.116	MDHHS	20231246	-	1,081
Family Planning Services	93.217	MDHHS	20233092	-	147,854
Region V Public Health Training Center	93.249	RUM	18-3724056	10,000	10,000
Immunization Cooperation Agreements:					
Immunizations - IAP	93.268	MDHHS	20232521	-	86,317
Federally Funded Vaccines	93.268	MDHHS	N/A	-	182,500
CSHCS Vaccine Initiative	93.268	MDHHS	20231158	-	2,495
Immunization Fixed Fees	93.268	MDHHS	20232527	-	3,050
COVID-19 - COVID Immunizations	93.268	MDHHS	20233933	-	63,894
				-	338,256
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):					
COVID-19 - ELC COVID-19 Contact Tracing Testing Coord	93.323	MDHHS	20233935	-	191,768
COVID-19 - ELC Regional Lab	93.323	MDHHS	20233878	-	387,757
COVID-19 - Reopening Schools - HRA	93.323	MDHHS	20233694	-	1,067,113
				-	1,646,638
Public Health Crisis Response - Coronavirus:					
COVID-19 - PHEP - COVID-19 Workforce Development	93.354	MDHHS	20233934	-	63,758
SDOH Planning	93.391	MDHHS	20234861	-	4,160
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health: Reducing Overdose through Community Approaches Mentorship Program	93.421	NACCHO	2023-040306	-	99,600
MICOACH HRSA	93.516	LEO	1 T29HP46708-01-00	1,324	1,324
Temporary Assistance for Needy Families:					
TANF - JET Supportive Services Type E	93.558	LEO	2201MITANF	32,412	32,412
TANF - JET Type T	93.558	LEO	2201MITANF	1,885,175	3,683,691
				1,917,587	3,716,103
Child Support Enforcement:					
Learn, Earn and Provide LEAP Pilot	93.563	LEO	DHHS IAB	111,707	130,994
Title IV-D Maintenance Assistance (Federal Incentive) (FOC)	93.563	MDHHS	CSFOC-17-73001	-	266,229
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	MDHHS	CSFOC-17-73001	-	2,962,547
Title IV-D Cooperative Reimbursement Program (PA)	93.563	MDHHS	CSPA-17-73002	-	536,895
				111,707	3,896,665
Federal Access and Visitation	93.597	SCAO	SCAO-2023-021	-	4,500
Foster Care Title IV-E:					
Child and Parent Legal Representation (CPLR) - 2022	93.658	MDHHS	E20223976	-	110,000

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2023

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)					
Medicaid Cluster:					
CSHCS Care Coordination	93.778	MDHHS	20231161	\$ -	\$ 1,339
CSHCS Medicaid Outreach	93.778	MDHHS	20231160	-	12,561
CSHCS Outreach & Advocacy	93.778	MDHHS	20231159	-	58,365
CSHCS Elevated Blood Level	93.778	MDHHS	20231359	-	1,309
POS Waiver	93.778	MOAS	N/A	-	57,594
				<u>-</u>	<u>131,168</u>
Opioid STR:					
Harm Reduction Capacity Expansion	93.788	MDHHS	20234746	-	23,193
Harm Reduction Support Services	93.788	MDHHS	20231261	-	45,000
				<u>-</u>	<u>68,193</u>
ACA - Maternal, Infant and Early Childhood Home Visiting Grant					
COVID-19 - American Rescue Plan	93.870	MDHHS	20233877	-	22,646
NFP (Nurse Family Partnership)	93.870	MDHHS	20231620	-	272,250
				<u>-</u>	<u>294,896</u>
National Bioterrorism Hospital Preparedness Program:					
PHEP - Bioterrorism Nine	93.889	MDHHS	20231225	-	109,394
Laboratory Services Bio	93.889	MDHHS	20231417	-	376
				<u>-</u>	<u>109,770</u>
HIV Prevention Activities Health Department Based:					
HIV Prevention	93.940	MDHHS	20232862	-	749
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs:					
Regional Perinatal Collaborative	93.946	SCCMHA	E20234322-00	-	29,184
Block Grant for Prevention and Treatment of Substance Abuse:					
Regional Perinatal Collaborative	93.959	SCCMHA	E20234322-00	-	10,466
Maternal and Child Health Services Block Grant:					
Family Planning Services	93.994	MDHHS	20233092	-	50,688
MCH - All Other	93.994	MDHHS	20231154	-	39,423
Enabling Services Children-MCH	93.994	MDHHS	20231153	-	157,859
CSHCS Care Coordination	93.994	MDHHS	20231161	-	3,245
				<u>-</u>	<u>251,215</u>
Total U.S. Department of Health and Human Services				<u>2,040,618</u>	<u>12,245,990</u>
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster:					
Foster Grandparent Program	94.011	Direct	13SFNMI006	-	381,732
U.S. Department of Homeland Security					
Marine Safety Program					
	97.012	MDNR	MS23-071	-	6,500
Emergency Food and Shelter:					
National Board Program	97.024	UWSC	481400-005	-	1,810
COVID-19 - Emergency Management Performance Grant					
COVID-19 - Emergency Management Performance Grant - American Rescue Plan Act	97.042	MSP	EMC-2023-EP-00005	-	32,352
	97.042	MSP	EMC-2021-EP-00006	-	13,562
				<u>-</u>	<u>45,914</u>

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Homeland Security (Concluded)					
3rd District Regional Homeland Security Grant	97.067	MIDLAND	EMW-2019-SS-00021	\$ -	\$ 4,129
3rd District Regional Homeland Security Grant	97.067	MIDLAND	EMW-2020-SS-00044-S01	-	12,593
3rd District Regional Homeland Security Grant	97.067	MIDLAND	EMW-2021-SS-00011-S01	-	1,863
				<u>-</u>	<u>18,585</u>
Total U.S. Department of Homeland Security				<u>-</u>	<u>72,809</u>
Total Expenditures of Federal Awards				<u>\$ 6,131,718</u>	<u>\$ 22,077,077</u>

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, 2023. 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
LEO	Labor and Economic Opportunity
MIDLAND	Midland County, Michigan
MDE	Michigan Department of Education
MEDC	Michigan Economic Development Corporation
EGLE	Michigan Department of Environment, Great Lakes & Energy
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
NACCHO	National Association of County and City Health Officials

COUNTY OF SAGINAW, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

Pass-through Agency Abbreviation	Pass-through Agency Name
RUM	Regents of U of M
SCAO	State Court Administrative Office
SCCMHA	Saginaw County Community Mental Health Authority
USDA	United States Department of Agriculture
UWSC	United Way of Saginaw County



**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 25, 2024

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, 2023, 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 25, 2024. 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.

Report on 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. However, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on 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, Michigan's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and 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 28, 2024

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the **County of Saginaw, Michigan** (the "County") with the types of compliance requirements identified as subject to audit 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, 2023. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Independent Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.



Other Matter - Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Saginaw County Road Commission, which expended \$766,863 in federal awards which is not included in the schedule of expenditures of federal awards for the year ended September 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Saginaw County Road Commission because it engaged other auditors to perform an audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Independent Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Independent Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

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?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> X </u> no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion</u>
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Unmodified
93.044, 93.045, 93.053	Aging Cluster	Unmodified
93.558	Temporary Assistance for Needy Families	Unmodified

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, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

2023-001 - Cash and Investment Reconciliations (repeat)

Finding Type: Significant Deficiency in Internal Control over Financial Reporting

Criteria. The State of Michigan requires that 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 ensure the interest allocation and fair market value adjustments are posted timely but no later than the start of the audit.

Condition. During the audit, there were bank reconciliations not prepared timely and differences in the pooled cash and investments reconciliation.

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.

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, which 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 policy and ensure to identify and correct any variances in the cash and investment accounts prior to the start of the audit.

View of Responsible Officials. The Treasurer's office will review the written policy for complying with the State of Michigan and communicate with all staff associated with Bank Reconciliations. The Saginaw County Treasurer's Office will create an interdepartmental agreement with departments that are reconciling their separate bank accounts, with consequences if bank reconciliations are not forwarded to the Treasurer's office by six weeks of month end.

The Saginaw County Treasurer's office will add an additional step in reconciling general ledger cash and investments, which could possibility include securing outside services.

The 70th District Court continues to work with their Court Case management Vendor on issues with the financials. They continue to identify issues as they work through the many problems with the system. Once the issues are corrected by the Vendor, District Court will be able to reconcile their accounts on a timelier basis.

The 70th District Court has worked with the Treasurer's office to adjust the procedures used in their reconciliation process and have put those in place. It will be communicated to staff the importance of timely work with bank reconciliations.

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Commission on Aging: With the change in staff and the new computer systems, there has been issues that have arisen that have now been identified and will be corrected. The problems with the bank reconciliation will be resolved by the end of April 2024.

The Health Department has a separate Chase bank account for cash and check deposits that are transmitted to the Treasurer's Office account while credit and ACH transactions are directly deposited to the Treasurer's Office accounts. Previously the health department was responsible for the Chase bank reconciliation for annual audits. In FY23, the Treasurer's Office updated the format and process to include not only the Chase account but one that included all cash accounts set up in Tyler Munis. Trial balance reporting access needed for this new format and account caused delays in reporting. Now that access and proper reporting elements have been identified by the Treasurer's office, the health department will ensure future reconciliations will occur as required.

COUNTY OF SAGINAW, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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COUNTY OF SAGINAW, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2023

2022-001 - Cash and Investment Reconciliation (Repeat)

The audit identified that the Treasurer's department was not performing bank and investment reconciliations for all accounts held by the County on a timely basis. In addition, the Treasurer's department did not perform the interest and fair market value allocation function. This matter was repeated as finding 2023-001.





County of Saginaw

111 South Michigan Avenue
Saginaw, MI 48602

Mary Catherine Hannah
County Administrator

March 25, 2024

RE: Corrective Action Plan for Saginaw County 2023 Financial Statement

To Whom it May Concern:

As identified in our FY 2023 Financial Statement Audit, the County had one finding identified which require a Corrective Action Plan.

The finding and respective Corrective Action Plan id outlined as follows:

2023-001 – Cash and Investment Reconciliations (repeat)

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. The State of Michigan requires that 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 ensure the interest allocation and fair market value adjustments are posted timely but no later than the start of the audit.

Condition. During the audit, there were bank reconciliations not prepared timely and differences in the pooled cash and investments reconciliation.

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.

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, which 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 ensure to identify and correct any variances in the cash and investments accounts prior to the start of the audit.

Corrective Action Plan and View of Responsible Officials. The **Treasurer's office** will review the written policy for complying with the State of Michigan and communicate with all staff associated with Bank Reconciliations. The Saginaw County Treasurer's Office will create an interdepartmental agreement with departments that are reconciling their separate bank accounts, with consequences if bank reconciliations are not forwarded to the Treasurer's office by six weeks of month end.

The Saginaw County Treasurer's office will add an additional step in reconciling general ledger cash and investments, which could possibility include securing outside services.

The **70th District Court** continues to work with their Court Case Management Vendor on issues with the financials. They continue to identify issues as they work through the many problems with the system. Once the issues are corrected by the Vendor, District Court will be able to reconcile their accounts on a timelier basis.

The 70th District Court has worked with the Treasurer's office to adjust the procedures used in their reconciliation process and have put those in place. It will be communicated to staff the importance of timely work with bank reconciliations.

Commission on Aging: With the change in staff and the new computer systems, there has been issues that have arisen that have now been identified and will be corrected. The problems with the bank reconciliation will be resolved by the end of April 2024.

The **Health Department** has a separate Chase bank account for cash and check deposits that are transmitted to the Treasurer's Office account while credit and ACH transactions are directly deposited to the Treasurer's Office accounts. Previously the health department was responsible for the Chase bank reconciliation for annual audits. In FY23, the Treasurer's Office updated the format and process to include not only the Chase account but one that included all cash accounts set up in Tyler Munis. Trial balance reporting access needed for this new format and account caused delays in reporting. Now that access and proper reporting elements have been identified by the Treasurer's office, the health department will ensure future reconciliations will occur as required.

Responsible Person. Tim Novak, County Treasurer, in conjunction with his staff and other departments that perform bank reconciliations.

Anticipated Completion Date.

- April 30, 2024 for Commission on Aging corrective matters
- September 30, 2024 for all other corrective matters

Respectfully submitted,

Koren A. Thurston

Koren A. Thurston, CPA
Finance Director
(989) 790-5218