MACOMB COUNTY, MICHIGAN

SINGLE AUDIT

For the Year Ended December 31, 2007

REHMANN ROBSON

Certified Public Accountants

MACOMB COUNTY, MICHIGAN
SINGLE AUDIT

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MACOMB COUNTY,MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Program Period From	Program Period To	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Area Agency on Aging 1-B:				
Home Delivered Meals - USDA	10.558	10/01/06	09/30/07	$ 245,369
Congregate Nutrition Program	10.558	10/01/06	09/30/07	83,193
Passed through Michigan Department of Community Health:				
WIC - Special Supplemental Nutrition for Infants and Children	10.557	10/01/06	09/30/07	1,122,309
WIC - Infastructure	10.557	10/01/06	09/30/07	3,000
Passed through Michigan Department of Education:				
USDA Commodities - Food Donations	10.550	10/01/06	09/30/07	19,821
National School Breakfast	10.553	10/01/06	09/30/07	51,442
National School Lunch	10.555	10/01/06	09/30/07	79,872
Head Start - Children Meals Program	10.558	09/01/06	08/31/07	296,591
TEFLAP Surplus Food Assistance - Administration	10.568	10/01/06	09/30/07	47,648
TEFLAP Surplus Food Assistance - Commodities	10.569	10/01/06	09/30/07	118,279
Passed though Michigan Department of Labor and Economic Growth:				
Food Assistance and Employment Training - Operations	10.561	10/01/06	09/30/07	116,284
Food Assistance and Employment Training - Support Services	10.561	10/01/06	09/30/07	5,637
Passed though Kansas State University:				
Operation Military Kids	10.500	10/01/06	09/30/07	18,380
Total U.S. Department of Agriculture				2,207,825
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grant (B-04-Uc-26-0005)	14.218	01/01/07	12/31/07	233,017
Community Development Block Grant (B-05-Uc-26-0005)	14.218	01/01/07	12/31/07	1,893,902
Community Development Block Grant (B-06-Uc-26-0005)	14.218	01/01/07	12/31/07	1,315,138
HUD Homeless	14.235	10/01/06	09/30/07	20,877
Home Investment Partnership # M-04-Uc-26-0209	14.239	01/01/07	12/31/07	142,771
Home Investment Partnership # M-05-Uc-26-0209	14.239	01/01/07	12/31/07	554,318
Home Investment Partnership # M-06-Dc-26-0209	14.239	01/01/07	12/31/07	301,680
Home Investment Partnership # M-07-Dc-26-0209	14.239	01/01/07	12/31/07	83,902
Passed through Other than State of Michigan:				
Warren Housing	14.218	10/01/06	09/30/07	12,725
CSA Chore Services - Cities	14.219	10/01/06	09/30/07	107,483
Total U.S. Department of Housing and Urban Development				4,665,813

MACOMB COUNTY,MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Program Period From	Program Period To	Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct Program:				
Community Orientated Policing Technology Program	16.526	01/01/07	12/31/07	$ 148,084
Passed through Michigan Department of Human Services:				
Juvenile Accountability Incentive Block Grant	16.523	04/01/06	03/31/07	40,896
Passed through Michigan Department of Community Health:				
Domestic Violence Victim Advocate	16.575	10/01/06	09/30/07	123,946
Anti-Drug Abuse	16.738	10/01/06	09/30/07	113,452
Street Level Enforcement Team	16.738	10/01/06	09/30/07	198,548
Juvenile Drug Court - Byrne Formula Grant	16.738	10/01/06	09/30/07	26,666
Passed through Michigan State Court Administrative Office:				
Adult Drug Court - Byrne Formula Grant	16.738	10/01/06	09/30/07	180,000
Passed through Michigan Department of Human Services:				
Disproportionate Minority Contract	16.540	10/01/06	09/30/07	79,560
Total U.S. Department of Justice				911,152
U.S. DEPARTMENT OF LABOR				
Passed through Michigan Department of Labor and Economic Growth:				
Wagner - Peyser - 7A - Employment Services	17.207	01/01/07	12/31/07	1,770,428
Workfirst - Reed	17.225	10/01/06	09/30/07	122,909
Trade Adjustment Assistance - Job Search/Relocation	17.245	10/01/06	09/30/07	16,782
Trade Adjustment Assistance	17.245	10/01/06	09/30/07	1,621,872
Workforce Investment Act - Adult	17.258	01/01/07	12/31/07	4,966,356
WIA Statewide - One Stop Operation	17.258	01/01/07	12/31/07	107,380
WIA Statewide - Incentive	17.258	01/01/07	12/31/07	21,817
WIA Statewide - Capacity Building	17.258	01/01/07	12/31/07	6,163
WIA - Local Administration	17.258	01/01/07	12/31/07	217,978
WIA Statewide - Work First Replacement	17.258	01/01/07	12/31/07	44,542
Career Transition Program	17.258	01/01/07	12/31/07	141
Workforce Investment Act - Youth	17.259	01/01/07	12/31/07	3,328,161
WIA Statewide - One Stop Operation	17.259	01/01/07	12/31/07	116,621
WIA Statewide - Incentive	17.259	01/01/07	12/31/07	23,695
WIA Statewide - Capacity Building	17.259	01/01/07	12/31/07	6,694
WIA - Local Administration	17.259	01/01/07	12/31/07	236,737
WIA Statewide - Work First Replacement	17.259	01/01/07	12/31/07	48,375
Career Transition Program	17.259	01/01/07	12/31/07	153
Workforce Investment Act - Dislocated Workers	17.260	01/01/07	12/31/07	5,189,831
WIA Statewide - One Stop Operation	17.260	01/01/07	12/31/07	194,145
WIA - Incumbent Worker	17.260	01/01/07	12/31/07	234,086
WIA Statewide - Incentive	17.260	01/01/07	12/31/07	39,446
WIA Statewide - Capacity Building	17.260	01/01/07	12/31/07	11,143

Continued

MACOMB COUNTY,MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Program Period From	Program Period To	Expenditures
U.S. DEPARTMENT OF LABOR (concluded)				
WIA - Local Administration	17.260	01/01/07	12/31/07	$ 394,109
WIA Statewide - Work First Replacement	17.260	01/01/07	12/31/07	80,532
WIA Dislocated Worker-Scholarship	17.260	01/01/07	12/31/07	202,310
WIA - National Emergency Grant	17.260	01/01/07	12/31/07	104,727
Career Transition Program	17.260	01/01/07	12/31/07	255
WIA - Disability Navigator	17.266	01/01/07	12/31/07	59,009
Passed through Michigan Office of Services to the Aging:				
Senior Comm Service Employment Program	17.235	01/01/07	12/31/07	611,159
Total U.S. Department of Labor				19,777,556
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Michigan Department of Transportation:				
Highway improvement	20.205	10/01/06	09/30/07	498,637
Passed through Michigan Office of Highway Safety Planning - State and Community Highway Safety:				
Drive Michigan Safety Task Force	20.600	10/01/06	09/30/07	170,535
Youth Alcohol Enforcement	20.601	10/01/06	09/30/07	21,190
Total U.S. Department of Transportation				690,362
U.S. SMALL BUSINESS ADMINISTRATION				
Direct Program:				
Small Business Tech & Develop Center	59.037	01/01/07	12/31/07	165,000
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct program:				
Drinking Water Protection	66.469	10/01/06	09/30/07	322,877
Passed through Michigan Department of Environmental Quality:				
Beach Monitoring and Notification	66.427	10/01/06	09/30/07	5,290
Noncommunity Water - Operator Certification	66.471	10/01/06	09/30/07	6,000
Passed through Michigan Department of Agriculture:				
Clean Sweep Pesticide Collection Program	66.801	10/01/06	09/30/07	10,582
Total U.S. Environmental Protection Agency				344,749
U. S. DEPARTMENT OF ENERGY				
Passed through Michigan Department of Human Services:				
Weatherization	81.042	04/01/06	03/31/07	671,632
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Direct Program:				
Head Start	93.600	09/01/06	08/31/07	5,372,766

Continued

MACOMB COUNTY,MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Program Period From	Program Period To	Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (continued)				
Passed through Area Agency on Aging 1-B:				
Senior Citizen Chore Services	93.044	10/01/06	09/30/07	$ 88,363
Title III Outreach/Resource Advocacy	93.044	10/01/06	09/30/07	69,438
Legal Assistance	93.044	10/01/06	09/30/07	39,835
Home Injury Control	93.044	10/01/06	09/30/07	23,577
Congregate Nutrition Programs	93.045	10/01/06	09/30/07	496,763
Home Delivered Meals	93.045	10/01/06	09/30/07	670,280
Passed through Michigan Department of Community Health:				
Tuberculosis Control Program - Directly Observed Therapy	93.116	10/01/06	09/30/07	22,470
Miturn Homeless Project	93.150	10/01/06	09/30/07	67,200
Macomb Homeless Project - (PATH)	93.150	10/01/06	09/30/07	24,753
Family Planning - General Services	93.217	10/01/06	09/30/07	156,550
Imunization Grants	93.268	10/01/06	09/30/07	3,753,367
Immunizations - IAP	93.268	10/01/06	09/30/07	331,679
Immunizations - AFIX	93.268	10/01/06	09/30/07	2,200
VFC - Provider Site Visits	93.268	10/01/06	09/30/07	10,800
Immunization - Nurse Training	93.268	10/01/06	09/30/07	5,250
Bioterrorism - Focus A	93.283	10/01/06	09/30/07	375,669
Bioterrorism - EWIDS	93.283	10/01/06	09/30/07	1,999
Bioterrorism - Pandemic Flu Supplemental	93.283	10/01/06	09/30/07	242,719
Cities Readiness Initiative	93.283	10/01/06	09/30/07	178,108
Child Care Consultation Grant	93.575	10/01/06	09/30/07	70,355
Mi Child	93.767	10/01/06	09/30/07	76,947
Adult Benefits Waiver	93.767	10/01/06	09/30/07	110,918
Mi Child - Substance Abuse	93.767	10/01/06	09/30/07	7,558
CSHCS Outreach Advocacy	93.778	10/01/06	09/30/07	76,254
CSHCS Care Coordination	93.778	10/01/06	09/30/07	9,008
Infant Mortality Coalition Support	93.778	10/01/06	09/30/07	58,440
Medicaid Outreach Activities Reimbursement	93.778	10/01/06	09/30/07	53,543
Cost Based Reimburs (Title Xix Medicaid)-Other	93.778	10/01/06	09/30/07	239,620
OBRA Assessment	93.778	10/01/06	09/30/07	348,618
Fetal Infant Mortality Review	93.926	10/01/06	09/30/07	4,050
AIDS / HIV Prevention	93.940	10/01/06	09/30/07	163,578
Juvenile Justice Diversion	93.958	10/01/06	09/30/07	50,000
Hispanic Outreach Program	93.958	10/01/06	09/30/07	1,494
Integrated Dual Disorders Treatment	93.958	10/01/06	09/30/07	32,634
Training Pgrm For Housing Specialists For Adult W/ SMI	93.958	10/01/06	09/30/07	61,060
Outreach Team For Chronically Homeless Adults W/ SMI	93.958	10/01/06	09/30/07	5,149
Consumer Drop-In Center Enhancements	93.958	10/01/06	09/30/07	4,000
Alcohol/Drug Abuse Mental Health Block Grant	93.959	10/01/06	09/30/07	2,804,423
Sexually Transmitted Disease - Std Control	93.991	10/01/06	09/30/07	16,066

Continued

MACOMB COUNTY,MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Program Period From	Program Period To	Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES (concluded)				
SIDS Autopsies	93.994	10/01/06	09/30/07	$ 1,600
CSHCS Outreach & Advocacy Reg Alloc.	93.994	10/01/06	09/30/07	58,620
Maternal & Child Hlth Serv Block Grant STS	93.994	10/01/06	09/30/07	31,633
SIDS Counseling	93.994	10/01/06	09/30/07	935
Local Mch Program - Family Planning	93.994	10/01/06	09/30/07	194,576
Passed through Michigan Department of Human Services:				
Temporary Assistance for Needy Families (TANF)	93.558	10/01/06	09/30/07	104,280
Cooperative Reimbursement Program - Incentive	93.563	10/01/06	09/30/07	1,236,851
Prosecuting Attorney - Child Support Enforcement	93.563	10/01/06	09/30/07	731,757
Freind of the Court - IV D Program	93.563	10/01/06	09/30/07	5,971,969
LIHEAP	93.568	04/01/06	03/31/07	123,000
CAA Administration	93.569	10/01/06	09/30/07	139,783
General Community Programming	93.569	10/01/06	09/30/07	648,133
CSBG - Dicretionary EITC	93.569	01/01/07	06/30/07	10,000
CSBG - Dicretionary Grant	93.570	08/01/06	09/30/07	6,850
Community Coordinated Child Care	93.575	10/01/06	09/30/07	373,354
Child Care Development Block Grant	93.575	10/01/06	09/30/07	68,320
Youth Mentor	93.667	10/01/06	09/30/07	20,333
Passed through Michigan Department of Labor and Economic Growth:				
Workfirst TANF "C" Supportive Services	93.558	10/01/06	09/30/07	3,610,371
Workfirst TANF "C" Supportive Services	93.558	10/01/06	08/31/07	24,953
Passed through Michigan Court Administrative Office:				
Access and Visitation Grant	93.563	10/01/06	09/30/07	14,140
Total U.S. Department of Health And Human Services				29,498,959
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				
Passed through Michigan Community Service Commission:				
Teen Peer Mentoring	94.006	10/01/06	09/30/07	14,337
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
Emergency Food and Shelter Program	97.024	12/01/06	12/31/07	187,102
Passed through Michigan Department of State Police:				
Emergency Management Performance Grant	97.042	10/01/06	09/30/07	32,169
2005 Michigan Citizen Corps Program	97.067	06/01/07	03/31/08	15,204
2006 Michigan Citizen Corps Program	97.067	06/01/07	06/01/08	12,920
2006 Homeland Security Grant	97.067	07/01/06	09/30/08	909,762
State Homeland Security 05/07	97.067	01/01/07	12/31/07	1,198,525
LETPP 05/07	97.067	01/01/07	12/31/07	142,850
Total U.S. Department of Homeland Security				2,498,532
TOTAL FEDERAL AWARDS				$ 61,445,917

MACOMB 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 Macomb 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, Macomb County, Michigan provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Food Assistance & Employment Training	10.561	$ 100,177
Community Development Block Grant	14.218	2,934,349
Street Level Enforcement Team	16.738	83,877
Wagner Peyser 7(a) Employment Services	17.207	1,130,121
Work First - Reed Act	17.225	105,097
Trade Adjustment Assistance	17.245	210,214
Workforce Investment Act - Adult	17.258	1,159,097
Workforce Investment Act - Youth	17.259	2,480,848
Workforce Investment Act - Dislocated Workers	17.260	1,738,386
Drive Michigan Safely Task Force	20.600	145,045
Youth Alcohol Enforcement	20.601	11,163
Temporary Assistance for Needy Families	93.558	1,152,936

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REHMANN ROBSON
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A member of THE REHMANN GROUP
An Independent Member of Baker Tilly International

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 30, 2008

To the Board of Commissioners
of Macomb County
Mount Clemens, 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 ***Macomb County, Michigan*** (the "*County*"), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2008. We did not audit the financial statements of the Macomb County Road Commission, which represents 70.3% of the assets and 49.3% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinions, insofar as they relate to the amounts included for the Macomb County Road Commission, are based solely on the reports of the 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 Macomb County Road Commission were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance or other matters.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ***Macomb 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 *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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 identified above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***Macomb 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 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 Macomb County in a separate letter dated June 30, 2008.

This report is intended solely for the information and use of the budget 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.

Rehmann Lohan

REHMANN ROBSON
Certified Public Accountants
A member of THE REHMANN GROUP
An Independent Member of Baker Tilly International

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

July 30, 2008
(Except for the section titled "schedule of expenditures of federal awards" which is dated June 30, 2008)

To the Board of Commissioners
of Macomb County
Mount Clemens, Michigan

Compliance

We have audited the compliance of ***Macomb 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, 2007. 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.

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, 2007.

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 entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Schedule of Expenditures of Federal Awards

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, 2007, and have issued our report thereon dated June 30, 2008. 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.

We did not audit the financial statements of the Macomb County Road Commission, which represents 70.3% of the assets and 49.3% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Macomb County Road Commission, is based solely on the report of the other auditors.

This report is intended solely for the information and use of the budget 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.

Rehmann Lohan

MACOMB COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2007

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?	_____ 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 deficiencies identified not considered to be material weaknesses?	_____ yes	__X__ 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)?	_____ yes	__X__ no	

MACOMB COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended December 31, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS (CONCLUDED)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.258	Workforce Investment Act - Adult
17.259	Workforce Investment Act - Youth
17.260	Workforce Investment Act - Dislocated

Dollar threshold used to distinguish between Type A and Type B programs: $1,843,378

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – PRIOR YEAR FEDERAL AWARD AND FINANCIAL STATEMENT FINDINGS

No matters were reported.

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