

FINANCIAL AUDIT  
INCLUDING THE PROVISIONS OF THE SINGLE AUDIT ACT  
OF THE

DEPARTMENT OF COMMUNITY HEALTH

October 1, 1995 through September 30, 1997

## EXECUTIVE DIGEST

# DEPARTMENT OF COMMUNITY HEALTH

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### INTRODUCTION

This report contains the results of our financial audit\*, including the provisions of the Single Audit Act, of the Department of Community Health (DCH) for the period October 1, 1995 through September 30, 1997.

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### AUDIT PURPOSE

This financial audit of DCH was conducted as part of the constitutional responsibility of the Office of the Auditor General and is required on a biennial basis by Act 251, P.A. 1986, to satisfy the requirements of the Single Audit Act of 1984 and federal Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*.

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### BACKGROUND

The Department of Mental Health (DMH) was created by the Executive Organization Act of 1965. Effective April 1, 1996, DMH was renamed the Department of Community Health. DCH's mission\* is to provide for the general supervision of the health and physical well-being of Michigan citizens.

During our audit period, the Governor issued several executive orders that resulted in significant changes to DCH's organizational structure. The Biologic Products Division was transferred from the Department of Public

\* See glossary on page 91 for definition.

Health (DPH) to the Michigan Biologic Products Institute. Effective April 1, 1996, the Medical Services Administration under the Family Independence Agency (FIA) and DPH were transferred to DCH. DPH included health programs in the areas of substance abuse services, infectious disease control, environmental quality, health statistics, health facilities, maternal and child health, and environmental and occupational health.

The licensing, monitoring, and accreditation programs, including the Bureau of Health Systems; the Bureau of Environmental and Occupational Health; the Sheltered Environment Program; and food service and processing regulation were transferred from DCH to other State departments. Also, the Office of Drug Control Policy, Office of Services to the Aging, and Crime Victims Services Commission were transferred from the Department of Management and Budget (DMB) to DCH, and the Adult Home Help Services programs and the Physical Disability Services programs were transferred from FIA to DCH. Further, the authority for several advisory councils, boards, and commissions and a center was transferred to the DCH director, and a 15-member Community Health Advisory Council, appointed by the Governor, was created.

The Budget and Finance Administration is responsible for budget, accounting, and financial reporting, including reimbursement to 49 local health departments.

As of September 30, 1997, DCH had 5,949 full-time equated employees, including a total of 4,722 employees working in mental health facilities. DCH had 896 adults and 93 children in State psychiatric hospitals, 297 residents in centers for developmental disabilities, and

1,072 patients at specialized facilities for a combined total of 2,358 patients and residents as of September 30, 1997.

DCH financial transactions were accounted for principally in the General Fund. DCH expenditures for the fiscal years ended September 30, 1997 and September 30, 1996 were \$6.98 billion and \$2.49 billion, respectively.

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**AUDIT OBJECTIVES  
AND CONCLUSIONS**

**Audit Objective:** To assess the adequacy of DCH's internal control structure\*, including applicable administrative controls related to the management of federal financial assistance programs.

**Conclusion:** Our assessment of DCH's internal control structure disclosed 6 material weaknesses\* , 4 related to DCH's General Fund activity and 2 related to Hospital Patients' Trust Fund activity:

- DCH's internal control structure related to the Community Mental Health Services (CMHS) Program was inadequate. The internal control structure did not ensure the correct coding of the CMHS appropriations financed with local revenue as general purpose appropriations or the recording of all accounts payable for the CMHS Program. (Finding 1)

DCH agreed with the corresponding recommendation but not necessarily with the finding that an adequate internal control structure would have prevented the error identified in item a. of the finding from occurring. DCH acknowledged that the control structure in place failed to detect the error. However, the fact remains

\* See glossary on page 91 for definition.

that, since fiscal year 1994-95, DCH was specifically instructed by DMB to code the CMHS appropriations as general purpose and not as financed by local revenue. General purpose appropriations were overstated because of these specific instructions. However, to prevent a similar overstatement of general purpose appropriations from reoccurring in fiscal years 1997-98 and 1998-99, DCH has implemented procedures to ensure that CMHS appropriations will be correctly coded as financed by local revenue. DCH also agreed with item b. of the finding that not all of the accounts payable for the CMHS Program were recorded in the accounting records. Through its own internal procedures, DCH discovered the error in November 1998 and immediately initiated steps to correct the problem.

- DCH's internal control procedures were not effectively used to ensure accurate preparation of the schedule of federal financial assistance (SFFA) (Finding 2).

DCH agreed with the finding and corresponding recommendation and informed us that it has updated or corrected its procedures to ensure the accurate preparation of the SFFA. The error on the original report pertained only to the Medicaid Program for fiscal year 1996-97, which was the first year that the SFFA was prepared for all of DCH.

- DCH did not maintain effective internal control procedures over the time and attendance process (Finding 3).

DCH agreed with the corresponding recommendation and informed us that it has taken steps to strengthen the internal control procedures over the time and

attendance process where administratively feasible. DCH also informed us that it has implemented control procedures over the preparation of time and attendance source documents.

- DCH's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to federal programs (Finding 4).

DCH agreed with the finding and corresponding recommendation and informed us that it has established a central unit within the Grants Management Section to oversee compliance with OMB Circular A-87. DCH also informed us that it has entered into a contract with DMG-Maximus to develop written procedures and instructions for DCH time reporting practices.

- DCH did not reconcile the balances recorded in the Patient Accounting System with the Michigan Administrative Information Network (MAIN) from October 1, 1995 through March 31, 1998 (as reported in Finding 1 in our concurrent performance and financial related audit of the Hospital Patients' Trust Fund (HPTF)).

DCH agreed with the finding and corresponding recommendation. DCH revised the coding structure within MAIN to split HPTF into subfunds corresponding to each facility. Also, DCH formally implemented policies and procedures to aid the hospitals and centers in properly accounting for patient funds. Monthly reconciliations for all hospitals and centers have been completed from April through

August 1998 and will continue to be performed on a monthly basis.

- DCH did not ensure that the HPTF fund balance, revenues, expenditures, and operating transfers were correctly accounted for on MAIN. Consequently, the HPTF balance sheet as of September 30, 1996 and the statement of revenues, expenditures, and changes in fund balance for the fiscal years ended September 30, 1997 and September 30, 1996 were materially misstated (as reported in Finding 3 in our concurrent performance and financial related audit of HPTF).

DCH agreed with the finding and corresponding recommendation. DCH distributed written policies and procedures covering daily transactions processing to all of the hospitals and centers and will visit the facility noted specifically in the audit to verify and monitor compliance with these procedures.

In addition, our assessment indicated that DCH was not in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws* pertaining to its internal audit functions. DCH's internal auditor did not perform financial audits to identify weaknesses in DCH's internal control structure or develop a formal audit plan and have it approved by the DCH director (Finding 5).

Our assessment also disclosed other reportable conditions\* related to subrecipient\* monitoring and controls over Medicaid substance abuse payments (Findings 6 and 7).

\* See glossary on page 91 for definition.

**Audit Objective:** To assess DCH's compliance with both State and federal laws and regulations that could have a material effect on DCH's financial schedules, its financial statements, or any of its major federal financial assistance programs.

**Conclusion:** Our assessment of compliance with laws and regulations disclosed an instance of material noncompliance. DCH's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to the State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (Finding 4, included under our internal control structure objective).

In addition, DCH did not comply with Article 9, Section 17 of the State Constitution by overexpending its authorizations for the fiscal year ended September 30, 1997 by \$4.3 million (as reported on the schedule of General Fund sources and disposition of authorizations). Our assessment also disclosed other instances of noncompliance in the areas of internal auditor and subrecipient monitoring (Findings 5 and 6, included under our internal control structure objective).

Further, our audit disclosed questioned costs of \$23.8 million for the two-year period ended September 30, 1997, which are presented as supplemental information in the schedule of questioned costs.

**Audit Objective:** To audit DCH's financial schedules and its HPTF financial statements as of and for the fiscal years ended September 30, 1997 and September 30, 1996.

*\* See glossary on page 91 for definition.*



**Conclusion:** We expressed an unqualified opinion on DCH's financial schedules for the fiscal years ended September 30, 1997 and September 30, 1996. However, we expressed a qualified opinion on DCH's HPTF financial statements as of and for the fiscal year ended September 30, 1997 and an adverse opinion\* as of and for the fiscal year ended September 30, 1996. DCH did not ensure that HPTF fund balance, revenues, expenditures, and operating transfers were correctly accounted for on MAIN (as reported in Finding 3 in our concurrent performance and financial-related audit of HPTF and also included under our internal control objective). As a result, HPTF revenues, expenditures, liabilities, and fund balance were materially misstated for fiscal years 1996-97 and 1995-96.

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**AUDIT SCOPE**

Our audit scope was to examine the financial and other records of the Department of Community Health for the period October 1, 1995 through September 30, 1997. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit objective for the assessment of the internal control structure included an evaluation of DCH's implementation of the requirements for establishing and maintaining systems of internal accounting and administrative control, as set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws*.

\* See glossary on page 91 for definition

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**AGENCY RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes 7 findings and 8 corresponding recommendations. DCH's preliminary response indicated that it generally agreed with all of the findings and has complied or will comply with all of the recommendations.

DCH complied with 13 of the 27 prior audit recommendations from our audits of DMH and DPH. Of the 14 recommendations that DCH did not comply with, 3 are repeated in this report, 2 are repeated in our concurrent performance and financial related audit report of HPTF, and 9 were rewritten for inclusion in these reports.

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Mr. James K. Haveman, Jr., Director  
Department of Community Health  
Lewis Cass Building  
Lansing, Michigan

Dear Mr. Haveman:

This is our report on the financial audit, including the provisions of the Single Audit Act, of the Department of Community Health for the period October 1, 1995 through September 30, 1997.

This report contains our executive digest; description of agency; audit objectives, audit scope, and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; and independent auditor's reports on the internal control structure, on compliance with laws and regulations, on the financial schedules, and on the financial statements. This report also contains the Department of Community Health financial schedules and Hospital Patients' Trust Fund financial statements and notes to financial schedules and financial statements; supplemental financial schedules; the schedule of questioned costs and the schedule of immaterial noncompliance, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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## TABLE OF CONTENTS

### DEPARTMENT OF COMMUNITY HEALTH

#### INTRODUCTION

	<u>Page</u>
Executive Digest	1
Report Letter	11
Description of Agency	15
Audit Objectives, Audit Scope, and Agency Responses and Prior Audit Follow-Up	18

#### COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

Internal Control Structure	20
1. Community Mental Health Services (CMHS) Program	21
2. Schedule of Federal Financial Assistance (SFFA)	22
3. Personnel-Payroll Information System for Michigan (PPRISM) Internal Controls	24
4. Certification of Payroll Costs	26
5. Internal Auditor	28
6. Subrecipient Monitoring	29
7. Controls Over Medicaid Substance Abuse Payments	30
Compliance With Laws and Regulations	31
Financial Accounting and Reporting	32

INDEPENDENT AUDITOR'S REPORTS, FINANCIAL SCHEDULES,  
AND FINANCIAL STATEMENTS

Independent Auditor's Report on the Internal Control Structure	34
Independent Auditor's Report on Compliance with Laws and Regulations	38
Independent Auditor's Report on the Financial Schedules	42
Independent Auditor's Report on the Financial Statements	44
Department of Community Health Financial Schedules	
Schedule of General Fund Revenues and Operating Transfers	46
Schedule of General Fund Sources and Disposition of Authorizations	47
Hospital Patients' Trust Fund Financial Statements	
Balance Sheet	48
Statement of Revenues, Expenditures, and Changes in Fund Balance	49
Notes to Financial Schedules and Financial Statements	50

SUPPLEMENTAL FINANCIAL SCHEDULES

Schedule of General Fund Assets and Liabilities	57
Schedule of Federal Financial Assistance	58

SUPPLEMENTAL INFORMATION

Schedule of Questioned Costs	89
Schedule of Immaterial Noncompliance	90

GLOSSARY

Glossary of Acronyms and Terms	91
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## Description of Agency

The Department of Mental Health was created by the Executive Organization Act of 1965. Effective April 1, 1996, the Department was renamed the Department of Community Health (DCH). DCH's mission is to provide for the general supervision of the health and physical well-being of Michigan citizens. The DCH director is appointed by the Governor with the advice and consent of the Senate.

During our audit period, the Governor issued several executive orders that resulted in significant changes to DCH's organizational structure:

1. Executive Order 1995-25, effective February 18, 1996, transferred the Biologic Products Division from the Department of Public Health (DPH) to the Michigan Biologic Products Institute.
2. Executive Order No. 1996-1, effective April 1, 1996, transferred the Medical Services Administration under the Family Independence Agency (FIA) (which was formerly known as the Department of Social Services) and DPH to DCH. DPH was also renamed the Community Public Health Agency. DPH included health programs in the areas of substance abuse services, infectious disease control, environmental quality, health statistics, health facilities, maternal and child health, and environmental and occupational health.

In addition, the executive order transferred licensing, monitoring, and accreditation programs, including the Bureau of Health Systems; the Bureau of Environmental and Occupational Health; the Sheltered Environment Program; and food service and processing regulation from DCH to other State departments.

3. Executive Order 1996-2, effective May 14, 1996, transferred the Office of Drug Control Policy from the Department of Management and Budget (DMB) to DCH.
4. Executive Order 1997-4, effective May 17, 1997, transferred authority for several advisory councils, boards, and commissions and a center to the DCH director. This same executive order created a 15-member Community Health Advisory Council, appointed by the Governor, to advise and assist the DCH director in developing community health policies and services.



5. Executive Order 1997-5, effective May 20, 1997, transferred the Office of Services to the Aging from DMB to DCH. This executive order also transferred the Adult Home Help Services programs and the Physical Disability Services programs from FIA to DCH.
6. Executive Order 1997-10, effective September 5, 1997, transferred the Crime Victims Services Commission from DMB to DCH.

As of September 30, 1997, DCH was organized into the following major organizational units:

- Medical Services Administration
- Mental Health and Substance Abuse Services
- Community Public Health Agency
- Community Living, Children and Families
- Budget and Finance Administration
- Office of Drug Control Policy
- Office of Services to the Aging
- Health Legislation and Policy Development

The Medical Services Administration provides health care coverage to 1.1 million Michigan residents who were eligible for Medicaid coverage and Children's Health Care Services under federal guidelines and the State Medical Care Program.

Mental Health and Substance Abuse Services provides mental health services for people who have a mental illness or a developmental disability and services for people who need care for substance abuse. During the period covered by our audit, DCH operated 11 facilities for the treatment of the mentally ill and the developmentally disabled. DCH also administers the Community Health Services Program. During the period covered by our audit, DCH provided reimbursement to 52 locally operated community mental health services boards and service providers that provided approved local mental health services programs.

The Community Public Health Agency provides laboratory services, helps control communicable diseases, and maintains the State's vital records and other health statistics.

Community Living, Children and Families provides funding for diagnostic and treatment services to children with special health care needs and health care for mothers, infants, and children, including family planning and prenatal care.

The Budget and Finance Administration is responsible for budget, accounting, and financial reporting, including reimbursement to 49 local health departments providing approved public health programs. The Budget and Finance Administration and the divisions carrying out the grant activities share responsibility for federal grants management. Mental health facilities process their own financial and payroll-personnel transactions. DCH centrally processes all other transactions in addition to providing overall policy, administrative, and operational leadership.

The Office of Drug Control Policy administers federal funds for law enforcement, treatment, education, and prevention programs.

The Office of Services to the Aging develops policies and provides programs and services to promote independence and enhance the dignity of Michigan's older persons.

Health Legislation and Policy Development provides support to the DCH director and is responsible for the Administrative Tribunal, legal affairs, administrative rules, health legislation and policy development, certificate of need standards, and community health assessments.

As of September 30, 1997, DCH had 5,949 full-time equated employees, including a total of 4,722 employees working in mental health facilities. DCH had 896 adults and 93 children in State psychiatric hospitals, 297 residents in centers for developmental disabilities, and 1,072 patients at specialized facilities for a combined total of 2,358 patients and residents as of September 30, 1997.

DCH financial transactions were accounted for principally in the General Fund. DCH expenditures for the fiscal years ended September 30, 1997 and September 30, 1996 were \$6.98 billion and \$2.49 billion, respectively.

## Audit Objectives, Audit Scope, and Agency Responses and Prior Audit Follow-Up

### Audit Objectives

Our financial audit, including the provisions of the Single Audit Act, of the Department of Community Health (DCH) had the following objectives:

1. To assess the adequacy of DCH's internal control structure, including applicable administrative controls related to the management of federal financial assistance programs.
2. To assess DCH's compliance with both State and federal laws and regulations that could have a material effect on DCH's financial schedules, its financial statements, or any of its major federal financial assistance programs.
3. To audit DCH's financial schedules and its Hospital Patients' Trust Fund financial statements as of and for the fiscal years ended September 30, 1997 and September 30, 1996.

Our audit objective for the assessment of the internal control structure included an evaluation of DCH's implementation of the requirements for establishing and maintaining systems of internal accounting and administrative control, as set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws*.

### Audit Scope

Our audit scope was to examine the financial and other records of the Department of Community Health for the period October 1, 1995 through September 30, 1997. Our audit was conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

We considered DCH's internal control structure policies and procedures for its federal financial assistance programs and assessed DCH's compliance with federal laws and regulations in accordance with the Single Audit Act of 1984 and federal Office of

Management and Budget Circular A-128, *Audits of State and Local Governments*, in addition to generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, we followed up on our prior audit findings and questioned costs and DCH's corrective action plan. DCH's major programs are identified on the schedule of federal financial assistance. We did not report on compliance for nonmajor federal financial assistance programs because no transactions for nonmajor federal financial assistance programs were selected in connection with our audit of the financial schedules and our assessment of the internal control structure.

#### Agency Responses and Prior Audit Follow-Up

Our audit report includes 7 findings and 8 corresponding recommendations. DCH's preliminary response indicated that it generally agreed with all of the findings and has complied or will comply with all of the recommendations.

The agency preliminary response which follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require DCH to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

DCH complied with 13 of the 27 prior audit recommendations from our audits of the Departments of Mental Health and Public Health. Of the 14 recommendations that DCH did not comply with, 3 are repeated in this report, 2 are repeated in our concurrent performance and financial related audit report of the Hospital Patients' Trust Fund, and 9 were rewritten for inclusion in these reports.

# COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

## INTERNAL CONTROL STRUCTURE

### COMMENT

**Audit Objective:** To assess the adequacy of the Department of Community Health's (DCH's) internal control structure, including applicable administrative controls related to the management of federal financial assistance programs.

**Conclusion:** Our assessment of DCH's internal control structure disclosed 6 material weaknesses. Four of the material weaknesses related to DCH's General Fund activity. DCH's internal control structure related to the Community Mental Health Services Program was inadequate. Also, DCH's internal control procedures were not effectively used to ensure accurate preparation of the schedule of federal financial assistance. In addition, DCH did not maintain effective internal control procedures over the time and attendance process. Further, DCH's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to federal programs.

Two of the material weaknesses related to Hospital Patients' Trust Fund (HPTF) activity. DCH did not reconcile the balances recorded in the Patient Accounting System with the Michigan Administrative Information Network (MAIN) from October 1, 1995 through March 31, 1998. Also, DCH did not ensure that the HPTF fund balance, revenues, expenditures, and operating transfers were correctly accounted for on MAIN. These findings were reported in our concurrent performance and financial related audit of HPTF (Findings 1 and 3).

In addition, our assessment indicated that DCH was not in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1488 of the *Michigan Compiled Laws* pertaining to its internal audit functions. DCH's internal auditor did not perform financial audits to identify weaknesses in DCH's internal control structure or develop a formal audit plan and have it approved by the DCH director.

Our assessment also disclosed other reportable conditions related to subrecipient monitoring and controls over Medicaid substance abuse payments.

## **FINDING**

### **1. Community Mental Health Services (CMHS) Program**

DCH's internal control structure related to the CMHS Program was inadequate. Our review of the internal control structure for appropriations and accounts payable for the Program disclosed:

- a. DCH's internal control structure did not ensure the correct coding of the CMHS appropriations financed with local revenue as general purpose appropriations. Because of the incorrect coding, DCH accounting records and financial schedules contained material errors and did not agree with legislatively enacted general purpose appropriations.

Our audit of DCH accounting records and financial schedules disclosed that the DCH general purpose appropriations were materially overstated for fiscal years 1996-97 and 1995-96 by \$150 million and \$65 million, respectively. Upon our notification of the material errors to DCH, it corrected the errors for financial schedule reporting purposes.

- b. DCH's internal control structure did not ensure the recording of all accounts payable for the CMHS Program. As a result, accounts payable for the Program were understated as of September 30, 1997 and September 30, 1996 by \$180 million and \$143 million, respectively. Also, the related DCH expenditures were understated for the fiscal year ended September 30, 1997 and September 30, 1996 by \$37 million and \$27 million, respectively, and the related federal accounts receivable were understated as of September 30, 1997 and September 30, 1996 by \$25 million and \$18 million, respectively.

DCH recorded accounts payable for the CMHS Program based on cost reports received from CMHS agencies. Some of the Medicaid costs included in the reports had not yet been billed to or paid by DCH. DCH treated these costs that had not been billed or paid as if they had been paid. This understated accounts payable and also caused errors in the

amounts recorded as expenditures and federal accounts receivable. DCH needs to revise its internal control structure for the CMHS Program to help ensure that all accounts payable and the related expenditures and federal accounts receivable are recorded.

### **RECOMMENDATION**

We recommend that DCH revise its internal control structure for the CMHS Program to help ensure the correct coding of general purpose appropriations and the recording of all CMHS Program accounts payable.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the recommendation but not necessarily with the finding that an adequate internal control structure would have prevented the error identified in item a. of the finding from occurring. DCH acknowledged that, the control structure in place failed to detect the error. However, the fact remains that, since fiscal year 1994-95, DCH was specifically instructed by the Department of Management and Budget (DMB) to code the CMHS appropriations as general purpose and not as financed by local revenue. General purpose appropriations were overstated because of these specific instructions. However, to prevent a similar overstatement of general purpose appropriations from reoccurring in fiscal years 1997-98 and 1998-99, DCH has implemented procedures to ensure that CMHS appropriations will be correctly coded as financed by local revenue. DCH also agreed with item b. of the finding that not all of the accounts payable for the CMHS Program were recorded in the accounting records. Through its own internal procedures, DCH discovered the error in November 1998 and immediately initiated steps to correct the problem.

### **FINDING**

#### **2. Schedule of Federal Financial Assistance (SFFA)**

DCH's internal control procedures were not effectively used to ensure accurate preparation of the SFFA.

DCH did not reconcile two components of the Medicaid grant, medical administrative payments and medical assistance payments, totaling \$273.1 million

and \$2,856.9 million, respectively, with the accounting records. Also, DCH did not reconcile the SFFA, in total, with total federal revenue.

If internal control procedures are not effectively used or are inadequately designed, errors can occur in the SFFA. Our review determined that DCH's SFFA, prepared March 18, 1998, was materially overstated by \$305.7 million. As a result of our audit, DCH revised its SFFA to reflect the correct federal financial assistance amounts.

Detailed reconciliation of the SFFA with the accounting records, as required by DCH procedures, or a reconciliation of the SFFA, in total, with total federal revenue recorded in the accounting records would have disclosed the material SFFA overstatement.

### **RECOMMENDATION**

We recommend that DCH effectively use its internal control procedures to ensure accurate preparation of the SFFA.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the finding and recommendation and informed us that it has updated or corrected its procedures to ensure the accurate preparation of the SFFA. The SFFA has been restated and reconciled to the accounting records for fiscal year 1996-97. Fiscal year 1996-97 was the first year that the SFFA was prepared for all of DCH following the consolidation of the Medical Services Administration and the former Departments of Mental Health (DMH) and Public Health (DPH). The error on the original report pertained only to the Medicaid Program and occurred because of a misunderstanding regarding what information should have been included on the SFFA. The SFFA will be reconciled to the accounting records to ensure that the problem does not repeat itself in the future.



## **FINDING**

### **3. Personnel-Payroll Information System for Michigan (PPRISM) Internal Controls**

DCH did not maintain effective internal control procedures over the time and attendance process. Internal control weaknesses were noted in the functions of records retention, document preparation, segregation of duties, and reconciliation.

Our review of 91 PPRISM sample items for fiscal years 1996-97 and 1995-96 noted:

- a. DCH did not retain all necessary records to support payroll expenditures. Three employee time and attendance reports (TARs) and 16 daily transaction logs and corresponding control reports were not retained.
- b. DCH did not have effective controls over the preparation of TAR source documents. One TAR did not contain the signatures of the employee and the supervisor, 7 TARs did not have leave properly approved, 7 TARs and 11 biweekly time and attendance summaries had improper changes made on them, and 9 biweekly summaries were not signed by a designated certifier.
- c. DCH did not ensure proper segregation of duties related to the payroll and personnel functions. One employee certified his own time; two timekeeping units had the timekeepers record their own time on the biweekly summaries; one employee prepared, entered, and released transactions for a timekeeping unit; and 34 TARs were approved by the person who prepared the related biweekly summary.

Our review of the internal controls related to the control person and required PPRISM report reconciliations also noted weaknesses. The control person is responsible for the reconciliation of PPRISM transactions. Our review of 22 employees designated as control persons noted 9 who also had the authority to enter transactions. Eight of the 9 control persons entered transactions during our audit period; 3 of those control persons entered transactions related to themselves. Our review of PPRISM report reconciliation noted that 48 of 91 biweekly transaction reports were not reconciled.

DMB requires that TARs and transaction forms be retained until audit. PPRISM Procedures Manual sections 2.3, 7.2, and 7.3 and MAIN Human Resources System Manual sections 3.3, 14.3, 14.5, and 14.6 require employee and supervisor signatures on TARs, supervisory approval of leave, certification of TARs and biweekly time and attendance summaries, and daily reconciliation of transaction logs with the control log. These procedures also require that personnel performing the reconciliation function should not have authorization to enter transactions.

The lack of documentation to support the payroll expenditures discussed in item a. was a result of records being misplaced during the reorganization of DCH.

The internal control weaknesses related to payroll and personnel operations increased the risk that unauthorized transactions could occur and remain undetected. Although we noted numerous weaknesses, we did not note any instances of impropriety.

### **RECOMMENDATION**

We recommend that DCH strengthen the internal control procedures over the time and attendance process.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the recommendation and informed us that it has taken steps to strengthen the internal control procedures over the time and attendance process where administratively feasible. The documentation that could not be located primarily pertained to fiscal year 1995-96 and related to areas that were not under the direct control of the central personnel office in the newly created department. Under the circumstances, it is not surprising that a few records were misplaced. With centralized control over all of the personnel functions now in place, DCH maintains that necessary procedures are in place to effectively manage the records necessary to support payroll and personnel transactions.

DCH also informed us that it has implemented control procedures over the preparation of time and attendance source documents. Many of these controls were previously in place within DMH and had to be implemented departmentwide following the consolidation.

## **FINDING**

### **4. Certification of Payroll Costs**

DCH's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to federal programs. This control weakness resulted in questioned costs of \$3.1 million and \$2.5 million for the fiscal years ended September 30, 1996 and September 30, 1997, respectively.

Office of Management and Budget (OMB) Circular A-87, effective September 1, 1995, strengthened minimum time distribution documentation standards for payroll charges to federal programs. DCH Grants Management Section personnel received limited training on these new requirements; however, DCH did not assign a central unit to oversee compliance with Circular A-87.

Our testing of DCH's payroll charges to major federal programs disclosed:

- a. DCH did not obtain periodic certifications for many of the employees who worked solely on the Special Supplemental Nutrition Program for Women, Infants, and Children in fiscal years 1996-97 and 1995-96; the Family Planning Services Program in fiscal year 1995-96; and the Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs in fiscal year 1995-96. Circular A-87 requires that payroll charges for an employee who worked solely on a single federal grant be supported by a periodic certification that the employee worked solely on that program and that these certifications be signed by the employee or the supervisor having firsthand knowledge of the work performed by the employee. As a result, we reported questioned costs relating to payroll charges to these federal programs (see schedule of questioned costs items 1, 2, and 6).
- b. DCH employees sometimes did not prepare and maintain after-the-fact time distribution records which reflect the employees' actual activity. For the Cooperative Agreements for the State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs in fiscal year 1995-96, DCH charged radiological health payroll costs based on a pre-determined percentage sufficient to satisfy the amount of the grant award. This method did not satisfy the requirements of Circular A-87, which requires that an

employee's payroll charges to multiple federal grants be supported by an after-the-fact distribution of the actual activity of the employee that is signed by the employee. We reported questioned costs relating to these payroll charges (see schedule of questioned costs item 7).

Some DCH program personnel informed us that they were not aware of the federal time distribution documentation requirements until we brought the matter to their attention.

### **RECOMMENDATION**

We recommend that DCH establish adequate internal controls to ensure that payroll costs meet federal time distribution documentation standards for payroll charges to federal programs.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the finding and recommendation and informed us that it has established a central unit within the Grants Management Section to oversee compliance with OMB Circular A-87. A memorandum and certification form have been developed informing program managers of the time reporting certification requirements. Procedures will also address exception reporting for employees who work on more than one federal program and/or who devote less than 100% of their time to federal programs. Grants management staff will be conducting training sessions with DCH program managers and performing follow-up reviews to ensure compliance as necessary.

DCH also informed us that it has entered into a contract with DMG-Maximus to develop written procedures and instructions for DCH time reporting practices. The contract will develop a cost allocation plan for indirect payroll charges to federal programs for employees involved in the administration of DCH operations. DCH expects the DMG-Maximus study to be completed in 1999, with full implementation of the procedures within three months.

## **FINDING**

### **5. Internal Auditor**

DCH's internal auditor did not perform financial audits to identify weaknesses in DCH's internal control structure. Also, DCH's internal auditor did not develop a formal audit plan and have it approved by the DCH director.

Section 18.1486(4) of the *Michigan Compiled Laws* requires the internal auditor to conduct and supervise audits relating to financial activities of the principal department's operations, to recommend policies for activities to protect the State's assets under departmental control, and to perform various other duties.

Prior to April 1, 1996, when DMH and DPH combined, each employed an internal auditor. These separate internal auditors continued to function until the newly formed DCH appointed an internal auditor in May 1998.

As reported in two prior DMH Single Audits\* , the primary work of DMH's internal auditor was to review subrecipient Single Audit reports. DPH's internal auditor's primary work activity, also reported in a prior Single Audit, was to investigate alleged violations of State statutes and to conduct and review program area self-assessments of the internal control structure for the biennial report. The role of the internal auditor as provided by statute and *Government Auditing Standards* is to detect errors and irregularities through the review of DCH's accounting and internal control structure, as well as to make suggestions and to develop policies to promote efficiency based on that review. DCH's internal auditor cannot detect errors, irregularities, or weaknesses within DCH operations by performing only follow-up reviews. A formal audit plan, approved by the DCH director, would assist in establishing the expected number of audits of financial activities and reviews of internal controls.

## **RECOMMENDATIONS**

WE AGAIN RECOMMEND THAT DCH'S INTERNAL AUDITOR PERFORM FINANCIAL AUDITS TO IDENTIFY WEAKNESSES IN DCH'S INTERNAL CONTROL STRUCTURE.

\* See glossary on page 91 for definition.

WE ALSO AGAIN RECOMMEND THAT THE INTERNAL AUDITOR DEVELOP A FORMAL AUDIT PLAN AND HAVE IT APPROVED BY THE DCH DIRECTOR.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the finding and both recommendations. An internal auditor has been appointed to perform financial audits and to identify weaknesses in DCH's internal control structure. A formal audit plan has been developed and approved by the director for fiscal year 1998-99 and was submitted to the Office of the Auditor General on October 14, 1998.

### **FINDING**

#### **6. Subrecipient Monitoring**

DCH's internal control structure did not ensure that corrective action was taken within 6 months after receipt of subrecipient audit reports.

OMB Circular A-128 required subrecipients to submit audit reports within 13 months from the recipients' fiscal year-end. Circular A-128 also required appropriate corrective action within 6 months after receipt of a subrecipient audit report that reports instances of noncompliance with federal laws and regulations.

Our review of a sample of 65 subrecipient audit reports noted that 15 subrecipients submitted audits after the 13-month time limit and that 7 of these subrecipients still had not submitted the audit reports at the time of our audit. Two other subrecipients did not submit all required information. DCH appropriately identified and took action to obtain the delinquent audit reports.

However, our review noted that 7 audits were not reviewed within 6 months and, therefore, corrective action could not be taken within the requirements of Circular A-128. Two of these audits needed and did not have corrective action plans filed with the audit report.

Timely monitoring of subrecipient audit reports helps ensure that federal and State funds granted to local agencies are spent in accordance with the rules and regulations associated with the funded programs.

Beginning in 1997, DCH and its subrecipients were subject to OMB Circular A-133 rather than Circular A-128. Circular A-133 also has the requirement for corrective action within 6 months. However, audit reports will be due within 9 months, rather than 13 months.

### **RECOMMENDATION**

WE AGAIN RECOMMEND THAT DCH REVISE ITS INTERNAL CONTROL STRUCTURE TO ENSURE THAT CORRECTIVE ACTION IS TAKEN WITHIN 6 MONTHS AFTER RECEIPT OF SUBRECIPIENT AUDIT REPORTS.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the finding and recommendation. Corrective action has been taken subsequent to the audit period implementing and compiling a DCH all-inclusive data file of grantee agencies. This data file is maintained in an electronic spreadsheet format and includes grant appropriation data necessary to identify agencies required to have Single Audit under OMB Circular A-133. This data base is capable of handling a tracking log to monitor the timely receipt of the required reports and follow up on any delinquencies. The tracking log is also used to monitor the timely review of audit reports so that corrective action can be taken within the 6 months after receipt of the subrecipient audit reports.

### **FINDING**

#### **7. Controls Over Medicaid Substance Abuse Payments**

DCH's internal control procedures were not properly designed to help ensure that Medicaid substance abuse payments were made in accordance with State and federal program requirements.

The need for improved internal control procedures was demonstrated by the five arrests during our audit period of substance abuse provider officials for violations of the Michigan Medicaid False Claims Act related to counseling and methadone treatments. Four of these cases have been successfully prosecuted, with one case pending. The amount of questioned Medicaid claims related to these four substance abuse providers totaled over \$4.0 million. We were informed that additional providers are currently being investigated.

During our audit, the Medical Services Administration's Substance Abuse Treatment Provider Manual required that prior authorization be obtained for reimbursement of intensive substance abuse services. As we noted in our prior audit, DCH delegated the prior authorization process to 15 regional coordinating agencies but did not develop sufficient controls to prevent misuse of the assigned prior authorization numbers. DCH did not develop controls but revised the program from fee-for-service to capitated payments as of October 1, 1998, so that the service authorization process is locally established. However, neither the change to capitation nor the development of controls over the prior authorization process would have been sufficient to prevent or to detect the previously noted violations of the Michigan Medicaid False Claims Act.

### **RECOMMENDATION**

We recommend that DCH improve its internal control procedures to help ensure that Medicaid substance abuse payments are made in accordance with State and federal program requirements.

### **AGENCY PRELIMINARY RESPONSE**

DCH agreed with the finding that its internal control procedures needed to be strengthened and that it did not develop controls over its prior authorization process during the period covered by the audit. However, effective with the October 1, 1998 revision in the program from a fee-for-service to a capitated payment system, the 15 regional coordinating agencies assumed total responsibility for authorizing and monitoring these services. The Bureau of Substance Abuse Services, through its contract monitoring process, will provide oversight to ensure that payment for substance abuse services comply with State and federal program requirements.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

### **COMMENT**

**Audit Objective:** To assess DCH's compliance with both State and federal laws and regulations that could have a material effect on DCH's financial schedules, its financial statements, or any of its major federal financial assistance programs.



**Conclusion:** Our assessment of compliance with laws and regulations disclosed an instance of material noncompliance. As discussed in Finding 4, DCH's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to the State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs.

In addition, DCH did not comply with Article 9, Section 17 of the State Constitution by overexpending its authorizations for the fiscal year ended September 30, 1997 by \$4.3 million, as reported on the schedule of General Fund sources and disposition of authorizations. Our assessment also disclosed other instances of noncompliance, as discussed in Findings 5 and 6, in the areas of internal auditor and subrecipient monitoring.

Further, our audit disclosed questioned costs of \$23.8 million for the two-year period ended September 30, 1997, which are presented as supplemental information in the schedule of questioned costs. These questioned costs included \$18.1 million of Medicaid special outpatient hospital indigent pool payments for fiscal year 1996-97 that were based on upper payment limit calculations that included payments to health maintenance organizations (see schedule of questioned costs item 4). Inclusion of these payments was based on DCH's interpretation of federal regulations. This interpretation is still in question and negotiations continue between the State and the U.S. Health Care Financing Administration.

## **FINANCIAL ACCOUNTING AND REPORTING**

### **COMMENT**

**Audit Objective:** To audit DCH's financial schedules and its HPTF financial statements as of and for the fiscal years ended September 30, 1997 and September 30, 1996.

**Conclusion:** We expressed an unqualified opinion on DCH's financial schedules for the fiscal years ended September 30, 1997 and September 30, 1996. However, we expressed a qualified opinion on DCH's HPTF financial statements as of and for the fiscal year ended September 30, 1997 and an adverse opinion as of and for the fiscal year ended September 30, 1996. DCH did not ensure that HPTF fund balance,

revenues, expenditures, and operating transfers were correctly accounted for on MAIN (as reported in Finding 3 in our concurrent performance and financial related audit of HPTF and also included under our internal control objective). As a result, HPTF revenues, expenditures, liabilities, and fund balance were materially misstated for fiscal years 1996-97 and 1995-96.

Independent Auditor's Report on  
the Internal Control Structure

June 4, 1998

Mr. James K. Haveman, Jr. , Director  
Department of Community Health  
Lewis Cass Building  
Lansing, Michigan

Dear Mr. Haveman:

We have audited the General Fund financial schedules of the Department of Community Health for the fiscal years ended September 30, 1997 and September 30, 1996 and have issued our report thereon dated June 4, 1998. We have also audited the Hospital Patients' Trust Fund financial statements of the Department of Community Health as of and for the fiscal years ended September 30, 1997 and September 30, 1996 and have issued our qualified opinion thereon as of and for the fiscal year ended September 30, 1997 and our adverse opinion thereon as of and for the fiscal year ended September 30, 1996 dated June 4, 1998. We have also audited the Department of Community Health's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated June 4, 1998.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the financial schedules and statements are free of material misstatement and about whether the Department complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the fiscal years ended September 30, 1997 and September 30, 1996, we considered the Department's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Department's financial schedules and statements and not to provide assurance on the internal control structure. We also considered the Department's internal control

structure in order to determine our auditing procedures for the purpose of expressing our opinion on its compliance with requirements applicable to major federal financial assistance programs, and to report on the internal control structure in accordance with OMB Circular A-128.

The management of the Department of Community Health is responsible for establishing and maintaining an internal control structure, which operates in conjunction with the Statewide internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial schedules and statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures, including those used in administering federal financial assistance programs, in the following categories:

Accounting Controls

- Revenue
- Payroll expenditures
- Nonpayroll expenditures
- Federal grant accounting and reporting

Administrative Controls

General requirements:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific requirements:

- Types of services allowed or unallowed
- Eligibility
- Matching, level of effort, and/or earmarking
- Reporting requirements
- Special tests, provisions, and requirements
- Subrecipient monitoring

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the fiscal years ended September 30, 1997 and September 30, 1996, the Department of Community Health expended 98% and 96%, respectively, of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Department's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Department's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedules and statements or to administer federal financial assistance programs in accordance with applicable laws and regulations. The reportable conditions are more fully described in Findings 1 through 7.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial schedules or statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures, including those used in administering federal financial assistance programs, would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving the Department's internal control structure and its operation that we consider to be material weaknesses as defined above.

We noted four material weaknesses related to the Department's General Fund activity. The Department's internal control structure related to the Community Mental Health Services Program was inadequate, as discussed in Finding 1. Also, the Department's internal control procedures were not effectively used to ensure accurate preparation of the schedule of federal financial assistance, as discussed in Finding 2. In addition, the Department did not maintain effective internal control procedures over the time and attendance process, as discussed in Finding 3. Further, the Department's internal controls did not ensure that payroll costs met federal time distribution documentation standards for payroll charges to federal programs, as discussed in Finding 4.

We noted two material weaknesses related to Hospital Patients' Trust Fund activity. The Department did not reconcile the balances recorded in the Patient Accounting System with the Michigan Administrative Information Network. Also, the Department did not ensure that the Fund's fund balance, revenues, expenditures, and operating transfers were correctly accounted for on the Michigan Administrative Information Network. These findings were reported as Findings 1 and 3, respectively, in our performance and financial related audit of the Fund.

These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audits of the Department of Community Health financial schedules and statements and of its compliance with requirements applicable to its major federal financial assistance programs for the fiscal years ended September 30, 1997 and September 30, 1996, and this report on the internal control structure does not affect our reports thereon dated June 4, 1998.

This report is intended for the information of management and the Legislature. However, this report is a matter of public record and its distribution is not limited.

AUDITOR GENERAL

Independent Auditor's Report on  
Compliance With Laws and Regulations

June 4, 1998

Mr. James K. Haveman, Jr., Director  
Department of Community Health  
Lewis Cass Building  
Lansing, Michigan

Dear Mr. Haveman:

We have audited the General Fund financial schedules of the Department of Community Health for the fiscal years ended September 30, 1997 and September 30, 1996 and have issued our report thereon dated June 4, 1998. We have also audited the Hospital Patients' Trust Fund financial statements of the Department of Community Health as of and for the fiscal years ended September 30, 1997 and September 30, 1996 and have issued our qualified opinion thereon as of and for the fiscal year ended September 30, 1997 and our adverse opinion thereon as of and for the fiscal year ended September 30, 1996 dated June 4, 1998.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules and statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Department of Community Health is the responsibility of the Department's management. As part of obtaining reasonable assurance about whether the financial schedules and statements are free of material misstatement, we performed tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial schedules and statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The Department of Community Health overexpended its authorizations for the fiscal year ended September 30, 1997 by \$4.3 million as reported on the schedule of General Fund sources and disposition of authorizations. Article 9, Section 17 of the State Constitution prohibits overexpenditures except in pursuance of appropriations made by law.

The results of our tests of compliance indicate that, with respect to the items tested, the Department of Community Health complied, in all material respects, with the provisions referred to in the third paragraph of this report and, with respect to items not tested, nothing came to our attention that caused us to believe that the Department had not complied, in all material respects, with those provisions.

We have also audited the Department's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, and/or earmarking; reporting; special tests, provisions, and requirements; claims for advances and reimbursements; amounts claimed or used for matching; and subrecipient monitoring that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the fiscal years ended September 30, 1997 and September 30, 1996. The management of the Department is responsible for the Department's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the previous paragraph occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures for the State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs disclosed that the Department did not comply with requirements to obtain periodic certifications for employees who worked solely on these programs. In our opinion, properly obtaining periodic certifications is necessary for the Department to comply with requirements applicable to these programs.

In addition, the results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the findings and recommendations, the accompanying schedule of questioned costs, and the accompanying schedule of immaterial noncompliance. We considered these



instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, except for the instance of noncompliance with the requirements applicable to the State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs referred to in the second previous paragraph and described in the findings and recommendations and the accompanying schedule of questioned costs, the Department of Community Health complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, and/or earmarking; reporting; special tests, provisions, and requirements; claims for advances and reimbursements; amounts claimed or used for matching; and subrecipient monitoring that are applicable to each of its major federal financial assistance programs for the fiscal years ended September 30, 1997 and September 30, 1996.

We have applied procedures to test the Department's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the fiscal years ended September 30, 1997 and September 30, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures for testing compliance with the general requirements were limited to the applicable procedures described in OMB's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures for testing compliance with the general requirements, which are described in the previous paragraph, were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Department's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second previous paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Department of Community Health had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the findings and recommendations, the accompanying schedule of questioned costs, and the accompanying schedule of immaterial noncompliance.

This report is intended for the information of management and the Legislature. However, this report is a matter of public record and its distribution is not limited.

AUDITOR GENERAL

Independent Auditor's Report on  
the Financial Schedules

June 4, 1998

Mr. James K. Haveman, Jr., Director  
Department of Community Health  
Lewis Cass Building  
Lansing, Michigan

Dear Mr. Haveman:

We have audited the accompanying schedule of General Fund revenues and operating transfers and the schedule of General Fund sources and disposition of authorizations of the Department of Community Health for the fiscal years ended September 30, 1997 and September 30, 1996. These financial schedules are the responsibility of the Department of Community Health management. Our responsibility is to express an opinion on these financial schedules based on our audit. The financial transactions of the Department are accounted for principally in the General Fund of the State of Michigan.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1c, the accompanying financial schedules include only the revenues and operating transfers and the sources and disposition of authorizations for the Department's General Fund accounts, presented on the modified accrual basis of accounting. Accordingly, these financial schedules are not intended to constitute a complete financial presentation of either the Department or the State's General Fund in accordance with generally accepted accounting principles.

In our opinion, the financial schedules referred to in the first paragraph present fairly, in all material respects, the revenues and operating transfers and the sources and disposition of authorizations of the Department of Community Health for the fiscal years ended September 30, 1997 and September 30, 1996 on the basis of accounting described in Note 1b.

Our audit was made for the purpose of forming an opinion on the Department's financial schedules. The accompanying supplemental financial schedules, consisting of the schedule of General Fund assets and liabilities and the schedule of federal financial assistance, are presented for purposes of additional analysis and are not a required part of the Department's financial schedules referred to in the first paragraph. The information in the supplemental financial schedules has been subjected to the auditing procedures applied in the audit of the Department's financial schedules and, in our opinion, is fairly stated in all material respects in relation to the Department's financial schedules.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 1998 on our consideration of the Department of Community Health's internal control structure and a report dated June 4, 1998 on its compliance with laws and regulations.

AUDITOR GENERAL

Independent Auditor's Report on  
the Financial Statements

June 4, 1998

Mr. James K. Haveman, Jr., Director  
Department of Community Health  
Lewis Cass Building  
Lansing, Michigan

Dear Mr. Haveman:

We have audited the accompanying balance sheet of the Hospital Patients' Trust Fund, Department of Community Health, as of September 30, 1997 and September 30, 1996 and the related statement of revenues, expenditures, and changes in fund balance for the fiscal years then ended. These financial statements are the responsibility of the Department of Community Health management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1c, the accompanying financial statements present only the Hospital Patients' Trust Fund and are not intended to present fairly the financial position and results of operations of the State of Michigan or its expendable trust funds.

As described in Finding 3 of our concurrent performance and financial related audit of the Hospital Patients' Trust Fund, DCH did not ensure that certain patient revenues and expenditures were recorded in the Fund for fiscal years 1996-97 and 1995-96. Also, DCH did not record the proper accounting entry to correct an error noted in a prior

period and processed an incorrect entry for the error in fiscal year 1996-97. As a result of these errors, revenues were understated by \$126,000 and \$515,025 in fiscal years 1996-97 and 1995-96, respectively; expenditures were understated by \$541,185 and \$515,025 in fiscal years 1996-97 and 1995-96, respectively; and liabilities were overstated and fund balance understated by \$414,866 as of September 30, 1996.

In our opinion, except for the effects of not recording certain revenue and expenditure transactions as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Hospital Patients' Trust Fund as of September 30, 1997 and the results of its operations for the fiscal year then ended on the basis of accounting described in Note 1b.

In our opinion, because of the effects of the matters discussed in the second preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in all material respects, the financial position of the Hospital Patients' Trust Fund as of September 30, 1996 and the results of its operations for the fiscal year then ended on the basis of accounting described in Note 1b.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 1998 on our consideration of the Department of Community Health's internal control structure and a report dated June 4, 1998 on its compliance with laws and regulations.

AUDITOR GENERAL

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of General Fund Revenues and Operating Transfers  
Fiscal Years Ended September 30

	1997	1996
<b>REVENUES</b>		
Federal	\$ 3,490,558,388	\$ 746,201,244
Taxes	47,896,095	43,778,101
Licenses and permits	2,725,973	9,406,168
Services	30,364,046	43,649,343
Local agencies	16,739,647	3,953,644
Special Medicaid reimbursements	593,401,615	
Miscellaneous:		
Vendor rebates	40,132,191	34,251,458
Biologic products		7,319,819
Other sources	<u>25,353,291</u>	<u>29,814,108</u>
Total Revenues	<u>\$ 4,247,171,246</u>	<u>\$ 918,373,885</u>
 <b>OPERATING TRANSFERS</b>		
From Environmental Protection Bond Fund	\$	\$ 2,505,453
From Escheats Fund	3,763,351	
From Gifts, Bequests, and Deposits Investment Fund	<u>423,143</u>	<u>939,836</u>
Total Operating Transfers	<u>\$ 4,186,494</u>	<u>\$ 3,445,289</u>
Total Revenues and Operating Transfers	<u>\$ 4,251,357,740</u>	<u>\$ 921,819,174</u>

The accompanying notes are an integral part of the financial schedules.

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of General Fund Sources and Disposition of Authorizations  
Fiscal Years Ended September 30

	<u>1997</u>	<u>1996</u>
<b>SOURCES OF AUTHORIZATIONS (Note 2)</b>		
General purpose appropriations (Note 3)	\$ 2,370,046,100	\$ 1,214,658,400
Budgetary transfers in (out)	4,118,927	93,200
Balances carried forward	36,078,857	62,034,108
Restricted financing sources (Note 3)	4,642,825,612	1,282,839,430
Less: Intrafund expenditure reimbursements	<u>(427,397,455)</u>	<u>(389,709,363)</u>
Total	<u>\$ 6,625,672,041</u>	<u>\$ 2,169,915,775</u>
<b>DISPOSITION OF AUTHORIZATIONS (Note 2)</b>		
Gross expenditures and operating transfers out	\$ 6,982,441,872	\$ 2,489,254,159
Less: Intrafund expenditure reimbursements	<u>(427,397,455)</u>	<u>(389,709,363)</u>
Net expenditures and operating transfers out	<u>\$ 6,555,044,417</u>	<u>\$ 2,099,544,796</u>
Balances carried forward:		
Multi-year projects	\$ 100,000	\$ 573,173
Encumbrances	15,106,772	6,336,758
Restricted revenue - authorized	723,677	558,128
Restricted revenue - not authorized	<u>25,012,835</u>	<u>38,866,902</u>
Total balances carried forward	<u>\$ 40,943,284</u>	<u>\$ 46,334,961</u>
Balances lapsed	<u>\$ 34,003,290</u>	<u>\$ 24,036,727</u>
Overexpended	<u>\$ (4,318,950)</u>	<u>\$ (709)</u>
Total	<u>\$ 6,625,672,041</u>	<u>\$ 2,169,915,775</u>

The accompanying notes are an integral part of the financial schedules.



HOSPITAL PATIENTS' TRUST FUND

Department of Community Health

Balance Sheet

As of September 30

	<u>1997</u>	<u>1996</u>
<b>ASSETS</b>		
Cash	\$	\$ 14,014
Equity in Common Cash	900,221	1,002,795
Other current assets	<u>432</u>	<u>138</u>
Total Assets	<u>\$ 900,654</u>	<u>\$ 1,016,947</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Warrants outstanding	\$ 73,900	\$ 59,028
Accounts payable and other liabilities (Note 4)	<u>15,177</u>	<u>542,372</u>
Total Liabilities	\$ 89,077	\$ 601,400
Fund Balance:		
Unreserved (Note 4)	<u>811,577</u>	<u>415,547</u>
Total Liabilities and Fund Balance	<u>\$ 900,654</u>	<u>\$ 1,016,947</u>

The accompanying notes are an integral part of the financial statements.

HOSPITAL PATIENTS' TRUST FUND  
 Department of Community Health  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
Fiscal Years Ended September 30

	<u>1997</u>	<u>1996</u>
<b>REVENUES</b>		
Patient trust deposits (Note 4)	\$ 3,472,099	\$ 3,066,998
Interest earnings on Common Cash	<u>10,162</u>	<u>74,945</u>
Total Revenues	<u>\$ 3,482,261</u>	<u>\$ 3,141,943</u>
<b>EXPENDITURES</b>		
Patient trust withdrawals (Note 4)	<u>\$ 3,086,232</u>	<u>\$ 3,507,228</u>
Total Expenditures	<u>\$ 3,086,232</u>	<u>\$ 3,507,228</u>
Excess of Revenues Over (Under) Expenditures	\$ 396,030	\$ (365,285)
Fund Balance - Beginning of fiscal year (Note 4)	<u>415,547</u>	<u>780,833</u>
Fund Balance - End of fiscal year (Note 4)	<u><u>\$ 811,577</u></u>	<u><u>\$ 415,547</u></u>

The accompanying notes are an integral part of the financial statements.

## Notes to Financial Schedules and Financial Statements

### Note 1 Significant Accounting Policies

#### a. Reporting Entity

Executive reorganizations, ordered with an effective date of April 1, 1996, combined the Department of Mental Health (DMH), the Medical Services Administration of the Family Independence Agency (FIA) (which was formerly known as the Department of Social Services), and the Department of Public Health (DPH).

DMH and DPH maintained separate financial records for the fiscal year ended September 30, 1996. For the fiscal year ended September 30, 1997, the financial records were combined. The accompanying financial schedules report the results of the financial transactions of the Department of Community Health (DCH) (the former DMH and DPH) for the fiscal years ended September 30, 1997 and September 30, 1996. Medical Services Administration financial information for the fiscal year ended September 30, 1996 is reported by FIA. Office of Drug Control Policy financial information for the fiscal year ended September 30, 1996 is reported by the Department of Management and Budget (DMB). The financial transactions of DCH are accounted for principally in the State's General Fund and are reported in the *State of Michigan Comprehensive Annual Financial Report (SOMCAFR)*. The financial schedules do not include the financial activities of the Hospital Patients' Trust Fund.

The accompanying financial statements report the financial position and results of operations of the Hospital Patients' Trust Fund, Department of Community Health, as of and for the fiscal years ended September 30, 1997 and September 30, 1996. This trust fund is a part of the State of Michigan's reporting entity and is reported within the Miscellaneous Trust Accounts Fund as an expendable trust fund in the *SOMCAFR*.

The footnotes accompanying these financial schedules and statements relate directly to DCH and the Hospital Patients' Trust Fund. The

*SOMCAFR* provides more extensive general disclosures regarding the State's Summary of Significant Accounting Policies, Budgeting and Budgetary Control, Treasurer's Common Cash, Pension Benefits and Other Postemployment Benefits, Compensated Absences, Leases, and Contingencies and Commitments.

b. Basis of Accounting

The financial schedules and statements contained in this report are prepared on the modified accrual basis of accounting, as provided by generally accepted accounting principles for governmental funds. The modified accrual basis of accounting, which emphasizes the measurement of current financial resource flows, is explained in more detail in the *SOMCAFR*.

c. Basis of Presentation

The accompanying financial schedules include only the revenues and operating transfers and the sources and disposition of authorizations for DCH's General Fund accounts. Accordingly, these financial schedules are not intended to constitute a complete financial presentation of DCH or the State's General Fund, in accordance with generally accepted accounting principles.

The accompanying financial statements present only the Hospital Patients' Trust Fund. Accordingly, they are not intended to present fairly the financial position and results of operations of the State of Michigan or its expendable trust funds.

Note 2 Schedule of General Fund Sources and Disposition of Authorizations

The various elements of the schedule of General Fund sources and disposition of authorizations are defined as follows:

- a. General purpose appropriations: Original appropriations and any supplemental appropriations that are financed by General Fund/general purpose appropriations.

- b. Budgetary transfers in (out): Legislatively approved transfers of spending authorizations between accounts of DCH or between departments. These also include administrative transfers, such as entries to complete the financial closing of the State's fiscal year, that are approved by the DMB Office of Financial Management.
- c. Balances carried forward: Authorizations for multi-year projects, encumbrances, restricted revenue - authorized, and restricted revenue - not authorized that were not spent as of the end of the prior fiscal year. These authorizations are available for expenditure in the current fiscal year for the purpose of the carry forward without additional legislative authorization, except for the restricted revenue - not authorized.
- d. Restricted financing sources: Collections of restricted revenues, restricted operating transfers, and restricted intrafund expenditure reimbursements to finance department programs as detailed in the appropriations act. These financing sources are authorized for expenditure up to the amount appropriated. Depending upon program statute, any amounts received in excess of the appropriation are, at year-end, either converted to general purpose financing sources and made available for general appropriation in the next fiscal year or carried forward to the next fiscal year as either restricted revenue - authorized or restricted revenue - unauthorized.
- e. Intrafund expenditure reimbursements: Funding from other General Fund departments to finance a program or a portion of a program that is the responsibility of the receiving department. An example of a significant program reimbursement is the disproportionate share payments received from the Medicaid Program.
- f. Multi-year projects: Unexpended authorizations for work projects and capital outlay projects that are carried forward to subsequent fiscal years for the completion of the projects.
- g. Encumbrances: Authorizations carried forward to finance payments for goods or services ordered in the old fiscal year but not received by fiscal

year-end. These authorizations are generally limited to obligations funded by general purpose appropriations.

- h. Restricted revenue - authorized: Revenue that, by statute or the State Constitution, is restricted for use to a particular department program or activity. Generally, this revenue may be expended upon receipt without additional legislative authorization.
- i. Restricted revenue - not authorized: Revenue that, by statute, is restricted for use to a particular department program or activity. However, the expenditure of the restricted revenue is subject to annual legislative appropriation.
- j. Balances lapsed: DCH authorizations that were unexpended and unobligated at the end of the fiscal year. These amounts are available for legislative appropriation in the subsequent fiscal year.
- k. Overexpended: The total of DCH's overexpenditure of line-item authorizations. DCH is required to seek a supplemental appropriation to authorize the expenditure.

Note 3 Appropriations Adjustment

The schedule of General Fund sources and disposition of authorizations was adjusted for the fiscal years ended September 30, 1997 and September 30, 1996, respectively, from the amounts reported in the fiscal year 1996-97 and 1995-96 *SOMCAFRs*. General purpose appropriations were reduced by \$150.3 million and \$65.1 million, restricted financing sources were increased by \$152.2 million and \$52.9 million, budgetary transfers in (out) were decreased by \$7.6 million and \$0.0 million, encumbrances were decreased by \$.5 million and \$.8 million, and balances lapsed were decreased by \$5.3 million and \$11.6 million for fiscal years 1996-97 and 1995-96, respectively. These adjustments were made to correct an error made by the DMB Office of Health and Human Services in the recording of general purpose appropriations. Approval for this change was requested and obtained from the DMB Office of Financial Management.

Note 4 Hospital Patients' Trust Fund

As disclosed in the concurrent performance and financial related audit by the Office of the Auditor General of the Hospital Patients' Trust Fund (HPTF), DCH did not record in the HPTF financial statements all revenue and expenditure transactions for patients in one facility. This facility recorded a portion of the government benefit payments received on behalf of patients as direct revenue in the General Fund, rather than recording the entire amount received as revenue to HPTF and recording an expenditure for the patients' cost of care. As a result, revenues and expenditures recorded in HPTF were understated by \$541,185 and \$515,025 in fiscal years 1996-97 and 1995-96, respectively.

In addition, DCH did not make the necessary adjusting entry in fiscal year 1995-96 for a prior period error resulting in the overstatement of liabilities and understatement of fund balance in fiscal 1995-96 by \$414,866. DCH recorded an adjusting entry in fiscal year 1996-97, but not as a prior period adjustment as required by generally accepted accounting principles, resulting in an overstatement of revenues of \$414,866.

Note 5 Contingencies

a. Projected Mispayments

The FIA Office of Quality Assurance (OQA) conducts ongoing quality assurance reviews of cases within the Medical Assistance Program (CFDA No. 93.778). Based on its review, OQA projected mispayments, excluding underpayments, of \$30.5 million (federal portion of \$16.7 million) for the fiscal year ended September 30, 1997. The amount reported is a final OQA projection, whereas *SOMCAFR* presented preliminary projections for the fiscal year.

The federal grantor agency, the U.S. Health Care Financing Administration, also monitors these mispayments. If DCH exceeds the tolerable federal mispayment rates, financial sanctions could be imposed against DCH. Currently, no material sanctions are pending.

b. Medicaid Special Outpatient Hospital Indigent Pool Payments

DCH recognized revenue related to \$18.1 million of Medicaid special outpatient hospital indigent pool payments for fiscal year 1996-97 that were based on upper payment limit calculations that included payments to health maintenance organizations. Inclusion of these payments was based on DCH's interpretation of federal regulations. This interpretation is still in question and negotiations continue between the State and the U.S. Health Care Financing Administration. The ultimate outcome of this situation cannot be determined at this time.

c. Investigations

The DCH Medical Services Administration and the Department of Attorney General are investigating many of the substance abuse providers that provide counseling services to clients of the DCH Bureau of Substance Abuse Services. These providers are being investigated for possible violation of the Michigan Medicaid False Claims Act. These providers were paid \$1.5 million and \$2.0 million in fiscal years 1996-97 and 1995-96 out of \$15.1 million and \$16.1 million, respectively, of claims paid by the program. The ultimate outcome of these investigations is not determinable.



# SUPPLEMENTAL FINANCIAL SCHEDULES

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of General Fund Assets and Liabilities  
As of September 30

	1997	1996
<b>ASSETS</b>		
Current Assets:		
Accounts Receivables - Current:		
Due from federal agencies	\$ 662,449,635	\$ 41,442,291
Due from local units	319,791,924	270,182,419
Due from component units	819,751	10,335
Taxes, interest, and penalties	2,680,709	0
Miscellaneous	91,821,734	40,660,773
Total Accounts Receivables	\$ 1,077,563,753	\$ 352,295,818
Inventories	\$ 420,114 *	\$ 2,086,479 *
Noncurrent Assets:		
Accounts Receivables - Noncurrent:		
Due from federal agencies	\$ 6,226,350	
Due from nonprofit (loan) agencies		\$ 4,257
Miscellaneous noncurrent assets	\$ 4,440	
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 667,487,306	\$ 80,629,416
Due to other funds	\$ 102,115	\$ 267,044
Deferred revenue	\$ 7,507,015	\$ 3,831,647
Unearned receipts	\$ 6,382	\$ 55,387

The schedule of General Fund assets and liabilities is not a balance sheet and is not intended to report financial condition. The schedule presents certain significant assets and liabilities of the General Fund that result directly from the operations of and are the responsibility of the Department of Community Health. The schedule does not include certain other assets and liabilities which are accounted for centrally by the State, such as fixed assets (land, building, and equipment), equity in Common Cash, cash in transit, and warrants outstanding, which are accounted for centrally by the State.

\* This dollar amount represents the cost of office and laboratory supplies on hand as of September 30.

DEPARTMENT OF COMMUNITY HEALTH  
 Schedule of Federal Financial Assistance  
 Fiscal Years Ended September 30, 1997 and September 30, 1996

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
<b>Financial Assistance</b>				
<b>U.S. Department of Agriculture</b>				
School Breakfast Program	(a)	10.553	10/01/95-09/30/96	\$ 73,010
School Breakfast Program	330008002	10.553	10/01/96-09/30/97	\$ 67,136
Total School Breakfast Program				
National School Lunch Program	(a)	10.555	10/10/95-09/30/96	\$ 107,844
National School Lunch Program	330008002	10.555	10/01/96-09/30/97	\$ 100,811
Total National School Lunch Program				
Special Supplemental Nutrition Program for Women, Infants, and Children	4W1003, 4W1006	10.557	10/01/94-09/30/95	\$ 104,024,510
Special Supplemental Nutrition Program for Women, Infants, and Children	4W1006	10.557	10/01/95-09/30/96	\$ 112,191,242
Special Supplemental Nutrition Program for Women, Infants, and Children	4W1006	10.557	10/01/96-09/30/97	\$ 114,160,620
Special Supplemental Nutrition Program for Women, Infants, and Children	4W1011	10.557	10/01/96-09/30/98	\$ 209,000
Special Supplemental Nutrition Program for Women, Infants, and Children	4W1011	10.557	02/14/96-09/30/97	\$ 766,325
Special Supplemental Nutrition Program for Women, Infants, and Children - Special Grant for Infrastructure	4F-5003	10.557	02/15/95-09/30/96	\$ 340,000
Special Supplemental Nutrition Program for Women, Infants, and Children - Special Project Grant - Evaluation of Breastfeeding Initiatives	N/A	10.557	09/29/95-09/30/97	\$ 380,000
Total Special Supplemental Nutrition Program for Women, Infants, and Children (1)				
WIC Farmers' Market Nutrition Program (FMNP)	4F-5003	10.572	10/01/94-09/30/95	\$ 303,783
WIC Farmers' Market Nutrition Program (FMNP)	4F-5003	10.572	10/01/95-09/30/96	\$ 303,783
WIC Farmers' Market Nutrition Program (FMNP)	4F-5003	10.572	10/01/96-09/30/97	\$ 296,731
Total WIC Farmers' Market Nutrition Program (FMNP)				
<b>Total U.S. Department of Agriculture</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Shelter Plus Care	M128C921050	14.238	09/27/92-12/31/98	\$ 4,032,346
Housing Opportunities for Persons With AIDS	(b)	14.241	04/01/96-03/31/99	\$ 1,029,000
Lead-Based Paint Hazard Control in Priority Housing	M1-LAG-0019-94	14.900	05/01/96-04/30/99	\$ 4,934,250
<b>Total U.S. Department of Housing and Urban Development</b>				

*This schedule continued on next page.*

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$ 73,010	\$	\$	\$ 73,010
67,136			67,136				
<u>\$ 67,136</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 67,136</u>	<u>\$ 73,011</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,011</u>
\$	\$	\$	\$	\$ 107,844	\$	\$	\$ 107,844
100,811			100,811				
<u>\$ 100,811</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,811</u>	<u>\$ 107,844</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 107,844</u>
\$	\$	\$	\$	\$ 117,402	\$	\$ 593,750	\$ 711,152
61,699		738,310	800,010	6,683,298		101,244,164	107,927,462
5,878,634		104,671,399	110,550,032				
141,668		49,796	191,465				
1,375			1,375	2,000	45,293		47,293
				279,212			-
						4,500	4,500
<u>\$ 6,083,376</u>	<u>\$ 0</u>	<u>\$ 105,459,505</u>	<u>\$ 111,542,882</u>	<u>\$ 7,081,911</u>	<u>\$ 45,293</u>	<u>\$ 101,842,414</u>	<u>\$ 108,969,618</u>
\$	\$	\$	\$	\$ (7,078)	\$	\$	\$ (7,078)
		6,441	6,441	13,600		236,560	250,160
11,166		255,349	266,515				
<u>\$ 11,166</u>	<u>\$ 0</u>	<u>\$ 261,790</u>	<u>\$ 272,956</u>	<u>\$ 6,522</u>	<u>\$ 0</u>	<u>\$ 236,560</u>	<u>\$ 243,082</u>
<u>\$ 6,262,489</u>	<u>\$ 0</u>	<u>\$ 105,721,295</u>	<u>\$ 111,983,784</u>	<u>\$ 7,269,287</u>	<u>\$ 45,293</u>	<u>\$ 102,078,974</u>	<u>\$ 109,393,555</u>
\$	\$	\$ 852,506	\$ 852,506	\$	\$	\$ 723,375	\$ 723,375
		977,366	977,366			10,335	10,335
249,902		384,628	634,530	18,587			18,587
<u>\$ 249,902</u>	<u>\$ 0</u>	<u>\$ 2,214,499</u>	<u>\$ 2,464,402</u>	<u>\$ 18,587</u>	<u>\$ 0</u>	<u>\$ 733,710</u>	<u>\$ 752,296</u>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
<b><u>U.S. Department of Justice</u></b>				
Drug Control and System Improvement - Formula Grant	93-TT-CX-0026	16.579	10/01/96-09/30/98	\$ 38,462
Drug Control and System Improvement - Formula Grant	92-DB-CX-0026	16.579	10/01/91-09/30/97	\$ 14,485,000
Drug Control and System Improvement - Formula Grant	93-DB-CX-0026	16.579	10/01/92-09/30/96	\$ 14,407,000
Drug Control and System Improvement - Formula Grant	94-DB-CX-0026	16.579	10/01/93-09/30/97	\$ 12,252,809
Drug Control and System Improvement - Formula Grant	95-DB-CX-4026	16.579	10/01/94-09/30/98	\$ 5,000,000
Drug Control and System Improvement - Formula Grant	96-DB-MU-4026	16.579	10/01/95-09/30/98	\$ 15,892,323
Drug Control and System Improvement - Formula Grant	97-DB-MU-0026	16.579	10/01/96-09/30/99	\$ 16,577,000
Total Drug Control and System Improvement - Formula Grant (2)				
Local Law Enforcement Block Grants Program	96-LB-VX-0344	16.592	10/01/96-09/30/98	\$ 911,416
Residential Substance Abuse Treatment for State Prisoners	96-RT-NX-0026	16.593	08/01/96-09/30/99	\$ 894,375
Residential Substance Abuse Treatment for State Prisoners	97-RT-NX-0026	16.593	10/01/96-09/30/99	\$ 963,805
Total Residential Substance Abuse Treatment for State Prisoners				
<b>Total U.S. Department of Justice</b>				
<b><u>U.S. Department of Labor</u></b>				
Occupational Safety and Health - State Program	50-F5-0052	17.503	10/01/94-09/30/95	\$ 2,846,747
Occupational Safety and Health - State Program	50-F6-0052	17.503	10/01/95-09/30/96	\$ 2,748,000
Total Occupational Safety and Health - State Program				
Consultation Agreements	W9-F5-1952	17.504	10/01/94-09/30/95	\$ 573,000
Consultation Agreements	W9-F6-1952	17.504	10/01/95-09/30/96	\$ 592,000
Total Consultation Agreements				
<b>Total U.S. Department of Labor</b>				
<b><u>U. S. Department of Transportation</u></b>				
State and Community Highway Safety	(c)	20.660	10/01/95-09/30/96	\$ 194,000
State and Community Highway Safety	(c)	20.660	10/01/94-09/30/95	\$ 180,000
State and Community Highway Safety	OP-64-04	20.660	10/01/95-09/30/96	\$ 25,000
State and Community Highway Safety	OP-97-03	20.660	10/01/96-09/30/97	\$ 40,000
State and Community Highway Safety	PS-97-01	20.660	10/01/96-09/30/97	\$ 36,000
State and Community Highway Safety	PS-96-01	20.660	10/01/95-09/30/96	\$ 37,000
State and Community Highway Safety	J7-97-08	20.660	02/17/96-09/30/97	\$ 245,500
State and Community Highway Safety	CP-97-12	20.660	10/10/96-09/30/97	\$ 220,000
State and Community Highway Safety	(c)	20.660	10/01/95-09/30/96	\$ 65,000
Total State and Community Highway Safety				
<b>Total U.S. Department of Transportation</b>				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$ 37,103	\$	\$	\$ 37,103	\$	\$	\$	\$
		287,107	287,107				
	32,008	526,846	558,854				
	154,635	846,782	1,001,417				
406,703	131,688	2,583,907	3,122,298				
	4,439,735	8,362,928	12,802,663				
<u>\$ 443,806</u>	<u>\$ 4,758,066</u>	<u>\$ 12,607,570</u>	<u>\$ 17,809,442</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 251,731	\$	\$	\$ 251,731	\$	\$	\$	\$
	262,933		262,933				
<u>\$ 0</u>	<u>\$ 262,933</u>	<u>\$ 0</u>	<u>\$ 262,933</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>\$ 695,537</u>	<u>\$ 5,020,999</u>	<u>\$ 12,607,570</u>	<u>\$ 18,324,106</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$ 19,217	\$	\$	\$ 19,217
98,486			98,486	2,639,458			2,639,458
<u>\$ 98,486</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 98,486</u>	<u>\$ 2,658,675</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,658,675</u>
\$	\$	\$	\$	\$ 3,616	\$	\$	\$ 3,616
13,911			13,911	564,928			564,928
<u>\$ 13,911</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,911</u>	<u>\$ 568,544</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 568,544</u>
<u>\$ 112,398</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 112,398</u>	<u>\$ 3,227,219</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,227,219</u>
\$	\$	\$	\$	\$	\$	\$ 172,000	\$ 172,000
						(14,396)	(14,396)
				19,146			19,146
38,999			38,999				
27,092			27,092				
				20,304		5,000	25,304
		218,492	218,492				
		220,000	220,000				
						10,500	10,500
<u>\$ 66,091</u>	<u>\$ 0</u>	<u>\$ 438,492</u>	<u>\$ 504,584</u>	<u>\$ 39,450</u>	<u>\$ 0</u>	<u>\$ 173,104</u>	<u>\$ 212,555</u>
<u>\$ 66,091</u>	<u>\$ 0</u>	<u>\$ 438,492</u>	<u>\$ 504,584</u>	<u>\$ 39,450</u>	<u>\$ 0</u>	<u>\$ 173,104</u>	<u>\$ 212,555</u>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
<b><u>U.S. Environmental Protection Agency</u></b>				
State Indoor Radon Grants	K-1995019-05	66.032	10/01/94-09/30/95	\$ 498,694
State Indoor Radon Grants	K-1995019-06	66.032	10/01/95-09/30/96	\$ 185,433
Total State Indoor Radon Grants				
State Public Water System Supervision (3)	F005293-96	66.432	10/01/95-09/30/96	\$ 3,999,115
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	PB995602-95	66.707	10/01/94-09/30/97	\$ 269,030
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	PB995602-01	66.707	10/01/95-09/30/98	\$ 396,212
Total TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals				
<b>Total U.S. Environmental Protection Agency</b>				
<b><u>U.S. Nuclear Regulatory Commission</u></b>				
Radiation Control - Training Assistance and Advisory Counseling	NRC-30-83-644	77.001	01/01/95-12/31/95	\$ 10,000
Radiation Control - Training Assistance and Advisory Counseling	NRC-30-83-644	77.001	01/01/96-12/31/96	\$ 10,000
Total Radiation Control - Training Assistance and Advisory Counseling				
<b>Total U.S. Nuclear Regulatory Commission</b>				
<b><u>U.S. Department of Education</u></b>				
Education of Children with Disabilities in State Operated or Supported Schools	H009A430029	84.009	10/01/94-09/30/96	\$ 120,144
Special Education - Grants to States	H027A50110-96	84.027	10/01/95-09/30/97	\$ 91,614
Special Education - Grants to States	H027A60110-97	84.027	10/01/96-09/30/98	\$ 53,639
Total Special Education - Grants to States				
Chapter 2 - State Block Grants	S151Z0020	84.151	10/01/94-09/30/95	\$ 5,468
Special Education - Preschool Grants	H173A50117-96A	84.173	10/01/95-09/30/97	\$ 8,111
Special Education Grants for Infants and Families With Disabilities	(d)	84.181	10/01/95-09/30/96	\$ 194,630
Special Education Grants for Infants and Families With Disabilities	(d)	84.181	10/01/94-09/30/95	\$ 87,576
Special Education Grants for Infants and Families With Disabilities	1366/IACPHA	84.181	10/01/96-09/30/97	\$ 230,000
Special Education Grants for Infants and Families With Disabilities	13461 ACDMH	84.181	10/01/95-09/30/96	\$ 105,000
Special Education Grants for Infants and Families With Disabilities	13361 ACMHA	84.181	10/01/96-09/30/97	\$ 115,000
Total Special Education Grants for Infants and Families With Disabilities				
Safe and Drug-Free Schools and Communities - State Grant	S186A60023	84.186	10/01/96-09/30/97	\$ 946
Safe and Drug-Free Schools and Communities - State Grant	S186A50023	84.186	07/01/95-09/30/96	\$ 729,458
Safe and Drug-Free Schools and Communities - State Grant	S186A60023	84.186	07/01/96-09/30/97	\$ 1,225,610

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients Non-State Entities	Total
\$	\$	\$	\$	\$	\$	\$ 55,397	\$ 55,397
(2,326)			(2,326)	68,926		86,096	155,022
<u>\$ (2,326)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,326)</u>	<u>\$ 68,926</u>	<u>\$ 0</u>	<u>\$ 141,493</u>	<u>\$ 210,419</u>
\$ (13,482)	\$	\$	\$ (13,482)	\$ 2,740,838	\$	\$ 803,571	\$ 3,544,410
\$ 83,829	\$	\$	\$ 83,829	\$ 42,013	\$	\$	\$ 42,013
1,040			1,040	113,183			113,183
<u>\$ 84,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,869</u>	<u>\$ 155,196</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 155,196</u>
<u>\$ 69,062</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,062</u>	<u>\$ 2,964,960</u>	<u>\$ 0</u>	<u>\$ 945,064</u>	<u>\$ 3,910,024</u>
\$	\$	\$	\$	\$ 2,500	\$	\$	\$ 2,500
				7,500			7,500
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
\$	\$	\$	\$	\$ 74,963	\$	\$	\$ 74,963
\$ 90,664	\$	\$	\$ 90,664	\$	\$	\$	\$
35,876			35,876				
<u>\$ 126,540</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 126,540</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$	\$	\$	\$	\$ 5,386	\$	\$ 0	\$ 5,386
\$ 7,652	\$	\$	\$ 7,652	\$	\$	\$	\$
\$	\$	\$	\$	\$ 124,722	\$	\$	\$ 124,722
				87			87
124,836			124,836				
(17)		(312)	(328)	7,482		73,756	81,238
<u>5,109</u>	<u>20,000</u>	<u>67,424</u>	<u>92,533</u>	<u>132,291</u>	<u>0</u>	<u>73,756</u>	<u>206,047</u>
<u>\$ 129,927</u>	<u>\$ 20,000</u>	<u>\$ 67,112</u>	<u>\$ 217,040</u>	<u>\$ 132,291</u>	<u>\$ 0</u>	<u>\$ 73,756</u>	<u>\$ 206,047</u>
\$ 866	\$	\$	\$ 866	\$	\$	\$	\$
		89,746	89,746				
		1,054,347	1,054,347				



DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Safe and Drug-Free Schools and Communities - State Grant	S186A70023	84.186	07/01/97-09/30/98	\$ 1,487,300
Safe and Drug-Free Schools and Communities - State Grant	S186A40082	84.186	07/01/94-09/30/95	\$ 3,340,455
Safe and Drug-Free Schools and Communities - State Grant	S186A50082	84.186	07/01/95-09/30/96	\$ 3,404,474
Safe and Drug-Free Schools and Communities - State Grant	S186A60082	84.186	07/01/96-09/30/97	\$ 3,447,384
Safe and Drug-Free Schools and Communities - State Grant	S186A70082	84.186	07/01/97-09/30/98	\$ 4,131,392
Total Safe and Drug-Free Schools and Communities - State Grant				
Eisenhower Professional Development State Grant	S281A5022	84.281	10/01/95-09/30/97	\$ 407
Eisenhower Professional Development State Grant	S281A60022	84.281	10/01/96-09/30/97	\$ 445
Total Eisenhower Professional Development State Grant				
Innovative Education Program Strategies	S298A60022	84.298A	10/01/95-09/30/97	\$ 4,373
<b>Total U.S. Department of Education</b>				
<b><u>U. S. Department of Health and Human Services</u></b>				
Paternity Registry	(e)	93.000	04/01/96-09/30/97	\$ 542,850
Grants for Residential Treatment Programs for Pregnant and Postpartum Women	5 HS4 TI00570-03	93.101	09/30/95-09/29/96	\$ 891,023
Grants for Residential Treatment Programs for Pregnant and Postpartum Women	5 HS4 TI00570-04	93.101	09/30/96-09/29/97	\$ 1,168,173
Total Grants for Residential Treatment Programs for Pregnant and Postpartum Women				
Maternal and Child Health Federal Consolidated Programs	MCJ-26R019-01	93.110	10/01/95-09/30/96	\$ 150,000
Maternal and Child Health Federal Consolidated Programs	MCJ-26R019-03	93.110	10/01/96-09/30/97	\$ 150,000
Maternal and Child Health Federal Consolidated Programs	MCJ-26TO23-03	93.110	10/01/95-12/31/96	\$ 100,000
Maternal and Child Health Federal Consolidated Programs	MCJ-267044-03	93.110	10/01/93-09/30/95	\$ 216,724
Maternal and Child Health Federal Consolidated Programs	MCJ-26KHV5-01	93.110	10/01/94-06/30/96	\$ 70,000
Maternal and Child Health Federal Consolidated Programs	MCJ-26SH01-01	93.110	10/01/94-04/30/96	\$ 149,728
Maternal and Child Health Federal Consolidated Programs	MCJ-26TO23-04	93.110	10/01/96-09/30/97	\$ 109,987
Total Maternal and Child Health Federal Consolidated Programs				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	U52/CCU500499-12	93.116	02/01/94-01/31/95	\$ 853,011
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	U52/CCU500499-13	93.116	02/01/95-12/31/95	\$ 1,085,921
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	U52/CCU500499-14	93.116	01/01/96-12/31/96	\$ 981,334
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	U52/CCU500499-15	93.116	01/01/97-12/31/97	\$ 801,980
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$	\$	\$	\$
		15,214	15,214				
		2,009,244	2,009,244				
127,946		1,044,048	1,171,994				
<b>\$ 128,813</b>	<b>\$ 0</b>	<b>\$ 4,212,599</b>	<b>\$ 4,341,412</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
\$ 407	\$	\$	\$ 407	\$	\$	\$	\$
436			436				
<b>\$ 843</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 843</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
\$ 4,373	\$	\$	\$ 4,373	\$	\$	\$	\$
<b>\$ 398,148</b>	<b>\$ 20,000</b>	<b>\$ 4,279,711</b>	<b>\$ 4,697,860</b>	<b>\$ 212,640</b>	<b>\$ 0</b>	<b>\$ 73,756</b>	<b>\$ 286,396</b>
\$ 105,130	\$	\$	\$ 105,130	\$	\$	\$	\$
\$	\$	\$	\$	\$ 7,310	\$	\$ 840,588	\$ 847,898
24,241		1,143,932	1,168,173				
<b>\$ 24,241</b>	<b>\$ 0</b>	<b>\$ 1,143,932</b>	<b>\$ 1,168,173</b>	<b>\$ 7,310</b>	<b>\$ 0</b>	<b>\$ 840,588</b>	<b>\$ 847,898</b>
\$	\$	\$	\$	\$	\$	\$ 149,000	\$ 149,000
1,000		149,000	150,000				
		25,000	25,000	46,152		18,861	65,013
				1			1
						20,000	20,000
				1,748		25,957	27,704
<b>78,584</b>			<b>78,584</b>				
<b>\$ 79,584</b>	<b>\$ 0</b>	<b>\$ 174,000</b>	<b>\$ 253,584</b>	<b>\$ 47,900</b>	<b>\$ 0</b>	<b>\$ 213,818</b>	<b>\$ 261,718</b>
\$	\$	\$	\$	\$	\$	\$ (18,018)	\$ (18,018)
19,158			19,158	206,572		120,581	327,154
158,715		106,668	265,383	68,849		351,901	420,750
90,845		334,593	425,438				
<b>\$ 268,718</b>	<b>\$ 0</b>	<b>\$ 441,261</b>	<b>\$ 709,979</b>	<b>\$ 275,421</b>	<b>\$ 0</b>	<b>\$ 454,464</b>	<b>\$ 729,885</b>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Acquired Immunodeficiency Syndrome (AIDS) Activity	(d)	93.118	10/01/95-09/30/96	\$ 42,872
Acquired Immunodeficiency Syndrome (AIDS) Activity	U52/CCU507038-04	93.118	09/30/94-09/30/95	\$ 65,500
Total Acquired Immunodeficiency Syndrome (AIDS) Activity				
Mental Health Planning and Demonstration Projects:				
Enhancing Vocational Opportunities Grant	3HD5SM4608103S2	93.125	09/01/94-08/31/95	\$ 598,535
Three Approaches to Supported Education	1R18MH4766901A2	93.125	09/30/92-08/31/93	\$ 307,098
Three Approaches to Supported Education	5HD5SM4766902	93.125	09/01/93-08/31/94	\$ 426,270
Mental Health Planning and Demonstration Projects	6HD5SM4766903	93.125	09/01/94-08/31/97	\$ 603,238
Consumer and Family Support System Improvement	5HD5SM4937703	93.125	09/01/93-06/31/95	\$ 139,784
Total Mental Health Planning and Demonstration Projects				
Emergency Medical Services for Children	5 MCH-264002-01	93.127	10/01/94-09/30/95	\$ 149,004
Emergency Medical Services for Children	5 MCH-264002-02	93.127	10/01/95-09/30/96	\$ 120,915
Total Emergency Medical Services for Children				
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services - Mental Health Statistics Improvement Program				
	5HR1SM4624502	93.128	09/01/93-08/31/94	\$ 89,028
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services - Mental Health Statistics Improvement Program				
	5HR1SM4624503	93.128	09/01/94-08/31/95	\$ 89,118
Total Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services - Mental Health Statistics Improvement Program				
Primary Care Services - Resource Coordination and Development Primary Care Offices				
	CSU 260001-04	93.130	04/01/95-03/31/96	\$ 243,256
Primary Care Services - Resource Coordination and Development Primary Care Offices				
	CSU 260001-05	93.130	04/01/96-03/31/97	\$ 231,093
Primary Care Services - Resource Coordination and Development Primary Care Offices				
	CSU 260001-06	93.130	04/01/97-03/31/98	\$ 243,256
Total Primary Care Services - Resource Coordination and Development Primary Care Offices				
Managed Care Demonstration Models for SSI Beneficiaries Disabled Due to Addiction to Alcohol and Other Drugs				
	5-HS6-TI00835-02	93.132	09/30/94-09/30/95	\$ 827,602
Managed Care Demonstration Models for SSI Beneficiaries Disabled Due to Addiction to Alcohol and Other Drugs				
	5-HS6-TI00835-03	93.132	09/30/94-09/30/97	\$ 832,386
Total Managed Care Demonstration Models for SSI Beneficiaries Disabled Due to Addiction to Alcohol and Other Drugs				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$ 35,610	\$	\$	\$ 35,610
						(20,751)	(20,751)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,610</u>	<u>\$ 0</u>	<u>\$ (20,751)</u>	<u>\$ 14,859</u>
\$	\$	\$	\$	\$ 720	\$	\$	\$ 0
				454			454
				174		(30,741)	(30,567)
4,235		65,161	69,396	19,801		388,613	408,414
				1,058			1,058
<u>\$ 4,235</u>	<u>\$ 0</u>	<u>\$ 65,161</u>	<u>\$ 69,396</u>	<u>\$ 22,206</u>	<u>\$ 0</u>	<u>\$ 357,872</u>	<u>\$ 380,078</u>
\$	\$	\$	\$	\$	\$	\$ (5,610)	\$ (5,610)
		(54,090)	(54,090)			89,756	89,756
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (54,090)</u>	<u>\$ (54,090)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,146</u>	<u>\$ 84,146</u>
\$	\$	\$	\$	\$ 96	\$	\$	\$ 96
				13,958		30,956	44,914
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,054</u>	<u>\$ 0</u>	<u>\$ 30,956</u>	<u>\$ 45,010</u>
\$	\$	\$	\$	\$ 59,146	\$	\$ 66,045	\$ 125,190
52,905		57,101	110,007	49,109		65,440	114,549
60,445		53,072	113,517				
<u>\$ 113,350</u>	<u>\$ 0</u>	<u>\$ 110,174</u>	<u>\$ 223,524</u>	<u>\$ 108,255</u>	<u>\$ 0</u>	<u>\$ 131,484</u>	<u>\$ 239,739</u>
\$	\$	\$	\$	\$	\$	\$ (9,475)	\$ (9,475)
		95,800	95,800	6,959		469,781	476,739
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,800</u>	<u>\$ 95,800</u>	<u>\$ 6,959</u>	<u>\$ 0</u>	<u>\$ 460,305</u>	<u>\$ 467,264</u>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Injury Prevention and Control Research and State Grant Projects:				
State and Community Based Programs	U17/CCU511067-01	93.136	09/30/94-09/29/95	\$ 265,763
State and Community Based Programs	U17/CCU511067-02	93.136	09/30/95-09/29/96	\$ 273,330
State and Community Based Programs	U17/CCU511067-03	93.136	09/30/96-09/29/97	\$ 274,102
State and Community Based Programs	U17/CCU511067-04	93.136	09/30/97-09/29/98	\$ 263,138
Total Injury Prevention and Control Research and State Grant Projects				
Projects for Assistance in Transition from Homelessness (PATH)	SMX060023-93	93.150	09/03/93-09/29/94	\$ 864,000
Projects for Assistance in Transition from Homelessness (PATH)	SMX060023-94	93.150	09/30/94-09/29/95	\$ 846,000
Projects for Assistance in Transition from Homelessness (PATH)	SMX060023-95	93.150	09/30/95-09/29/96	\$ 846,000
Projects for Assistance in Transition from Homelessness (PATH)	SMX060023-96	93.150	09/30/96-09/26/97	\$ 383,000
Total Projects for Assistance in Transition From Homelessness (PATH)				
HIV Demonstration Program for Children, Adolescents, and Women	MCH P05032-06	93.153	08/01/94-07/31/96	\$ 671,576
HIV Demonstration Program for Children, Adolescents, and Women	MCH P05032-07	93.153	08/01/96-07/31/97	\$ 455,000
HIV Demonstration Program for Children, Adolescents, and Women	MCH P05032-08	93.153	08/01/97-07/31/98	\$ 800,000
Total HIV Demonstration Program for Children, Adolescents, and Women				
Health Program for Toxic Substances and Disease Registry	U50/ATU500003-08	93.161	09/29/94-09/28/96	\$ 869,592
Health Program for Toxic Substances and Disease Registry	U50/ATU500003-09	93.161	09/29/96-09/28/97	\$ 456,860
Health Program for Toxic Substances and Disease Registry	U50/ATU500003-10	93.161	09/29/97-09/28/98	\$ 479,860
Health Program for Toxic Substances and Disease Registry	H75/ATH596920-03	93.161	09/30/93-09/29/95	\$ 297,142
Health Program for Toxic Substances and Disease Registry	H75/ATH596920-04	93.161	09/01/95-09/29/96	\$ 151,461
Health Program for Toxic Substances and Disease Registry	H75/ATH599792-01	93.161	09/30/93-09/29/94	\$ 175,143
Health Program for Toxic Substances and Disease Registry	H75/ATH599792-01	93.161	09/30/95-09/29/96	\$ 151,461
Health Program for Toxic Substances and Disease Registry	U61/ATU599816-03	93.161	09/30/95-09/29/96	\$ 84,427
Health Program for Toxic Substances and Disease Registry	H75/ATH599817-03	93.161	09/30/95-09/29/96	\$ 295,203
Health Program for Toxic Substances and Disease Registry	H75/ATH599817-04	93.161	09/30/96-09/29/97	\$ 164,185
Health Program for Toxic Substances and Disease Registry	H75/ATH599817-05	93.161	09/30/97-09/29/98	\$ 194,103
Health Program for Toxic Substances and Disease Registry	(f)	93.161	03/30/93-09/30/96	\$ 140,513
Total Health Program for Toxic Substances and Disease Registry				
Grants for State Loan Repayment	CSH0262L0-05	93.165	09/30/94-09/29/95	\$ 574,100
Grants for State Loan Repayment	CSH026SL0-06	93.165	09/30/95-09/29/96	\$ 574,100
Grants for State Loan Repayment	CSH026SL0-07	93.165	09/30/96-09/29/97	\$ 574,100
Grants for State Loan Repayment	CSH026SL0-08	93.165	09/30/97-09/29/98	\$ 724,100
Total Grants for State Loan Repayment				
Disabilities Prevention	U59/CCU506998-04	93.184	09/30/94-09/29/95	\$ 325,953
Disabilities Prevention	U59/CCU506998-05	93.184	09/30/95-09/30/97	\$ 477,545
Total Disabilities Prevention				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$ 4,612	\$ 4,612	\$ 42,778	\$	\$ 105,800	\$ 148,578
159,086		51,200	210,286	159,613			159,613
<u>\$ 159,086</u>	<u>\$ 0</u>	<u>\$ 55,812</u>	<u>\$ 214,897</u>	<u>\$ 202,391</u>	<u>\$ 0</u>	<u>\$ 105,800</u>	<u>\$ 308,191</u>
\$	\$	\$	\$	\$ 867	\$	\$	\$ 867
		(8,912)	(8,912)	4,597		867	5,464
		3,077	3,077	28,970		806,154	835,124
		383,000	383,000				
		(44,144)	(44,144)	(10,630)		203,328	192,698
78,340		329,965	408,305	5,279		41,416	46,695
15,783		114,090	129,872				
<u>\$ 94,123</u>	<u>\$ 0</u>	<u>\$ 399,910</u>	<u>\$ 494,033</u>	<u>\$ (5,351)</u>	<u>\$ 0</u>	<u>\$ 244,744</u>	<u>\$ 239,393</u>
\$	\$	\$	\$	\$ 311,878	\$	\$	\$ 311,878
298,706			298,706				
						(1,703)	(1,703)
(200)			(200)	70		(1,908)	(1,838)
				56,165		87,878	144,043
				70,752			70,752
				254,594			254,594
164,185			164,185				
9,735			9,735	12,106			12,106
<u>\$ 472,426</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 472,426</u>	<u>\$ 705,566</u>	<u>\$ 0</u>	<u>\$ 84,267</u>	<u>\$ 789,832</u>
\$	\$	\$	\$	\$	\$	\$ 234,207	\$ 234,207
179,518			179,518			148,952	148,952
250,016			250,016				
215,606			215,606				
<u>\$ 645,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 645,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 383,158</u>	<u>\$ 383,158</u>
\$	\$	\$	\$	\$ 314	\$	\$ (2,762)	\$ (2,448)
187,704		72,947	260,651	171,547		41,999	213,547
<u>\$ 187,704</u>	<u>\$ 0</u>	<u>\$ 72,947</u>	<u>\$ 260,651</u>	<u>\$ 171,862</u>	<u>\$ 0</u>	<u>\$ 39,237</u>	<u>\$ 211,099</u>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	6-U95-TI00665-02	93.196	09/30/94-09/29/95	\$ 3,327,665
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	5-U95-TI00665-03	93.196	09/30/95-09/29/96	\$ 3,440,272
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	5-U95-TI00665-04	93.196	09/30/96-09/29/97	\$ 3,533,434
Total Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities				
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	H64/CCH507993-03	93.197	07/01/94-06/30/95	\$ 967,260
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	H64/CCH507993-04	93.197	07/01/95-06/30/96	\$ 916,849
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	H64/CCH507993-05	93.197	07/01/96-06/30/97	\$ 1,058,804
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	H64/CCH507993-06	93.197	07/01/97-06/30/98	\$ 854,999
Total Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children				
Family Planning Services	05-H-000173-24	93.217	04/01/95-06/30/96	\$ 6,160,704
Family Planning Services	05-H-000173-25	93.217	07/01/96-03/31/97	\$ 3,796,946
Family Planning Services	05-H-000173-26	93.217	07/01/97-03/31/98	\$ 5,024,235
Total Family Planning Services (3)				
Mental Health Research Grants	5R01MH4630705	93.242	09/01/93-08/31/97	\$ 216,140
Occupational Safety and Health Research Grants	U60/CCU502998-09	93.262	09/30/95-09/29/96	\$ 208,728
Occupational Safety and Health Research Grants	U60/CCU502998-10	93.262	09/30/96-09/29/97	\$ 136,799
Total Occupational Safety and Health Research Grants				
Childhood Immunization Grants	H23/CCH504477-05	93.268	01/01/94-12/31/94	\$ 11,293,964
Childhood Immunization Grants	H23/CCH504477-06	93.268	01/01/95-12/31/95	\$ 9,912,608
Childhood Immunization Grants	H23/CCH504477-07	93.268	01/01/96-12/31/96	\$ 12,868,738
Childhood Immunization Grants	H23/CCH504477-08	93.268	01/01/97-12/31/97	\$ 7,486,165
Total Childhood Immunization Grants (1)				

*This schedule continued on next page.*

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$	\$	\$ (59,089)	\$ (59,089)
		(115,316)	(115,316)	34,523		2,173,082	2,207,605
21,858		2,362,819	2,384,677				
<u>\$ 21,858</u>	<u>\$ 0</u>	<u>\$ 2,247,503</u>	<u>\$ 2,269,361</u>	<u>\$ 34,523</u>	<u>\$ 0</u>	<u>\$ 2,113,993</u>	<u>\$ 2,148,516</u>
\$	\$	\$	\$	\$	\$	\$ (40,613)	\$ (40,613)
				340,910		209,163	550,073
412,161		383,922	796,083	106,984		101,579	208,562
52,248		102,223	154,471				
<u>\$ 464,409</u>	<u>\$ 0</u>	<u>\$ 486,145</u>	<u>\$ 950,554</u>	<u>\$ 447,894</u>	<u>\$ 0</u>	<u>\$ 270,129</u>	<u>\$ 718,023</u>
\$	\$	\$	\$	\$	\$	\$ 3,701,406	\$ 4,237,193
511,315		2,497,855	3,009,170	535,787		596,763	787,776
426,198		1,438,284	1,864,482	191,013			
<u>\$ 937,512</u>	<u>\$ 0</u>	<u>\$ 3,936,139</u>	<u>\$ 4,873,652</u>	<u>\$ 726,800</u>	<u>\$ 0</u>	<u>\$ 4,298,169</u>	<u>\$ 5,024,969</u>
\$	\$	\$	\$	\$	\$	\$ 44,768	\$ 47,569
1,750		32,412	34,162	2,801			
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 817</u>	<u>\$ 0</u>	<u>\$ 207,528</u>	<u>\$ 208,345</u>
\$	\$	\$	\$	\$	\$	\$ 345,202	\$ 350,355
				5,153		1,449,925	2,280,609
487,066		5,460,960	5,948,026	830,684		5,487,557	6,917,694
1,201,518		3,138,186	4,339,704	1,430,137			
<u>\$ 1,688,584</u>	<u>\$ 0</u>	<u>\$ 8,599,146</u>	<u>\$ 10,287,729</u>	<u>\$ 2,265,975</u>	<u>\$ 0</u>	<u>\$ 7,282,684</u>	<u>\$ 9,548,658</u>



DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Centers for Disease Control and Prevention - Investigations and Technical Assistance	H75/CCH511415-01	93.283	09/30/94-09/29/96	\$ 29,860
Centers for Disease Control and Prevention - Investigations and Technical Assistance	H75/CCH513094-01	93.283	09/30/96-09/29/97	\$ 87,500
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U37/CCU500392-13	93.283	07/01/94-06/30/95	\$ 133,140
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U37/CCU500392-14	93.283	07/01/95-06/30/96	\$ 110,250
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U37/CCU500392-15	93.283	07/01/96-06/30/97	\$ 190,225
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U37/CCU500392-16	93.283	07/01/97-06/30/98	\$ 121,551
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU502834-06	93.283	09/27/93-09/26/94	\$ 447,386
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU502834-07	93.283	09/27/94-09/26/95	\$ 480,838
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU502834-08	93.283	09/27/95-09/26/97	\$ 742,757
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU503475-07	93.283	08/15/95-08/14/97	\$ 150,419
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU506636-05	93.283	4/15/95-04/14/96	\$ 56,681
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U50/CCU506636-06	93.283	04/15/96-04/14/98	\$ 72,314
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U58/CCU501994-07	93.283	09/01/95-08/31/96	\$ 119,413
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U58/CCU501994-08	93.283	09/01/06-08/31/97	\$ 107,310
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U58/CCU501994-09	93.283	09/01/97-08/31/98	\$ 109,646
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U58/CCU509800-03	93.283	09/30/95-09/29/97	\$ 30,000
Centers for Disease Control and Prevention - Investigations and Technical Assistance	R13/CCR511949-01	93.283	09/25/95-09/24/96	\$ 15,000
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U75/CCU510691-02	93.283	09/30/95-09/29/96	\$ 493,877
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U75/CCU510691-03	93.283	09/30/96-09/29/97	\$ 394,132
Centers for Disease Control and Prevention - Investigations and Technical Assistance	U75/CCU510691-04	93.283	09/30/97-09/29/98	\$ 726,909
Total Centers for Disease Control and Prevention - Investigations and Technical Assistance				
Comparative Medicine Program	U42/RR05081-07	93.306	09/30/95-09/29/96	\$ 19,300
Comparative Medicine Program	U42/RR05081-08	93.306	09/01/96-08/31/97	\$ 15,950
Total Comparative Medicine Program				

*This schedule continued on next page.*

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$ 25,217	\$	\$	\$ 25,217
1,849		75,000	76,849				
				(4)			(4)
				62,180			62,180
60,329		74,529	134,858	1,575			1,575
25,417			25,417				
						(9,224)	(9,224)
						5,128	5,128
314,373		20,224	334,597	296,757		34,540	331,297
15,201		61,845	77,046	50,939		5,000	55,939
		(15,655)	(15,655)	12,863		15,655	28,518
9,969		12,278	22,247	13,225		7,222	20,446
				54,854		46,475	101,329
743		39,723	40,466	1,358			1,358
18,730			18,730	9,951			9,951
						15,000	15,000
21,811			21,811	66,849			66,849
103,735			103,735				
<u>\$ 572,157</u>	<u>\$ 0</u>	<u>\$ 267,944</u>	<u>\$ 840,101</u>	<u>\$ 595,764</u>	<u>\$ 0</u>	<u>\$ 119,795</u>	<u>\$ 715,559</u>
\$	\$	\$	\$	\$ 19,300	\$	\$	\$ 19,300
				635			635
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,935</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,935</u>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Refugee and Entrant Assistance - Discretionary Grants	90RX0025/01	93.576	07/01/96-06/30/97	\$ 63,739
Refugee and Entrant Assistance - Discretionary Grants	90RX0025/02	93.576	07/01/97-06/30/98	\$ 63,739
Total Refugee and Entrant Assistance - Discretionary Grants				
Developmental Disabilities Basic Support and Advocacy Grants	G9401MIBS23	93.630	10/01/93-09/30/96	\$ 2,418,197
Developmental Disabilities Basic Support and Advocacy Grants	G9501MIBS23	93.630	10/01/94-09/30/97	\$ 2,475,657
Developmental Disabilities Basic Support and Advocacy Grants	G9601MIBS23	93.630	10/01/95-09/30/98	\$ 2,254,655
Developmental Disabilities Basic Support and Advocacy Grants	G9701MIBS23	93.630	10/01/96-09/30/99	\$ 2,256,580
Total Developmental Disabilities Basic Support and Advocacy Grants				
Children's Justice Grants to States	(e)	93.643	10/01/94-09/30/96	\$ 207,800
Clinical Laboratory Improvement Act	05-9505-MI-5002	93.727	10/01/94-09/30/95	\$ 866,347
Clinical Laboratory Improvement Act	05-9605-MI-5002	93.727	10/01/95-09/30/96	\$ 560,740
Total Clinical Laboratory Improvement Act				
State Survey and Certification of Health Care Providers and Suppliers (3)	05-9605-MI-5000	93.777	10/01/95-09/30/96	\$ 5,434,813
Medical Assistance Program - Medical Administrative Payments	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 273,109,718
Medical Assistance Program - Medical Assistance Payments	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 2,856,927,848
Medical Assistance Program - Maternal and Infant Health Data	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 162,825
Medical Assistance Program - Prenatal Care Local Agreements	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 4,145,630
Medical Assistance Program - Medical Service Costs to Local Health Departments	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 2,258,502
Medical Assistance Program - Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Outreach	(e)	93.778	10/01/95-09/30/96	\$ 3,571,653
Medical Assistance Program - Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Outreach	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 3,057,754
Medical Assistance Program - Blood Lead Analysis	(e)	93.778	10/01/95-09/30/96	\$ 271,169
Medical Assistance Program - Blood Lead Analysis	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 269,164
Medical Assistance Program - Children's Special Health Care Services - Locally Based Services	(e)	93.778	10/01/95-09/30/96	\$ 1,243,546
Medical Assistance Program - Children's Special Health Care Services - Locally Based Services	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 698,628
Medical Assistance Program - Children's Special Health Care Services	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 40,163,562
Medical Assistance Program - Children's Special Health Care Services	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 1,827,629
Medical Assistance Program - Child and Family Services Administration	(e)	93.778	10/01/95-09/30/96	\$ 1,049,156
Medical Assistance Program - Child and Family Services Administration	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 887,750
Medical Assistance Program - Substance Abuse	(e)	93.778	10/01/95-09/30/96	\$ 9,055,169

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$ 60,500	\$ 60,500	\$	\$	\$	\$
		5,605	5,605			3,172	3,172
\$ 0	\$ 0	\$ 66,105	\$ 66,105	\$ 0	\$ 0	\$ 3,172	\$ 3,172
\$	\$	\$ (14,089)	\$ (14,089)	\$	\$	\$ 193,036	\$ 193,036
351		141,284	141,635	18,026		1,064,459	1,082,486
23,962		845,274	869,237	557,787		131,558	689,345
572,948		250,558	823,506				
\$ 597,262	\$ 0	\$ 1,223,028	\$ 1,820,290	\$ 575,813	\$ 0	\$ 1,389,053	\$ 1,964,866
\$	\$	\$	\$	\$	\$	\$ 119,501	\$ 119,501
\$	\$	\$	\$	\$ 43,745	\$	\$	\$ 43,745
				560,740			560,740
\$ 0	\$ 0	\$ 0	\$ 0	\$ 604,485	\$ 0	\$ 0	\$ 604,485
\$	\$	\$	\$	\$ 4,702,459	\$ 341,725	\$ 62,297	\$ 5,106,480
\$ 139,508,906	\$ 73,407,770	\$	\$ 212,916,676	\$	\$	\$	\$
2,508,568,840	102,809,272		2,611,378,112				
162,825			162,825				
		4,145,630	4,145,630				
		2,258,502	2,258,502				
						3,571,653	3,571,653
		3,057,754	3,057,754				
				271,169			271,169
269,164			269,164				
						1,243,546	1,243,546
		698,628	698,628				
40,163,562			40,163,562				
1,827,629			1,827,629				
				1,049,156			1,049,156
887,750			887,750				
				325,528		8,729,641	9,055,169

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Medical Assistance Program - Substance Abuse	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 8,256,997
Medical Assistance Program - Vaccine Replacement	(e)	93.778	10/01/95-09/30/96	\$ 419,206
Medical Assistance Program - Vaccine Replacement	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 94,892
Medical Assistance Program - Diabetes Outpatient Education	(e)	93.778	10/01/95-09/30/96	\$ 59,147
Medical Assistance Program - Diabetes Outpatient Education	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 79,988
Medical Assistance Program - Title IX CMH	(e)	93.778	10/01/95-09/30/96	\$ 294,104,622
Medical Assistance Program - HHS - HCFA Title XIX CMH	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 327,520,350
Medical Assistance Program - Title XIX - DMH	(e)	93.778	10/01/95-09/30/96	\$ 116,617,831
Medical Assistance Program - HHS - HCFA Title XIX DMH	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 148,557,840
Medical Assistance Program - Prior Authorization and Utilization Review	(e)	93.778	10/01/95-09/30/96	\$ 845,992
Medical Assistance Program - Prior Authorization and Utilization Review	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 181,547
Medical Assistance Program - Medicare Part A	(e)	93.778	10/01/95-09/30/96	\$ 2,248,603
Medical Assistance Program - Medicare Part A	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 10,233,987
Medical Assistance Program - Medicare Part B	(e)	93.778	10/01/95-09/30/96	\$ 3,239,961
Medical Assistance Program - Medicare Part B	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 2,048,802
Medical Assistance Program - Child Waiver Food and Vitamins	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 3,254
Medical Assistance Program - Child Waiver Administration	(e)	93.778	10/01/95-09/30/96	\$ 198,889
Medical Assistance Program - Child Waiver Administration	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 220,684
Medical Assistance Program - Children's Home Modifications	(e)	93.778	10/01/95-09/30/96	\$ 36,740
Medical Assistance Program - Children's Home Modifications	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 37,798
Medical Assistance Program - Habitation Supports Waiver	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 88,811
Medical Assistance Program - Managed Care - Administration	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 146,219
Medical Assistance Program - Managed Care - Contracts	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 2,023,917
Medical Assistance Program - Medicaid Administration	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 124,521
Medical Assistance Program - OBRA - Administration	(e)	93.778	10/01/95-09/30/96	\$ 355,968
Medical Assistance Program - OBRA - Administration	5-9705MI5048	93.778	10/01/96-09/30/97	\$ 368,294
Medical Assistance Program - OBRA	(e)	93.778	10/01/95-09/30/96	\$ 8,542,077
Medical Assistance Program - OBRA	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 6,938,760
Medical Assistance Program - OBRA - Special Nursing Homes Provider 71 and 72	5-9705MI5028	93.778	10/01/96-09/30/97	\$ 1,134,581
Medical Assistance Program - Facility Certification	(e)	93.778	10/01/95-09/30/96	\$ 4,754,706
Medical Assistance Program - Medical Surveillance	(e)	93.778	10/01/95-09/30/96	\$ 49,074
Medical Assistance Program - OBRA	(e)	93.778	10/01/95-09/30/96	\$ 4,512,253
Medical Assistance Program - Nurses Aid Registry/ OBRA Enforcement	(e)	93.778	10/01/95-09/30/96	\$ 289,730
Medical Assistance Program - Crippled Children Services	(e)	93.778	10/01/95-09/30/96	\$ 40,372,567
Medical Assistance Program - Medicaid Administration	(e)	93.778	10/01/95-09/30/96	\$ 96,568
Medical Assistance Program - Managed Care	(e)	93.778	10/01/95-09/30/96	\$ 128,959
Medical Assistance Program - Home and Community-Based Waiver	(e)	93.778	10/01/95-09/30/96	\$ 139,655
Total Medical Assistance Program (1)				
Model Comprehensive Drug Abuse Treatment Programs for Critical Populations	4 HD7-TI00405-03	93.902	09/30/95-01/31/97	\$ 927,389

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$ 1,302,932	\$	\$ 6,954,065	\$ 8,256,997	\$ 419,206	\$	\$	\$ 419,206
94,892			94,892	59,147			59,147
73,629		6,359	79,988	294,104,622			294,104,622
327,520,350			327,520,350	116,617,831			116,617,831
148,577,840			148,577,840	845,992			845,992
181,547			181,547	2,248,603			2,248,603
10,239,987			10,239,987	3,239,961			3,239,961
2,048,802		3,254	2,048,802	198,889			198,889
220,684			220,684	36,740			36,740
88,811		37,798	88,811				
146,219			146,219				
124,521		2,023,917	2,023,917				
368,294			368,294	355,968			355,968
				8,542,077			8,542,077
		6,938,760	6,938,760				
		1,134,581	1,134,581	4,754,706			4,754,706
				49,074			49,074
						4,512,253	4,512,253
				289,730			289,730
						38,137,658	38,137,658
				96,568			96,568
				128,959			128,959
				139,655			139,655
<u>\$ 3,182,377,183</u>	<u>\$ 176,217,042</u>	<u>\$ 27,259,249</u>	<u>\$ 3,385,853,475</u>	<u>\$ 433,773,579</u>	<u>\$ 0</u>	<u>\$ 56,194,751</u>	<u>\$ 489,968,329</u>
\$	\$	\$ 109,954	\$ 109,954	\$ 7,919	\$ 0	\$ 713,636	\$ 721,555

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Grants to States for Operation of Offices of Rural Health	CSHS00016-05	93.913	08/01/95-06/30/96	\$ 76,573
Grants to States for Operation of Offices of Rural Health	CSHS00016-06	93.913	08/01/96-06/30/97	\$ 52,944
Grants to States for Operation of Offices of Rural Health	CSHS00016-07	93.913	07/01/97-06/30/98	\$ 53,000
Total Grants to States for Operation of Offices of Rural Health				
HIV Emergency Relief Project Grants	(f)	93.914	06/01/95-03/31/96	\$ 244,500
HIV Emergency Relief Project Grants	(f)	93.914	04/01/96-03/31/97	\$ 400,000
HIV Emergency Relief Project Grants	(f)	93.914	04/01/97-03/31/98	\$ 300,000
Total HIV Emergency Relief Project Grants				
HIV Care Formula Grants	BRX-070044-94	93.917	04/01/94-03/31/95	\$ 2,874,019
HIV Care Formula Grants	BRX-070044-95	93.917	04/01/95-03/31/96	\$ 2,804,894
HIV Care Formula Grants	BRX 070044-96	93.917	04/01/96-03/31/97	\$ 4,080,137
HIV Care Formula Grants	BRX 070044-97	93.917	07/01/97-03/31/98	\$ 5,814,246
Total HIV Care Formula Grants				
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	U57/CCU506738-04	93.919	07/16/94-07/15/95	\$ 5,981,115
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	U57/CCU506738-05	93.919	07/16/95-08/14/97	\$ 10,408,012
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	U57/CCU506738-06	93.919	08/15/97-08/14/98	\$ 5,208,000
Total Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (3)				
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	2786INFRA496	93.938	12/01/95-11/30/96	\$ 42,872
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	277-BI297	93.938	12/01/96-11/30/97	\$ 67,743
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	2767-EP497	93.938	12/01/96-11/30/97	\$ 38,126
Total Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems				
HIV Prevention Activities - Health Department Based	U62/CCU502060-10	93.940	01/01/95-12/31/95	\$ 5,467,613
HIV Prevention Activities - Health Department Based	U62/CCU502060-11	93.940	01/01/96-12/31/96	\$ 5,485,025
HIV Prevention Activities - Health Department Based	U62/CCU502060-12	93.940	01/01/97-12/31/97	\$ 5,672,508
Total HIV Prevention Activities - Health Department Based (3)				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$ 52,679	\$ 52,679	\$	\$	\$ 60,364 265	\$ 60,364 265
\$ 0	\$ 0	\$ 52,679	\$ 52,679	\$ 0	\$ 0	\$ 60,629	\$ 60,629
\$ 135,337 299,900	\$	\$	\$ 135,337 299,900	\$ 90,133 264,653	\$	\$	\$ 90,133 264,653
\$ 435,237	\$ 0	\$ 0	\$ 435,237	\$ 354,786	\$ 0	\$ 0	\$ 354,786
\$ 724,212 851,934	\$	\$ (40,234) 1,685,655 1,621,010	\$ (40,234) 2,409,868 2,472,944	\$ (199) 135,254 438,901	\$	\$ (108,556) 1,248,745 1,147,179	\$ (108,755) 1,383,999 1,586,081
\$ 1,576,147	\$ 0	\$ 3,266,431	\$ 4,842,578	\$ 573,956	\$ 0	\$ 2,287,368	\$ 2,861,324
\$ 798,320 149,426	\$	\$ 9,495 4,045,995 303,128	\$ 9,495 4,844,314 452,554	\$ 1,006,770	\$	\$ 181,054 4,105,952	\$ 181,054 5,112,722
\$ 947,746	\$ 0	\$ 4,358,618	\$ 5,306,363	\$ 1,006,770	\$ 0	\$ 4,287,006	\$ 5,293,776
\$ 7,262 44,355	\$	\$	\$ 7,262 44,355	\$	\$	\$	\$
		\$ 36,269	\$ 36,269				
\$ 999,363	\$ 0	\$ 4,394,887	\$ 5,394,250	\$ 1,006,770	\$ 0	\$ 4,287,006	\$ 5,293,776
\$ 245,619 69,624	\$	\$ 1,681,268 3,518,871	\$ 1,926,887 3,588,495	\$ 44,715 61,773	\$	\$ 2,036,383 3,496,047	\$ 2,081,099 3,557,820
\$ 315,243	\$ 0	\$ 5,200,139	\$ 5,515,383	\$ 106,488	\$ 0	\$ 5,532,430	\$ 5,638,919



DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Surveillance	U62/CCU506228-05	93.944	01/01/95-12/31/96	\$ 4,113,520
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Surveillance	U62/CCU506228-06	93.944	01/01/97-12/31/97	\$ 2,175,118
Total Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Surveillance				
HIV/AIDS and Related Diseases Among Substance Abusers: Community-Based Outreach and Intervention Demonstration Program	1 H1N T111141-01	93.949	09/30/95-09/29/96	\$ 415,491
HIV/AIDS and Related Diseases Among Substance Abusers: Community-Based Outreach and Intervention Demonstration Program	5 H1N T111141-02	93.949	09/30/96-09/29/97	\$ 356,982
HIV/AIDS and Related Diseases Among Substance Abusers: Community-Based Outreach and Intervention Demonstration Program	5 H1N T111141-03	93.949	09/30/97-09/29/98	\$ 357,047
Total HIV/AIDS and Related Diseases Among Substance Abusers: Community-Based Outreach and Intervention Demonstration Program				
Capacity Expansion Program (SHAR: Project Rehab)	4 HR2-TI-00327-03	93.950	09/01/94-08/31/96	\$ 1,651,588
Capacity Expansion Program (Metro East)	4 HR2-TI-10327-03	93.950	03/01/95-09/30/96	\$ 674,162
Total Capacity Expansion Program				
Demonstration Grants to States With Respect to Alzheimer's Disease	CSH00148-02-0	93.951	09/30/93-09/29/94	\$ 619,368
Demonstration Grants to States With Respect to Alzheimer's Disease	CSH00148-03-0	93.951	09/30/94-09/29/95	\$ 753,516
Demonstration Grants to States With Respect to Alzheimer's Disease	CSH00148-04	93.951	09/30/95-09/29/96	\$ 687,000
Demonstration Grants to States With Respect to Alzheimer's Disease	CSH00148-05	93.951	09/30/96-06/30/97	\$ 473,040
Demonstration Grants to States With Respect to Alzheimer's Disease	CSH00148-06	93.951	07/01/97-06/30/98	\$ 713,000
Total Demonstration Grants to States With Respect to Alzheimer's Disease				
Block Grants for Community Mental Health Services	94 B1 MI CMHS-03	93.958	10/01/93-09/30/95	\$ 9,802,467
Block Grants for Community Mental Health Services	95 B1 MI CMHS-04	93.958	10/01/94-09/30/96	\$ 10,662,068
Block Grants for Community Mental Health Services	96 B1 MI CMHS-06	93.958	10/01/95-09/30/97	\$ 10,970,175
Block Grants for Community Mental Health Services	97 B1 MI CMHS-04	93.958	10/01/96-09/30/98	\$ 10,771,969
Total Block Grants for Community Mental Health Services (1)				
Block Grants for Prevention and Treatment of Substance Abuse	95-B1-MI-SAPT	93.959	10/01/94-09/30/95	\$ 48,701,101
Block Grants for Prevention and Treatment of Substance Abuse	96-B1-MI-SAPT	93.959	10/01/95-09/30/96	\$ 50,089,543
Block Grants for Prevention and Treatment of Substance Abuse	97-B1-MI-SAPT	93.959	10/01/96-09/30/97	\$ 53,819,688
Total Block Grants for Prevention and Treatment of Substance Abuse (1)				
Preventive Health Services - Sexually Transmitted Diseases Control Grants	H25/CCH504341-05	93.977	01/01/95-12/31/95	\$ 1,738,043
Preventive Health Services - Sexually Transmitted Diseases Control Grants	H25/CCH504341-06	93.977	01/01/96-12/31/96	\$ 1,708,039

*This schedule continued on next page.*

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$ 137,995	\$	\$ 354,776	\$ 492,771	\$ 352,309	\$	\$ 1,363,972	\$ 1,716,280
286,568		1,140,312	1,426,880				
<u>\$ 424,563</u>	<u>\$ 0</u>	<u>\$ 1,495,088</u>	<u>\$ 1,919,651</u>	<u>\$ 352,309</u>	<u>\$ 0</u>	<u>\$ 1,363,972</u>	<u>\$ 1,716,280</u>
\$	\$	\$ (282)	\$ (282)	\$ 507	\$	\$ 237,953	\$ 238,460
		346,839	346,839				
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 346,557</u>	<u>\$ 346,557</u>	<u>\$ 507</u>	<u>\$ 0</u>	<u>\$ 237,953</u>	<u>\$ 238,460</u>
\$	\$	\$	\$	\$	\$	\$ 521,161	\$ 521,161
						277,828	277,828
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 798,989</u>	<u>\$ 798,989</u>
\$	\$	\$	\$	\$ 1,188	\$	\$ (1,573)	\$ (385)
6,066		112,331	118,397	787		143,739	144,525
25,814		419,129	444,943	42,742		507,255	549,997
2,162			2,162				
<u>\$ 34,042</u>	<u>\$ 0</u>	<u>\$ 531,460</u>	<u>\$ 565,502</u>	<u>\$ 44,716</u>	<u>\$ 0</u>	<u>\$ 649,421</u>	<u>\$ 694,138</u>
\$	\$	\$ 93,517	\$ 93,517	\$ 10,000	\$	\$ 622,327	\$ 632,327
154,589		404,578	404,578	26,544		1,390,919	1,417,463
372,903		1,594,295	1,748,883	178,407		8,709,404	8,887,811
<u>\$ 527,492</u>	<u>\$ 0</u>	<u>\$ 11,344,499</u>	<u>\$ 11,871,991</u>	<u>\$ 214,951</u>	<u>\$ 0</u>	<u>\$ 10,722,650</u>	<u>\$ 10,937,601</u>
\$	\$	\$	\$	\$	\$	\$ 9,690,990	\$ 9,690,990
	563,000	9,595,768	9,595,768	660,099	570,051	39,263,625	40,493,775
<u>\$ 0</u>	<u>\$ 563,000</u>	<u>\$ 53,476,497</u>	<u>\$ 54,039,497</u>	<u>\$ 660,099</u>	<u>\$ 570,051</u>	<u>\$ 48,954,615</u>	<u>\$ 50,184,765</u>
\$	\$	\$ (41,023)	\$ (41,023)	\$ 225,359	\$	\$ 460,366	\$ 685,725
108,863		599,762	708,625	221,378		688,082	909,460

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Preventive Health Services - Sexually Transmitted Diseases Control Grants	H25/CCH504341-07	93.977	01/01/97-12/31/97	\$ 1,702,487
Total Preventive Health Services - Sexually Transmitted Diseases Control Grants				
Health Programs for Refugees	H71/CCH504612-06	93.987	07/01/95-06/30/96	\$ 82,346
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	U32/CCU500344-14	93.988	07/01/95-06/30/96	\$ 772,195
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	U32/CCU500344-15	93.988	07/01/96-06/30/97	\$ 735,156
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	U32/CCU500344-16	93.988	07/01/97-06/30/98	\$ 700,668
Total Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems				
Preventive Health and Health Services Block Grant	95-B1-MI-PRVS	93.991	10/01/94-09/30/96	\$ 6,347,752
Preventive Health and Health Services Block Grant	96-B1-MI-PRVS	93.991	10/01/95-09/30/97	\$ 6,831,968
Preventive Health and Health Services Block Grant	97-B1-MI-PRVS	93.991	10/01/96-09/30/98	\$ 7,430,064
Total Preventive Health and Health Services Block Grant (3)				
Maternal and Child Health Services Block Grant to the States	95-BI-MI-MCHS-04	93.994	10/01/94-09/30/96	\$ 20,765,001
Maternal and Child Health Services Block Grant to the States	96-BI-MI-MCHS-04	93.994	10/01/95-09/30/97	\$ 20,553,698
Maternal and Child Health Services Block Grant to the States	97-BI-MI-MCHS-04	93.994	10/01/96-09/30/98	\$ 20,479,498
Total Maternal and Child Health Services Block Grant to the States (1)				
Vital Statistics Cooperative Study	200-95-7222	N/A	01/01/95-12/31/95	\$ 492,143
Vital Statistics Cooperative Study	200-95-7222	N/A	01/01/96-12/31/96	\$ 504,983
Vital Statistics Cooperative Study	200-95-7222	N/A	01/01/97-12/31/97	\$ 487,576
National Death Index	200-95-7259	N/A	04/16/95-04/15/96	\$ 28,400
National Death Index	200-93-7259	N/A	04/16/96-04/15/97	\$ 33,939
National Death Index	200-93-7259	N/A	04/16/97-04/15/98	\$ 28,732
American Stop Smoking Intervention Study for Cancer Prevention	N01-CN-15374	N/A	09/30/91-09/29/98	\$ 9,000,637
Inspection of Mammography Facilities for Compliance With the Mammography Quality Standards Act of 1992	223-94-4421	N/A	10/01/94-04/30/96	\$ 476,510
Inspection of Mammography Facilities for Compliance With the Mammography Quality Standards Act of 1992	223-96-4421	N/A	05/06/96-05/05/97	\$ 363,536

*This schedule continued on next page.*

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$ 32,551	\$	\$ 682,241	\$ 714,792	\$	\$	\$	\$
\$ 141,414	\$ 0	\$ 1,240,980	\$ 1,382,394	\$ 446,737	\$ 0	\$ 1,148,448	\$ 1,595,185
\$	\$	\$	\$	\$	\$	\$ 62,602	\$ 62,602
\$	\$	\$	\$	\$ 306,306	\$	\$ 293,090	\$ 599,396
324,557		270,064	594,621	103,339		34,700	138,039
137,298			137,298				
\$ 461,856	\$ 0	\$ 270,064	\$ 731,919	\$ 409,645	\$ 0	\$ 327,790	\$ 737,435
\$	\$	\$ 48,046	\$ 48,046	\$ 90	\$ 94,418	\$ 1,814,152	\$ 1,908,660
	595,891	2,141,406	2,737,297	113,973	159,627	3,821,071	4,094,671
1,254,152	900,940	3,236,972	5,392,064				
\$ 1,254,152	\$ 1,496,831	\$ 5,426,424	\$ 8,177,406	\$ 114,063	\$ 254,045	\$ 5,635,223	\$ 6,003,331
\$	\$	\$	\$	\$ 1,179,321	\$	\$	\$ 1,179,321
(239)		1,551,351	1,551,112	6,452,737		12,549,849	19,002,586
8,024,190		9,604,132	17,628,322				
\$ 8,023,950	\$ 0	\$ 11,155,483	\$ 19,179,434	\$ 7,632,058	\$ 0	\$ 12,549,849	\$ 20,181,908
\$	\$	\$	\$	\$ 246,073	\$	\$	\$ 246,073
252,166			252,166	252,817			252,817
241,088			241,088				
				21,300			21,300
25,455			25,455	8,484			8,484
7,183			7,183				
487,104		1,155,639	1,642,743	388,635		1,189,402	1,578,037
				285,876			285,876
				144,772			144,772

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
State Demand and Needs Assessment Study	270-92-011	N/A	09/30/92-09/30/96	\$ 1,289,584
State Demand and Needs Assessment Study	270-96-0017	N/A	09/30/96-09/30/99	\$ 993,456
Implementation of Uniform Alcohol and Drug Abuse Data Collection System	283-95-0023	N/A	08/30/95-04/28/98	\$ 306,408
Demonstration of the Usefulness of Client Level Data for Evaluation of HIV/AIDS Services Program	240-94-0048	N/A	09/30/94-09/29/97	\$ 462,962
Social Security Administration - Birth Enumeration	600-95-17688	N/A	01/20/95-01/19/96	\$ 180,000
Social Security Administration - Birth Enumeration	600-95-17688	N/A	01/20/96-01/19/97	\$ 184,800
Social Security Administration - Birth Enumeration	600-95-17688	N/A	01/20/95-01/19/98	\$ 375,600
Social Security Administration - Death Records	600-95-18404	N/A	02/22/95-12/31/95	\$ 44,100
Social Security Administration - Death Records	600-95-18404	N/A	01/01/96-12/31/96	\$ 44,982
Social Security Administration - Death Records	600-95-18404	N/A	01/01/96-12/31/97	\$ 91,728
National Association of State Alcohol and Drug Abuse Directors, Inc.	277-90-2001	N/A	04/01/93-09/30/95	\$ 277,679
<b>Total U.S. Department of Health and Human Services</b>				
Total Financial Assistance				
<u>Nonfinancial Assistance</u>				
<b><u>U.S. Department of Agriculture</u></b>				
Food Distribution	330008002	10.550	10/01/95-09/30/96	\$ 33,567
Food Distribution	330008002	10.550	10/01/96-09/30/97	\$ 18,185
Total Food Distribution				
<b>Total U.S. Department of Agriculture</b>				
<b><u>U.S. Department of Health and Human Services</u></b>				
Project Grants and Cooperative Agreements for Tuberculosis Control	U52/CCU500499-13	93.116	02/01/95-12/31/95	\$ 6,000
Project Grants and Cooperative Agreements for Tuberculosis Control	U52/CCU500499-14	93.116	01/01/96-12/31/96	\$ 76,000
Project Grants and Cooperative Agreements for Tuberculosis Control	U52/CCU500499-15	93.116	01/01/97-12/31/97	\$ 61,218
Total Project Grants and Cooperative Agreements for Tuberculosis Control				

This schedule continued on next page.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$ 33,738	\$	\$ 123,169	\$ 156,907
18,831		168,694	187,525				
101,770			101,770	104,950			104,950
1,116		149,991	151,107	620		136,798	137,418
				65,047			65,047
				89,039			89,039
126,251			126,251				
				17,411			17,411
41,994			41,994				
391		37,383	37,774	1,385		66,769	68,155
<b>\$ 3,204,311,260</b>	<b>\$ 178,276,873</b>	<b>\$ 146,822,590</b>	<b>\$ 3,529,410,723</b>	<b>\$ 458,962,612</b>	<b>\$ 1,165,821</b>	<b>\$ 173,171,670</b>	<b>\$ 633,300,104</b>
<b>\$ 3,212,164,887</b>	<b>\$ 183,317,872</b>	<b>\$ 272,084,159</b>	<b>\$ 3,667,566,918</b>	<b>\$ 472,704,757</b>	<b>\$ 1,211,114</b>	<b>\$ 277,176,279</b>	<b>\$ 751,092,149</b>
\$	\$	\$	\$	\$ 33,567	\$	\$	\$ 33,567
18,185			18,185				
<b>\$ 18,185</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,185</b>	<b>\$ 33,567</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,567</b>
<b>\$ 18,185</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,185</b>	<b>\$ 33,567</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,567</b>
\$	\$	\$	\$	\$ (2,898)	\$	\$	\$ (2,898)
(36,218)			(36,218)	57,000			57,000
45,914			45,914				
<b>\$ 9,696</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,696</b>	<b>\$ 54,102</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 54,102</b>

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Federal Financial Assistance  
Fiscal Years Ended September 30, 1997 and September 30, 1996  
Continued

Grantor Agency/ Federal Assistance Program Title	Grant/ Contract Number	CFDA * Program Number	Award Period	Amount of Award
Childhood Immunization Grants (g)	H23/CCU504477-06-D.A.	93.268	01/01/95-12/31/95	\$ 14,161,491
Childhood Immunization Grants (g)	H23/CCU504477-07-D.A.	93.268	01/01/96-12/31/96	\$ 18,803,472
Childhood Immunization Grants (g)	H23/CCU504477-08-D.A.	93.268	01/01/97-12/31/97	\$ 21,260,031
Total Childhood Immunization Grants (1)				
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (3)	U57/CCU506738-05	93.919	07/16/95-07/15/97	\$ 200,000
HIV Prevention Activities - Health Department Based	U62/CCU502060-10-D.A.	93.940	01/01/95-12/31/95	\$ 50,551
HIV Prevention Activities - Health Department Based	U62/CCU502060-11-D.A.	93.940	01/01/96-12/31/96	\$ 13,000
HIV Prevention Activities - Health Department Based	U62/CCU502060-12-D.A.	93.940	01/01/97-12/31/97	\$ 93,858
Total HIV Prevention Activities - Health Department Based (3)				
Preventive Health Services - Sexually Transmitted Diseases Control Grants	H25/CCH504341-06-D.A.	93.977	01/01/96-12/31/96	\$ 339,881
Preventive Health Services - Sexually Transmitted Diseases Control Grants	H25/CCH504341-07-D.A.	93.977	01/01/97-12/31/97	\$ 223,549
Total Preventive Health Services - Sexually Transmitted Diseases Control Grants				
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	U32/CCU500344-14-D.A.	93.988	07/01/95-06/30/96	\$ 5,000
Preventive Health and Health Services Block Grant (3)	97-B1-MI-PRVS-D.A.	93.991	10/01/95-09/30/97	\$ 26,693

**Total U.S. Department of Health and Human Services**

Total Nonfinancial Assistance

Total Federal Assistance

\* CFDA is defined as *Catalog of Federal Domestic Assistance*.

- (1) Major program, as defined by the Single Audit Act, for both fiscal years 1996-97 and 1995-96.
  - (2) Major program, as defined by the Single Audit Act, for only fiscal year 1996-97.
  - (3) Major program, as defined by the Single Audit Act, for only fiscal year 1995-96.
  - (a) Subgrant from the Department of Agriculture.
  - (b) Subgrant from the Michigan State Housing Development Authority.
  - (c) Subgrant from the Michigan Department of State Police.
  - (d) Subgrant from the Department of Education.
  - (e) Subgrant from the Family Independence Agency.
  - (f) Pass through from a non-profit agency.
  - (g) The federal Center for Disease Control maintains the primary records for this grant. The Department reports the entire award amount as expended for each fiscal year. The expended amount also includes salaries of federal employees assigned to the Department. The Department does not maintain records for these amounts.
- N/A = Not applicable.

Amounts Expended and Distributed - Fiscal Year 1996-97				Amounts Expended and Distributed - Fiscal Year 1995-96			
Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total	Directly Expended by Department	Distributed to Subrecipients - State Entities	Distributed to Subrecipients - Non-State Entities	Total
\$	\$	\$	\$	\$ (201,406)	\$	\$	\$ (201,406)
(70,175)			(70,175)	18,803,754			18,803,754
<u>21,260,031</u>			<u>21,260,031</u>				
\$ 21,189,856	\$ 0	\$ 0	\$ 21,189,856	\$ 18,602,348	\$ 0	\$ 0	\$ 18,602,348
\$ 79,167	\$	\$	\$ 79,167	\$ 100,000	\$	\$	\$ 100,000
\$ (23,795)	\$	\$	\$ (23,795)	\$ 13,000	\$	\$	\$ 13,000
3,250			3,250	9,750			9,750
<u>70,393</u>			<u>70,393</u>				
\$ 49,848	\$ 0	\$ 0	\$ 49,848	\$ 22,750	\$ 0	\$ 0	\$ 22,750
\$	\$	\$	\$	\$ 339,881	\$	\$	\$ 339,881
201,712			201,712				
<u>\$ 201,712</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 201,712</u>	<u>\$ 339,881</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 339,881</u>
\$	\$	\$	\$	\$ 3,750	\$	\$	\$ 3,750
<u>26,693</u>			<u>26,693</u>	<u>66,900</u>			<u>66,900</u>
<b>\$ 21,556,972</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 21,556,972</b>	<b>\$ 19,189,731</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 19,189,731</b>
\$ 21,575,157	\$ 0	\$ 0	\$ 21,575,157	\$ 19,223,298	\$ 0	\$ 0	\$ 19,223,298
<u>\$ 3,233,740,043</u>	<u>\$ 183,317,872</u>	<u>\$ 272,084,159</u>	<u>\$ 3,689,142,074</u>	<u>\$ 491,928,055</u>	<u>\$ 1,211,114</u>	<u>\$ 277,176,279</u>	<u>\$ 770,315,447</u>



# SUPPLEMENTAL INFORMATION

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Questioned Costs  
Fiscal Years Ended September 30, 1997 and 1996

Program and Grant/Contract Number	Finding	Questioned Costs
<u>U.S. Department of Agriculture</u>		
1. Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) CFDA # 10.557 Grant Number 4W1006 Fiscal years 1996-97 and 1995-96	DCH did not obtain periodic certifications for employees who worked solely on the Special Supplemental Nutrition Program for WIC to support payroll charges as required by OMB Circular A-87. (Finding 4.a.)	\$ 5,148,538
<u>U.S. Department of Health and Human Services</u>		
2. Family Planning Services CFDA # 93.217 Grant Number 05-H-000173-24 Fiscal year 1995-96	DCH did not obtain periodic certifications for employees who worked solely on the Family Planning Services Program to support payroll charges as required by OMB Circular A-87. (Finding 4.a.)	193,591
3. Family Planning Services CFDA # 93.217 Grant Number 05-H-000173-24 Fiscal year 1995-96	DCH charged the Family Planning Services Program for payroll expenditures for another program because of a coding error.	904
4. Medical Assistance Program - Medical Assistance Payments CFDA # 93.778 Grant Number 5-9705MI5028 Fiscal year 1996-97	Special outpatient hospital indigent pool payments were made based on upper payment limit calculations that included payments to health maintenance organizations. Inclusion of these payments was based on DCH's interpretation of federal regulations. This interpretation is still in question and negotiations continue between the State and the U.S. Health Care Financing Administration.	18,137,750
5. Medical Assistance Program - Medical Assistance Payments CFDA # 93.778 Grant Number 5-9705MI5028 Fiscal year 1996-97	Medicaid claims were paid on behalf of two Medicaid clients whose eligibility case file documentation could not be provided.	2,531
6. Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (BCCCP) CFDA # 93.919 Grant Number U57/CCU506738-05 Fiscal year 1995-96	DCH did not obtain periodic certifications for employees who worked solely on BCCCP to support payroll charges as required by OMB Circular A-87. (Finding 4.a.)	300,690
7. BCCCP CFDA # 93.919 Grant Number U57/CCU506738-05 Fiscal year 1995-96	DCH did not obtain certifications for employees who worked less than 100% on BCCCP to support payroll charges as required by OMB Circular A-87. (Finding 4.b.)	33,644
Total Questioned Costs		<u>\$ 23,817,648</u>

CFDA is defined as *Catalog of Federal Domestic Assistance*.

DEPARTMENT OF COMMUNITY HEALTH  
Schedule of Immaterial Noncompliance  
Fiscal Years Ended September 30, 1997 and 1996

Program and Grant/Contract Number	Finding/Noncompliance
<u>U.S. Department of Health and Human Services</u>	
Family Planning Services CFDA #93.217 Grant Number 05-H-000173-25	DCH did not submit a final financial status report until approximately 58 days after the due date.
State Survey and Certification of Health Care Providers and Suppliers CFDA # 93.777 Grant Number 05-9605-MI-5000	DCH did not submit activity reports within 25 days of the quarters ended June 30, 1996 and September 30, 1996.
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs CFDA # 93.919 Grant Number U57/CCU506738-05	DCH did not submit the financial status report for grant year 05 (July 16, 1996 through August 15, 1997) until 24 days after the due date.
<u>General Compliance Requirements</u>	
Drug-Free Workplace Act of 1988	DCH did not post the certification regarding Drug-Free Workplace Act requirements for fiscal years 1996-97 and 1995-96 as required by the Act.

CFDA is defined as *Catalog of Federal Domestic Assistance*.

Note: This schedule reports instances of immaterial noncompliance with laws and regulations which have no associated questioned costs and are not included in the body of our report. Material instances of noncompliance with laws and regulations are reported in our comments and findings. All instances of noncompliance that have an associated questioned cost are presented on the schedule of questioned costs.

## Glossary of Acronyms and Terms

adverse opinion	An auditor's opinion that the financial schedules or statements taken as a whole are not presented fairly in conformity with generally accepted accounting principles.
AIDS	acquired immunodeficiency syndrome.
BCCCP	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs.
CFDA	<i>Catalog of Federal Domestic Assistance.</i>
CMHS	Community Mental Health Services.
DCH	Department of Community Health.
DMB	Department of Management and Budget.
DMH	Department of Mental Health.
DPH	Department of Public Health.
FIA	Family Independence Agency.
financial audit	An audit that is designed to provide reasonable assurance about whether the financial schedules or statements of an audited entity are fairly presented in conformity with generally accepted accounting principles.
HCFA	U.S. Health Care Financing Administration.
HHS	U.S. Department of Health and Human Services.
HIV	human immunodeficiency virus.

<b>HPTF</b>	Hospital Patients' Trust Fund.
<b>internal control structure</b>	The management control environment, accounting system, and control policies and procedures established by management to provide reasonable assurance that resources are safeguarded; that resources are used in compliance with laws and regulations; and that financial transactions are properly accounted for and reported.
<b>MAIN</b>	Michigan Administrative Information Network.
<b>material noncompliance</b>	Violations of laws and regulations that could have a direct and material effect on major federal financial assistance programs or on financial schedule or statement amounts.
<b>material weakness</b>	A serious reportable condition in which the design or operation of one or more of the internal control structure elements (including management controls) does not reduce to a relatively low level the risk that errors or irregularities, in amounts that would be material in relation to the financial schedules or statements, would not be prevented or detected.
<b>mission</b>	The agency's main purpose or the reason the agency was established.
<b>OBRA</b>	federal Omnibus Budget Reconciliation Act of 1989.
<b>OMB</b>	federal Office of Management and Budget.
<b>OQA</b>	Office of Quality Assurance.
<b>PPRISM</b>	Personnel-Payroll Information System for Michigan.

<b>qualified opinion</b>	An auditor's opinion that the financial schedules or statements taken as a whole are presented fairly in conformity with generally accepted accounting principles except for a material misstatement.
<b>reportable condition</b>	A matter coming to the auditor's attention that, in his or her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in the design or operation of the internal control structure.
<b>SFFA</b>	schedule of federal financial assistance.
<b>Single Audit</b>	A financial audit performed in accordance with the Single Audit Act of 1984 that is designed to meet the needs of all federal grantor agencies and other financial report users. A Single Audit is a financial audit which requires additional study and evaluation of the internal control structure and testing of compliance with laws and regulations relevant to federal assistance programs.
<b>SOMCAFR</b>	<i>State of Michigan Comprehensive Annual Financial Report.</i>
<b>SSI</b>	supplemental security income.
<b>subrecipient</b>	A nonfederal entity that receives federal awards through another nonfederal entity to carry out a federal program.
<b>TAR</b>	time and attendance report.
<b>TSCA</b>	Toxic Substances Control Act.
<b>WIC</b>	Women, Infants, and Children.