

# REPORT ON EXPENDITURES OF FEDERAL AWARDS

## CLINTON COUNTY



**YEAR ENDED DECEMBER 31, 2007**



**REHMANN ROBSON**

*Certified Public Accountants*

**CLINTON COUNTY**  
**REPORT ON EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
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Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2007

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE Passed through Prosecuting Attorney's Association of Michigan Food Stamp Fraud Program	10.561	N/A	\$ 4,646	\$ 4,646
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed through Michigan State Housing Development Authority Community Development Block Grant (CDBG) Program State's Program 06/07 CDBG Housing Grant Program	14.228	MSC-2005-1101-HOA	275,000	156,047
U.S. DEPARTMENT OF JUSTICE Passed through Michigan Family Independence Agency 2007 BASIC Grant	16.540	N/A	15,000	14,995
Bureau of Justice Assistance 2003 Bullet Proof Vest Grant	16.607	2003BUBX0301548	5,295	885
U.S. DEPARTMENT OF LABOR Passed through the Michigan Jobs Commission Employment Services 07/08 06/07	17.207	7025ES 6025ES	89,351 89,351	43,135 44,226
			178,702	87,361
U.S. DEPARTMENT OF TRANSPORTATION Passed through Michigan State Police Office of Highway Safety Planning 07/08 State and Community Highway Safety 2007 State and Community Highway Safety	20.600 <sup>(c)</sup>	PT-08-15 PT-07-19	75,501 35,005	8,270 32,045
			110,506	40,315
Office of Highway Safety Planning Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants 07/08 07/08AL-07-27	20.601 <sup>(c)</sup>	PT-08-15	24,500 12,485	10,478 12,485
			36,985	22,963

Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended December 31, 2007

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Michigan Family Independence Agency				
Child Support Enforcement (Title IV-D) Cooperative Reimbursement <sup>(a)</sup>	93.563			
Friend of the Court - 07/08		CS/FOC-08-19001	\$ 666,105	\$ 126,368
Friend of the Court - 06/07		CS/FOC-07-19001	634,385	390,008
Prosecuting Attorney - 07/08		CS/PA-08-19002	111,692	22,047
Prosecuting Attorney - 06/07		CS/PA-07-19002	106,374	55,520
Title IV D Incentive Payments (b)				
FY06		N/A	102,931	29,560
FY07		N/A	102,931	78,474
FY08		N/A	<u>25,733</u>	<u>25,733</u>
			1,750,151	727,710
Title IV B Subpart 2				
Family Preservation Support Services Strong Families/Safe Children	93.556			
06/09		SFSC-07-19005	18,229	15,720
06/07		SFSC-07-19003	29,976	26,610
07/08		SFSC-07-19003	<u>35,666</u>	<u>6,301</u>
			83,871	48,631
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Michigan State Police				
Emergency Management Performance Grant FY07 Regular	97.042	N/A	27,418	27,418
Homeland Security Grant Program FY05 LETPP – CBRNE Equipment	97.067	N/A	66,870	15,061
FY05 HSGP – CBRNE Equipment & Planning			<u>180,028</u>	<u>7,277</u>
			246,898	22,338
Passed through Michigan State Police and the City of Lansing				
Interoperable Communications Equipment	97.055	N/A	897,406	84,599
Homeland Security Grants	97.067			
2006 HSG – Training			10,000	6,623
2006 HSG – Equipment			20,643	20,643
07/08 SAP			<u>47,800</u>	<u>45,571</u>
			78,443	72,837

Clinton County, Michigan

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

Year Ended December 31, 2007

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantors Number</u>	<u>Restated Program Award Amount</u>	<u>Current Year Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Michigan Department of Natural Resources				
2007 Boating Safety Financial Assistance	97.012	N/A	\$ 4,609	\$ 4,580
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,714,930	\$ 1,315,325

**NOTE A: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of Clinton County, Michigan and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements which are reconciled in Note C.

**NOTE B: SUMMARY OF SIGNIFICANT EXPLANATIONS OF SCHEDULE**

The following descriptions identified below as (a)-(c) represent explanations that cross reference to amounts on the Schedule of Expenditures of Federal Awards:

- (a) Reimbursement of these contracts is passed through the State Family Independence Agency. The amounts reported on the Schedule of Expenditures of Federal Awards represent the Federal portion of the respective amounts based on 66% of total contract expenditures.
- (b) The reimbursements for the IV-D Incentive Payments Program are based on support payments collected. Expenditures have been reported to the extent of earned revenues.
- (c) These programs are considered a Department of Transportation cluster per OMB Circular A-133.

**NOTE C: RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The following reconciles the Federal revenues reported in the December 31, 2007, basic financial statements to the expenditures of the County administered Federal programs reported on the Schedule of Expenditures of Federal Awards:

	<u>Federal/ State Revenue</u>	<u>Less State Revenue</u>	<u>Adjustments</u>	<u>Federal Expenditures</u>
<b>PRIMARY GOVERNMENT</b>				
<b>GENERAL FUND</b>				
Highway Safety	\$ 63,278	\$ -	\$ -	\$ 63,278
Homeland Security	95,175	-	-	95,175
Prosecuting Attorney Food Stamp	4,646	-	-	4,646
CRP - Prosecuting Attorney	78,744	1,177	-	77,567
Emergency Management	27,418	-	-	27,418
Employment Services	87,361	-	-	87,361
Support Incentive	133,767	-	-	133,767
Work of Heart	32,911	-	-	32,911
Strong family/Safe child	15,720	-	-	15,720
Marine Safety	4,580	-	-	4,580
Housing Grant	<u>156,047</u>	<u>-</u>	<u>-</u>	<u>156,047</u>
<b>TOTAL GENERAL FUND</b>	<u>699,647</u>	<u>1,177</u>	<u>-</u>	<u>698,470</u>
<b>SPECIAL REVENUE FUNDS</b>				
Friend of the Court	524,165	7,789	-	516,376
Child Care	609,585	594,590	-	14,995
911 Central Dispatch	84,599	-	-	84,599
Drug Forfeiture	<u>885</u>	<u>-</u>	<u>-</u>	<u>885</u>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<u>1,219,234</u>	<u>602,379</u>	<u>-</u>	<u>616,855</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 1,918,881</u>	<u>\$ 603,556</u>	<u>\$ -</u>	<u>\$ 1,315,325</u>



**INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

May 6, 2008

Board of Commissioners  
Clinton County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Clinton County, Michigan**, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 6, 2008. We did not audit the financial statements of the Road Commission of the County of Clinton, which represents 65% of the total assets and 89% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Road Commission of the County of Clinton, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **Clinton County, Michigan's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the Audit Committee, others within the organization, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Johnson".





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

May 6, 2008

Board of Commissioners  
Clinton County, Michigan

**Compliance**

We have audited the compliance of **Clinton County, Michigan** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. **Clinton County, Michigan's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Clinton County, Michigan's** management. Our responsibility is to express an opinion on **Clinton County, Michigan's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Clinton County, Michigan's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Clinton County, Michigan's** compliance with those requirements.

In our opinion, **Clinton County, Michigan** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

## Internal Control Over Compliance

The management of **Clinton County, Michigan** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Clinton County, Michigan's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Clinton County, Michigan's** internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clinton County, Michigan, as of and for the year ended December 31, 2007, and have issued our report thereon dated May 6, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Clinton County, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the financial statements of the Road Commission of the County of Clinton, which represents 65% of the total assets and 89% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included for the Road Commission of Clinton County, is based solely on the report of the other auditors.

This report is intended solely for the information and use of the Audit Committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



**CLINTON COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: *Unqualified on financial statements*

Internal controls over financial reporting:  
 Material weakness (es) identified? \_\_\_\_\_ yes  no  
 Significant deficiency(ies) identified not  
 considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Noncompliance material to financial  
 statements noted? \_\_\_\_\_ yes  no

**Federal Awards**

Internal Control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ yes  no  
 Significant deficiency(ies) identified not  
 considered to be material weaknesses? \_\_\_\_\_ yes  none reported

Type of auditor's report issued on compliance  
 for major programs: *Unqualified*

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

Identification of Major Program:

**CFDA Number**

93.563

**Name of Federal Program or Cluster**

Child Support Enforcement (Title IV-D)  
 Cooperative Reimbursement

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

Auditee qualified as low-risk auditee?  yes \_\_\_\_\_ no

**CLINTON COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**Prior Year findings**

There were no audit findings reported for the fiscal year ended December 31, 2006.