

**COUNTY OF OTTAWA**  
**GRAND HAVEN, MICHIGAN**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

**COUNTY OF OTTAWA  
SINGLE AUDIT REPORT**

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**REHMANN ROBSON**

*Certified Public Accountants*

*A member of* THE REHMANN GROUP

An Independent Member of Baker Tilly International

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

May 3, 2006

Board of Commissioners  
County of Ottawa  
Grand Haven, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ottawa, Michigan, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 3, 2006. 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 the County of Ottawa, 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 and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Ottawa County, Michigan in a separate letter dated May 3, 2006.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County of Ottawa, 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 management and County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.



**REHMANN ROBSON**

*Certified Public Accountants*

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

May 3, 2006

Board of Commissioners  
County of Ottawa  
Grand Haven, Michigan

***Compliance***

We have audited the compliance of the County of Ottawa, 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, 2005. The County of Ottawa, Michigan's, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Ottawa, Michigan's, management. Our responsibility is to express an opinion on the County of Ottawa, 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 the County of Ottawa, 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 the County of Ottawa, Michigan's compliance with those requirements.

In our opinion, the County of Ottawa, 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, 2005.

***Internal Control Over Compliance***

The management of the County of Ottawa, 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 the County of Ottawa, 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

***Schedule of Expenditures of Federal Awards***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ottawa, Michigan as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 3, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, and the County Commissioners, 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.

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

# COUNTY OF OTTAWA, MICHIGAN

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2005

	Federal CFDA Number	Expenditures
<b><u>U.S. Department of Agriculture:</u></b>		
<b>Direct Programs</b>		
Conservation Reserve Program	10.069	\$ 14,459
Wildlife Habitat Incentive Program	10.914	12,473
<b>Total Direct U.S. Department of Agriculture</b>		<b>26,932</b>
<b>Passed through Michigan Department of Education:</b>		
Emergency Food Assistance Program - TEFAP	10.568	17,944
Emergency Food Assistance Program - Commodities	10.569	71,064
Commodity Supplemental Food Program - Commodities	10.565	139,078
National School Lunch Program:		
Commodities	10.550	10,561
School Breakfast Program	10.553	16,865
National School Lunch Program	10.555	30,965
<b>Total Passed through Michigan Department of Education</b>		<b>286,477</b>
<b>Passed through Michigan Department of Labor and Economic Growth:</b>		
Food Stamp Program Operations Allocation	10.561	45,779
<b>Passed through Michigan Department of Agriculture:</b>		
Gypsy Moth Supression	10.664	20,934
<b>Total U.S. Department of Agriculture</b>		<b>380,122</b>
<b><u>U.S. Department of Energy:</u></b>		
<b>Passed through Michigan Family Independence Agency:</b>		
Weatherization Assistance for Low-Income Persons	81.042	<b>182,376</b>
<b><u>U.S. Department of Health and Human Services:</u></b>		
<b>Passed through Michigan Department of Community Health:</b>		
Family Planning	93.217	202,976
Immunization Action Plan (IAP)	93.268	116,725
Immunization Vaccine Handling	93.268	5,180
Childhood Immunization Program - Vaccines	93.268	703,782
Bioterrorism - Supplemental - Epidemiology	93.283	259,271
Children's Special Health Care Serv - Case Management Serv.	93.778	13,996
Children's Special Health Care Serv - Care Coordination	93.778	18,664
Preadmission Screenings and Annual Resident Reviews	93.778	123,274
AIDS/HIV Prevention	93.940	1,500
Respite	93.958	7,739
SIDS	93.994	170
Family Planning	93.994	42,233
Oral Health	93.994	39,774
Case Mangement Serv. (CSHCS)	93.994	31,425
Maternal and Child Health	93.994	84,121
<b>Total Passed through Michigan Department of Community Health</b>		<b>1,650,830</b>
<b>Passed through Council of Michigan Foundations:</b>		
Individual Development Accounts Partnership	93.558	3,373
<b>Passed through Michigan Department of Career Development:</b>		
Work First	93.558	456,473

**COUNTY OF OTTAWA, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Health and Human Services (Continued):</u></b>		
<b>Passed through Michigan Department of Human Services:</b>		
Friend of the Court Incentive Payment	93.563	\$ 290,981
Temporary Assistance for Needy Families	93.558	33,112
Community Services Block Grant, Discretionary Funding	93.558	10,473
Low Income Home Energy Assistance	93.568	125,900
Community Services Block Grant, Discretionary Funding--Tax Prep Assistance	93.569	10,000
Community Services Block Grant	93.569	224,985
Community Services Block Grant, Migrant Services	93.569	14,525
Prosecuting Attorney Child Support Enforcement	93.563	79,783
Friend of the Court Child Support Enforcement	93.563	1,315,345
Child Support Enforcement Program - Medical	93.563	28,494
Prosecuting Attorney Child Protection Investigations - Legal Services	93.658	10,709
		<hr/>
<b>Total Passed through Michigan Department of Human Services</b>		<b>2,144,307</b>
		<hr/>
<b>Total U.S. Department of Health and Human Services</b>		<b>4,254,983</b>
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<b><u>U.S. Department of Labor:</u></b>		
<b>Passed through Michigan Department of Labor and Economic Growth:</b>		
Employment Service - Wagner Peysen	17.207	447,492
Reemployment Services Initiative	17.207	30,632
WIA - Incumbent Worker	17.258	9,381
WIA - Incumbent Worker	17.259	7,095
WIA - Incumbent Worker	17.260	7,955
WIA - Incumbent Worker--Type W	17.258	18,457
WIA - Incumbent Worker--Type W	17.259	20,180
WIA - Incumbent Worker--Type W	17.260	27,636
WIA - Displaced Homemaker	17.258	12,737
WIA - Displaced Homemaker	17.259	13,926
WIA - Displaced Homemaker	17.260	19,071
WIA - Capacity Funds	17.258	6,684
WIA - Capacity Funds	17.259	7,308
WIA - Capacity Funds	17.260	10,008
Work First - Reed Act	17.225	85,307
Service Center Operations - Reed Act Program	17.225	102,479
Type A Trade	17.245	194,283
Employment Alliance	17.257	209,387
Workforce Investment Act - Youth	17.258	29,251
Workforce Investment Act - Youth	17.259	451,279
Workforce Investment Act - Youth	17.260	34,247
Workforce Investment Act - Youth - Career Cruising Club	17.258	467
Workforce Investment Act - Youth - Career Cruising Club	17.259	510
Workforce Investment Act - Youth - Career Cruising Club	17.260	699
Workforce Investment Act - Local Administration	17.258	29,141
Workforce Investment Act - Local Administration	17.259	40,028
Workforce Investment Act - Local Administration	17.260	62,503
Workforce Investment Act - Adult	17.258	413,949
Workforce Investment Act - Adult	17.260	8,251
WIA - Dislocated Workers National Reserve	17.260	8,251
WIA - Dislocated Workers - Hydro Automotive	17.260	8,509
WIA - Dislocated Workers Grant	17.260	872,371
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<b>Total U.S. Department of Labor</b>		<b>3,189,474</b>
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**COUNTY OF OTTAWA, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Justice:</u></b>		
<b>Direct Programs</b>		
Byrne Memorial Formula Grant	16.579	\$ 8,500
Local Law Enforcement Block Grant	16.592	19,364
State Criminal Alien Assistance Program	16.606	46,670
<b>Total Direct U.S. Department of Justice</b>		<b>74,534</b>
<b>Passed through Michigan Department of Human Services:</b>		
Building Restorative Communities	16.540	100,000
Juvenile Accountability Incentive Block Grant - 2005	16.523	51,255
<b>Passed through Ottawa Area Intermediate School District:</b>		
Building Restorative Communities	16.540	15,000
<b>Total Passed through Michigan Department of Human Services</b>		<b>166,255</b>
<b>Passed through Michigan Department of State Police:</b>		
Help Eliminate Marijuana Planting	16.003	314
<b>Passed through Michigan Department of Community Health:</b>		
FY 2002 Byrne Formula Grant Program	16.579	49,414
<b>Total U.S. Department of Justice</b>		<b>290,517</b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>		
<b>Passed through Michigan State Housing Development Authority:</b>		
CDBG Rehabilitation Program MSC-2001-5826-HOA	14.228	132,381
Section 8 Housing Choice Vouchers	14.871	7,000
Community Development Block Grant - HOME funds	14.239	107,465
<b>Total Passed through Michigan State Housing Development Authority</b>		<b>246,846</b>
<b>Passed through Michigan Department of Community Health:</b>		
Supportive Housing Program	14.235	282,006
<b>Total U.S. Department of Housing and Urban Development</b>		<b>528,852</b>
<b><u>U.S. Department of Transportation:</u></b>		
<b>Passed through Michigan Department of State Police:</b>		
Hazardous Materials Emergency Preparedness	20.703	433
Youth Alcohol Enforcement Grant	20.600	3,299
Drive Michigan Safely	20.600	29,081
<b>Total U.S. Department of Transportation</b>		<b>32,813</b>
<b><u>U.S. Environmental Protection Agency:</u></b>		
<b>Passed through Michigan Department of Environmental Quality:</b>		
State of Michigan - Radon	66.032	900
Great Lakes Beach Monitoring	66.472	20,807
Noncommunity Arsenic Rule Implementation Grant	66.468	1,613
Noncommunity Capacity Development Grant	66.468	1,650
Noncommunity Water Supply Grant - Operators of Small Water Systems	66.471	8,600
<b>Total Passed through Michigan Department of Environmental Quality</b>		<b>33,570</b>
<b>Passed through Land Conservancy of West Michigan:</b>		
Upper Macatawa/Geerlings Farm Conservation Easement	66.460	704,859
<b>Total U.S. Environmental Protection Agency</b>		<b>738,429</b>



**COUNTY OF OTTAWA, MICHIGAN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONCLUDED)**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b><u>Executive Office of the President:</u></b>		
<b>Passed through Michigan Department of State Police:</b>		
High Intensity Drug Trafficking Areas (HIDTA) - Sheriff	--.---	<u>\$ 3,581</u>
<b><u>U.S. Department of Commerce:</u></b>		
<b>Passed through Michigan Department of Environmental Quality:</b>		
Great Lakes Coastal Restoration Grant	11.419	<u>500,000</u>
<b><u>U.S. Department of Homeland Security:</u></b>		
<b>Direct Programs</b>		
Emergency Food and Shelter	97.024	5,000
Cooperating Technical Partners	97.045	<u>129,556</u>
<b>Total Direct U.S. Department of Homeland Security</b>		<u>134,556</u>
<b>Passed through Michigan Department of State Police:</b>		
State Homeland Security Grant Program - 2004	97.004	1,169,611
State Homeland Security Grant Program - Solution Area Planner	97.004	15,881
State Homeland Security Grant Program - Part II Training	97.004	129,476
Emergency Management Performance Grant	97.042	70,000
Emergency Management Performance Grant	97.067	<u>29,738</u>
<b>Total Passed through Michigan Department of State Police</b>		1,414,706
<b>Total U.S. Department of Homeland Security</b>		<u>1,549,262</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 11,650,409</u></u>

# COUNTY OF OTTAWA, MICHIGAN

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### FOR THE YEAR ENDED DECEMBER 31, 2005

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#### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Ottawa, 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 Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

#### Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County of Ottawa provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Work First – Reed Act	--.---	\$ 76,272
Food Stamp Program Operations Allocation	10.561	41,029
Employment Service – Wagner/Peyser	17.207	357,286
Unemployment Insurance	17.225	20,890
TAA/NAFTA	17.245	194,283
Workforce Investment Act – Adult	17.258	281,241
Workforce Investment Act – Youth	17.259	397,974
Workforce Investment Act – Dislocated Worker	17.260	683,731
Temporary Assistance for Needy Families	93.558	299,983
<b>Total</b>		<b><u>\$ 2,352,689</u></b>

# COUNTY OF OTTAWA, MICHIGAN

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

### FOR THE YEAR ENDED DECEMBER 31, 2005

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#### Note 3. Ottawa County Road Commission (Component Unit)

The Michigan Department of Transportation (MDOT) acts as the agent of the Federal Highway Administration (FHWA) in the administration of federal funds provided to the Ottawa County Road Commission for the improvement of road systems in Ottawa County. These funds, totaling \$6,423,127 for the year ended September 30, 2005, cover projects under the certification of acceptance procedures or the secondary road plan procedures approved by FHWA. Although these funds are provided for the improvement of road systems in Ottawa County, MDOT, as the agency of FHWA, is responsible for controlling the receipts and disbursements related to the funds. In this capacity, MDOT also awards construction contracts and in some instances, contracts for other services. Ottawa County receives interim and final accounting of projects receipts and disbursements from MDOT. Since all project administration is performed by the Michigan Department of Transportation, the above amounts are not included in the County's schedule of expenditures of federal awards.

#### Note 4. Accounting Period

Certain federal award programs have been reported utilizing fiscal years ended March 31, 2005, June 30, 2005, September 30, 2005 and December 31, 2005.

**COUNTY OF OTTAWA, MICHIGAN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

**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        x   no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes        x   none reported

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

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes        x   no

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes        x   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        x   no

***Identification of Major Programs***

<b><i>CFDA Number(s)</i></b>	<b><i>Name of Federal Program or Cluster</i></b>
11.419	Coastal Zone Management Administration Awards
66.460	Nonpoint Source Implementation Grants
93.558	Temporary Assistance for Needy Families
97.004, 97.067	Homeland Security Cluster

Dollar threshold used to distinguish between Type A and Type B programs:   \$ 349,512  

Auditee qualified as low-risk auditee?   x   Yes      \_\_\_\_\_ No

**COUNTY OF OTTAWA, MICHIGAN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

See separate letter for reportable condition.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

See separate letter for reportable condition.