

**County of Muskegon,  
Michigan**

---

**Additional Reports Required by  
OMB Circular A-133**  
September 30, 2007

# County of Muskegon, Michigan

## Contents

---

<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	3-4
<b>Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133</b>	5-7
<b>Schedule of Expenditures of Federal Awards</b>	8-15
<b>Notes to Schedule of Expenditures of Federal Awards</b>	16
<b>Schedule of Findings and Questioned Costs</b>	17-18
<b>Summary Schedule of Prior Audit Findings</b>	19

**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***

To the Board of County Commissioners of the  
County of Muskegon, Michigan

We have audited the financial statements of the County of Muskegon, Michigan as of and for the year ended September 30, 2007, and have issued our report thereon dated January 18, 2008. 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 Muskegon, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Muskegon, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Muskegon, Michigan's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County of Muskegon, Michigan'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 of Muskegon, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Muskegon, Michigan'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 of Muskegon, Michigan's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in 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 the County of Muskegon, 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 Board of Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Pridnia LaPres, PLLC". The signature is written in a cursive, flowing style.

Muskegon, Michigan  
January 18, 2008

**Report on Compliance With Requirements  
Applicable to Each Major Program and on  
Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

To the Board of County Commissioners of the  
County of Muskegon, Michigan

**Compliance**

We have audited the compliance of the County of Muskegon, 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 September 30, 2007. The County of Muskegon, 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 Muskegon, Michigan's management. Our responsibility is to express an opinion on the County of Muskegon, 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 Muskegon, 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 Muskegon, Michigan's compliance with those requirements.

In our opinion, the County of Muskegon, 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 September 30, 2007.

## **Internal Control Over Compliance**

The management of the County of Muskegon, 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 Muskegon, 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 the County of Muskegon, Michigan's internal control over compliance.

A *control deficiency* in the County of Muskegon, Michigan'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 County of Muskegon, Michigan'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 County of Muskegon, Michigan'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.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Muskegon, Michigan as of and for the year ended September 30, 2007, and have issued our report thereon dated January 18, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Prudna LLP".

Muskegon, Michigan  
March 19, 2008

<i>Year ended September 30, 2007</i>	CFDA Number	Federal Grants /Loans Awarded
<b>Department of Transportation</b>		
Urban Mass Transportation Capital and Operating Assistance		
MI-90-0365 (5880)	20.507	\$ 1,689,142
MI-90-0388 (5880)	20.507	1,707,054
MI-90-X407 (5880)	20.507	1,968,161
MI-90-X443 (5880)	20.507	1,688,826
MI-90-X476 (5880)	20.507	1,266,834
MI-90-X497 (5880)	20.507	1,508,469
MI-90-X536 (5880)	20.507	1,336,201
Passed through State & Community Highway Safety		
MDOT 2002-0072Z5 (5880)	20.507	1,633,548
Emergency Services - HMEP Planning Committee (1190-0430)	20.703	2,620
Intersection Enforcement PT-07-51 (1210-0317)	20.600	51,834
MACP Equipment Award PT-07-53 (1210-0319)	20.600	6,000
Youth Alcohol AL-07-85 (1210-0318)	20.601	12,478
Passed through Michigan Department of Highway		
Airport Improvement Program 3-26-0601-02706(5810-0540)	20.106	5,633,461
Airport Improvement Program 3-26-0601-02605(5810-0540)	20.106	1,000,000
Airport Improvement Program 3-26-0601-02807(5810-0540)	20.106	3,849,039
		23,353,667
<b>Department of Labor</b>		
Passed through Michigan Department Labor and Economic Growth		
WIRED (2730)	17.261	651,530
Labor exchange (2731)	17.207	417,430
TAA/NAFTA (2733)	17.245	1,508,501
WIA, WIA Administration (2760)	17.258	154,531
WIA, WIA Administration (2760)	17.259	168,008
WIA, WIA Administration (2760)	17.260	331,699
WIA, WIA Adult (2761)	17.258	1,787,456
WIA, WIA Youth (2762)	17.259	1,910,415
WIA, WIA Dislocated Worker (2763)	17.260	1,118,398
WIA Youth Statewide (2766)	17.258	4,219
WIA Youth Statewide (2766)	17.259	4,587
WIA Youth Statewide (2766)	17.260	9,056

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants/Loans Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ 1,173,349	\$ 61,264	\$ 1,234,613	\$ 1,173,349	\$ 61,264	\$ 1,234,613	\$ 454,529
1,356,684	70,858	1,427,542	1,356,684	70,858	1,427,542	279,512
1,208,157	480,804	1,688,961	1,208,157	480,804	1,688,961	279,200
1,093,178	487,622	1,580,800	1,093,178	487,622	1,580,800	108,026
1,258,834	8,000	1,266,834	1,258,834	8,000	1,266,834	-
1,079,170	240,334	1,319,504	1,079,170	240,334	1,319,504	188,965
-	1,053,921	1,053,921	-	1,053,921	1,053,921	282,280
1,612,428	-	1,612,428	1,612,428	-	1,612,428	21,120
-	2,620	2,620	-	2,620	2,620	-
-	38,009	38,009	-	38,009	38,009	13,825
-	5,475	5,475	-	5,475	5,475	525
-	2,895	2,895	-	2,895	2,895	9,583
-	2,396,277	2,396,277	-	2,396,277	2,396,277	3,237,184
232,400	(29,377)	203,023	232,400	(29,377)	203,023	796,977
-	-	-	-	-	-	3,849,039
9,014,200	4,818,702	13,832,902	9,014,200	4,818,702	13,832,902	9,520,765
-	391,848	391,848	-	391,848	391,848	259,682
-	338,182	338,182	-	338,182	338,182	79,248
-	1,425,124	1,425,124	-	1,425,124	1,425,124	83,377
-	100,417	100,417	-	100,417	100,417	54,114
-	109,176	109,176	-	109,176	109,176	58,832
-	215,544	215,544	-	215,544	215,544	116,155
-	943,301	943,301	-	943,301	943,301	844,155
-	740,279	740,279	-	740,279	740,279	1,170,136
-	925,272	925,272	-	925,272	925,272	193,126
-	2,587	2,587	-	2,587	2,587	1,632
-	2,813	2,813	-	2,813	2,813	1,774
-	5,553	5,553	-	5,553	5,553	3,503

<i>Year ended September 30, 2007</i>	CFDA Number	Federal Grants /Loans Awarded
<i>Passed through Michigan Department Labor and Economic Growth-continued</i>		
WIA Service Center Operations (2767)	17.258	18,922
WIA Service Center Operations (2767)	17.259	20,573
WIA Service Center Operations (2767)	17.260	40,617
Reed Act Funds (2769)	17.225	132,697
		<b>8,278,639</b>
<b>Department of Justice</b>		
Office of Justice Programs (1010-0351-529000) 2006-SCAAP	16.61	6,966
Office of Justice Programs (2650) 2005-DJ-BX-0962	16.579	92,167
Office of Justice Programs (2650) 2005-DJ-BX-0726	16.579	75,564
2004-UMWX0034 (5920-5060)	16.71	75,000
Passed through Michigan Dept. of Management and Budget		
VOCA Grant 20484-10V05 (2800)(0231)	16.575	65,183
Passed through Michigan Department of Human Services		
Juvenile Acc. Inc. Block Grant JAIBG 07-61001(2831)	16.523	10,985
Juvenile Acc. Inc. Block Grant JAIBG 06-61001(2831)	16.523	10,986
Passed through Office of Drug Control Policy		
Ottawa County (1010-0301) 70834-706B	16.579	38,977
Ottawa County (1010-0301) 70834-807B	16.579	38,264
		<b>414,092</b>
<b>Department of Homeland Security</b>		
Passed through the Department of State Police		
Emergency Services - State Homeland Security RRT (1190-0434)	97.042	697,031
		<b>697,031</b>
<b>Department of Agriculture</b>		
National School Breakfast Program (2920-529020)	10.553	10,631
National School Lunch Program (2920-529030)	10.555	16,335
Child and Adult Care Food Distribution (2920-529040)	10.558	5,493
Passed through Michigan Department of Comm. Health		
Special Supplemental Food Program for Women, Infants and Children WIC (6413)	10.557	847,719
		<b>880,178</b>

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants/Loans Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
-	18,801	18,801	-	18,801	18,801	121
-	20,441	20,441	-	20,441	20,441	132
-	40,357	40,357	-	40,357	40,357	260
-	132,697	132,697	-	132,697	132,697	-
-	5,412,392	5,412,392	-	5,412,392	5,412,392	2,866,247
-	6,966	6,966	-	6,966	6,966	-
91,901	266	92,167	91,901	266	92,167	-
-	50,272	50,272	-	50,272	50,272	25,292
67,810	7,190	75,000	67,810	7,190	75,000	-
-	64,045	64,045	-	64,045	64,045	1,138
-	5,323	5,323	-	5,323	5,323	5,662
8,963	2,023	10,986	8,963	2,023	10,986	-
38,264	713	38,977	38,264	713	38,977	-
-	38,264	38,264	-	38,264	38,264	-
206,938	175,062	382,000	206,938	175,062	382,000	32,092
507,403	188,878	696,281	507,403	188,878	696,281	750
507,403	188,878	696,281	507,403	188,878	696,281	750
-	10,631	10,631	-	10,631	10,631	-
-	16,335	16,335	-	16,335	16,335	-
-	5,493	5,493	-	5,493	5,493	-
-	847,719	847,719	-	847,719	847,719	-
-	880,178	880,178	-	880,178	880,178	-

<i>Year ended September 30, 2007</i>	CFDA Number	Federal Grants /Loans Awarded
<b>Department of Health and Human Services</b>		
Passed through Michigan Department of Human Services		
Prosecutor Cooperative (IV-D Incentive) (1150)	93.563	147,953
Child Support Enforcement Program (IV-D CRP Contract) (2150-0141)	93.563	1,355,633
Child support Incentive Payments (2150-0142)	93.558	260,152
Passed through Michigan Department of Career Development		
TANF, Workfirst (2751)	93.558	3,183,541
Passed through the Department of Community Health		
Parent Management Traing (2220-7040)	93.958	15,000
Expansion Family Resource Center (2220-7042)	93.958	75,000
Integrated Dual Disorders (2220-7044)	93.958	47,047
Child Care Expulsion Prevention (2220-7046)	93.575	70,000
Family Psycho-ED (2220-7047)	93.958	40,770
Recovery (2220-7048)	93.958	36,900
Suicide Prevention (2220-7053)	93.958	41,700
OBRA-PASARR (2220-7320)	93.778	36,400
Homeless Project (2220-7327)	93.150	43,500
Emergency Preparedness (6111)	93.283	179,363
Pandemic Flu (6112)	93.283	83,345
AIDS Prevention (6312)	93.940	100,052
Std Control (6313)	93.977	24,643
Std Control (6313)	93.991	18,166
Medicaid Outreach (6409)	93.778	7,356
Case Management Services (6410)	93.994	125,693
CSHCS - Case Management (6416)	93.994	30,902
CSHCS - Fee for Service (6416)	93.778	107,152
Family Planning project (6441)	93.994	19,112
Family Planning project (6441)	93.217	94,580
Childhood Lead (6452)	93.197	16,250
Childhood Lead (6452)	93.994	48,750
Dental Sealants (6460)	93.994	4,000
Vaccine Provided (6710)	93.994	1,439,215
IAP Fee for service (6710)	93.268	85,671
MCH (6710)	93.994	55,591
Breast and Cerv Cancer Scrn-Coordination (6714)	93.283	66,445
Substance Abuse Prevention (6811)	93.959	2,380
Passed through Lakeshore Coor. Council		
Substance Abuse Prevention (6811)	93.959	106,165
		7,968,427

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants/Loans Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
-	142,183	142,183	-	142,183	142,183	5,770
-	1,278,741	1,278,741	-	1,278,741	1,278,741	76,892
-	260,152	260,152	-	260,152	260,152	-
-	3,183,541	3,183,541	-	3,183,541	3,183,541	-
-	15,000	15,000	-	15,000	15,000	-
-	45,728	45,728	-	45,728	45,728	29,272
-	45,881	45,881	-	45,881	45,881	1,166
-	70,000	70,000	-	70,000	70,000	-
-	19,649	19,649	-	19,649	19,649	21,121
-	15,847	15,847	-	15,847	15,847	21,053
-	41,700	41,700	-	41,700	41,700	-
-	30,421	30,421	-	30,421	30,421	5,979
-	24,269	24,269	-	24,269	24,269	19,231
-	179,363	179,363	-	179,363	179,363	-
-	83,345	83,345	-	83,345	83,345	-
-	100,052	100,052	-	100,052	100,052	-
-	24,643	24,643	-	24,643	24,643	-
-	18,166	18,166	-	18,166	18,166	-
-	7,356	7,356	-	7,356	7,356	-
-	125,693	125,693	-	125,693	125,693	-
-	30,631	30,631	-	30,631	30,631	271
-	107,423	107,423	-	107,423	107,423	(271)
-	19,112	19,112	-	19,112	19,112	-
-	94,580	94,580	-	94,580	94,580	-
-	16,250	16,250	-	16,250	16,250	-
-	48,750	48,750	-	48,750	48,750	-
-	4,000	4,000	-	4,000	4,000	-
-	1,439,215	1,439,215	-	1,439,215	1,439,215	-
-	85,671	85,671	-	85,671	85,671	-
-	55,591	55,591	-	55,591	55,591	-
-	66,445	66,445	-	66,445	66,445	-
-	2,380	2,380	-	2,380	2,380	-
-	106,165	106,165	-	106,165	106,165	-
-	7,787,943	7,787,943	-	7,787,943	7,787,943	180,484

<i>Year ended September 30, 2007</i>	CFDA Number	Federal Grants /Loans Awarded
<b>Department of Housing and Urban Development</b>		
HUD Supportive Housing (2220-7050)	14.238	96,600
HUD Supportive Housing Supplemental (2220-7051)	14.238	40,640
Passed through the Mich. Economic Development Corporation		
Western Ave Redevelopment (2876) MSC-204081-EDIG	14.228	1,000,000
Western Ave Redevelopment (2876) MSC-204071-EDIG	14.228	500,000
Digital Divide Investment Program (2881)	14.228	2,216,000
Northside Water Infrastructure (4150)	14.228	2,050,350
Passed through the Department of Community Health		
Lead Hazard Remediation (6456)	14.900	77,917
		5,981,507
<b>Department of Environmental Protection Agency</b>		
Passed through the Mich. Department of Environmental Quality		
Lift Station repair and replacement (5937) 5234-01	66.458 L	5,818,677
C-Station replacement (5938) 5232-01	66.458 L	3,200,400
Cell 3 replacement (5939) 5236-01	66.458 L	411,480
Operator Certification (6201)	66.471	5,400
Beach Monitoring (6201)	66.472	10,871
		9,446,828
<b>Federal Emergency Management Agency</b>		
Passed through the Michigan Department of State Police		
Emergency Services (1190-0426)	83.544	31,306
		31,306
		\$ 57,051,675

Note: "L" indicates loans

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants/Loans Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
-	92,632	92,632	-	92,632	92,632	3,968
-	14,514	14,514	-	14,514	14,514	26,126
474,314	525,686	1,000,000	474,314	525,686	1,000,000	-
-	282,877	282,877	-	282,877	282,877	217,123
-	1,358,372	1,358,372	-	1,358,372	1,358,372	857,628
50,000	2,000,350	2,050,350	50,000	2,000,350	2,050,350	-
-	77,917	77,917	-	77,917	77,917	-
524,314	4,352,348	4,876,662	524,314	4,352,348	4,876,662	1,104,845
1,585,343	3,874,166	5,459,509	1,585,343	3,874,166	5,459,509	359,168
-	-	-	-	-	-	3,200,400
-	411,480	411,480	-	411,480	411,480	-
-	5,400	5,400	-	5,400	5,400	-
-	10,871	10,871	-	10,871	10,871	-
1,585,343	4,301,917	5,887,260	1,585,343	4,301,917	5,887,260	3,559,568
-	31,306	31,306	-	31,306	31,306	-
-	31,306	31,306	-	31,306	31,306	-
<b>\$ 11,838,198</b>	<b>\$ 27,948,726</b>	<b>\$39,786,924</b>	<b>\$11,838,198</b>	<b>\$27,948,726</b>	<b>\$ 39,786,924</b>	<b>\$17,264,751</b>

# County of Muskegon, Michigan

## Notes to Schedule of Expenditures of Federal Awards

---

**1. General**

Expenditures are recorded on the accrual basis of accounting. Revenues are recognized when qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures in the Schedule of Expenditures of Federal Awards agree with amounts reported as federal revenue in the financial statements.

**2. Airport  
Improvement  
Program**

The County of Muskegon, Michigan participates in certain other Airport Improvement Programs of the U.S. Department of Transportation, CFDA No. 20.106. The programs are administered by the Michigan Department of Transportation who is responsible for compliance.

# County of Muskegon, Michigan

## Schedule of Findings and Questioned Costs September 30, 2007

---

### Section I - Summary of Auditors' Results

#### *Financial Statements*

The auditors' report expresses an unqualified opinion on the financial statements of the County of Muskegon, Michigan.

The audit did not disclose any material weaknesses relative to internal control over financial reporting.

The audit did not disclose any reportable conditions that were not considered to be material weaknesses relative to internal control over financial reporting.

The audit did not note any noncompliance which is material to the financial statements of the County of Muskegon, Michigan.

#### *Federal Awards*

The audit did not disclose any material weaknesses relative to internal control over major programs.

The audit did not disclose any reportable conditions that were not considered to be material weaknesses relative to internal control over major programs.

The auditors' report on compliance for all major programs of the County of Muskegon, Michigan expresses an unqualified opinion.

The audit did not disclose any findings relative to major programs that is required to be reported herein in accordance with Section 510(a) of OMB Circular A-133.

The County had seven major programs: WIA Cluster - CFDA #17.258/259/260, Airport Improvement Program - CFDA #20.106, Trade Adjustment Assistance Program - CFDA #17.245, Child Support Enforcement - CFDA #93.563, Medicaid Cluster - CFDA #93.778, Capitalization Grants for Clean Water State Revolving Funds - CFDA #66.458, and Maternal and Child Health Services Block Grant - CFDA #93.994.

The dollar threshold used to distinguish between Type A and Type B programs was \$709,892.

The County of Muskegon, Michigan did not qualify as a low-risk auditee.

# County of Muskegon, Michigan

## Schedule of Findings and Questioned Costs September 30, 2007

---

### **Section II - Findings Related to the Financial Statements**

There were no findings which are required to be reported under *Government Auditing Standards*. In addition, no management letter comments were issued.

### **Section III - Findings and Questioned Costs for Federal Awards**

There were no findings or questioned costs.

# County of Muskegon, Michigan

## Summary Schedule of Prior Audit Findings September 30, 2007

*Year ended September 30, 2007*

---

### **2006-1**

#### Federal Program

CFDA #17.258/.259/.260 - WIA Cluster

#### Specific Requirements

Cash Management - The grantee must minimize the time between when cash is transferred from the U.S. Treasury and disbursement. In accordance with federal regulations, this period should not be longer than three days.

#### Condition

At September 30, 2006 the grantee had significant excess funds on hand that were not disbursed within the required three day period.

#### Questioned Cost

For the period ending September 30, 2006 the grantee earned \$1,408.54 in interest on the excess cash.

#### Context

The finding is an isolated incident. No other findings relating to cash management were noted.

#### Recommendation

The County of Muskegon should continue to monitor cash expenditures and requirements to insure that excess funds are not drawn down.

#### Views of Responsible Officials and Planned Corrective Actions

The Department in question has instituted an intensive cash flow program to assure compliance with the three day rule. In addition to closely monitoring the funds, the Department has also developed a written procedure that guarantees at least a monthly review of each fund's cash position and the reason for its position, either negative or positive.

#### Status

The Department in question appears to be following the policy that was created in the prior year. There were no instances of noncompliance noted during the year ended September 30, 2007.