

**WASHTENAW COUNTY,  
MICHIGAN**

**SINGLE AUDIT**

**For the Year Ended December 31, 2003**

**WASHTENAW COUNTY, MICHIGAN  
SINGLE AUDIT**

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**Year Ended December 31, 2003**

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**WASHTENAW COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed through Michigan Department of Education:		
School Breakfast Program:		
Juvenile Center	10.553	\$ 11,727
Head Start	10.553	16,385
National School Lunch Program:		
Juvenile Center	10.555	22,583
Head Start	10.555	<u>63,065</u>
Total Michigan Department of Education		113,760
Passed through Michigan Department of Community Health - Women, Infants and Children		
	10.557	<u>505,992</u>
<b>Total U.S. Department of Agriculture</b>		<u>619,752</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Direct Programs:		
Community Development Block Grant / Entitlement Grants	14.218	88,171
Shelter Plus Care	14.238	326,963
HOME Investment Partnerships Program	14.239	808,115
Passed through Michigan Economic Development Corporation - Community Development Block Grant - LinkMichigan Program		
	14.228	40,943
Passed through POWER, Inc. - Supportive Housing Program		
	14.235	15,266
Passed through SOS Crisis Center, Inc. - Supportive Housing Program		
	14.235	<u>120,704</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>1,400,162</u>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
Passed through Michigan Department of History, Arts and Libraries - Historic Preservation Fund Grants-In-Aid		
	15.904	<u>7,946</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Direct Programs:		
Domestic Violence	16.588	58,121
Violence Against Women	16.588	1,812,575
Local Law Enforcement Block Grant	16.592	<u>162,672</u>
Total Direct Programs		<u>2,033,368</u>

The accompanying notes are an integral part of this schedule.

**WASHTENAW COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF JUSTICE (concluded)</b>		
Passed through Michigan Family Independence Agency - Juvenile Accountability Incentive Block Grants:		
Juvenile Accountability	16.523	\$ 107,378
Building Restorative Communities Grant	16.540	29,070
STOP Violence Against Women	16.588	<u>30,000</u>
Total Michigan Family Independence Agency		<u>166,448</u>
Passed through Michigan Crime Victim Services Commission - Rape Crisis Program (VOCA)	16.575	<u>114,351</u>
Passed through Michigan Department of Community Health, Office of Drug Control - Byrne Formula Grant Program - Juvenile Diversion/Restoration Program	16.579	<u>30,391</u>
Passed through Michigan Department of State Police, Emergency Management Division:		
State Domestic Preparedness Equipment Grant	16.007	108,013
State Homeland Security Grant Program	16.007	105,600
Supplemental Planning Grant for Terroism Preparedness	16.007	<u>25,206</u>
Total Michigan Department of State Police		<u>238,819</u>
<b>Total U.S. Department of Justice</b>		<u>2,583,377</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Passed through Michigan Office of Highway Safety Planning - State and Community Highway Safety:		
Drive Michigan Safely	20.600	<u>63,732</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
Direct Programs - Brownfields Assessment and Cleanup Cooperative Agreements:		
Revolving Loan Fund	66.818	5,697
Assessment Pilot	66.818	42,795
Passed through Michigan Department of Environmental Quality:		
Indoor Radon Grant	66.032	8,345
Huron River Storm Water Control Demonstration Park	66.460	184,680
Mallets Creek Site Design for Regional Detention	66.460	124,760
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	66.471	<u>11,000</u>
<b>Total U.S. Environmental Protection Agency</b>		<u>377,277</u>

The accompanying notes are an integral part of this schedule.

**WASHTENAW COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance</u>	<u>Expenditures</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>		
Passed through Michigan Department of State Police:		
Emergency Management Performance Grant	83.552	\$ 54,096
Hazard Mitigation Grant	83.548	28,445
		<hr/>
<b>Total Federal Emergency Management Agency</b>		<b>82,541</b>
<b>U.S. DEPARTMENT OF ENERGY</b>		
Passed through Michigan Department of Consumer & Industry Services -		
Rebuild Michigan	89.214	12,912
		<hr/>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Direct Programs:		
Consolidated Knowledge Development and Application	93.230	46,092
Community Access Program	93.252	480,836
Head Start	93.600	4,017,137
		<hr/>
Total Direct Programs		<b>4,544,065</b>
Passed through Michigan Department of Community Health:		
Tuberculosis Control Programs	93.116	21,351
Immunization Grants:		
VFC Provider Site Visits	93.268	4,350
Immunization Nurse Training	93.268	900
Immunization Action Plan	93.268	128,924
Vaccines	93.268	671,705
Bioterrorism - EPI	93.283	107,366
Smallpox Vaccination Activities	93.283	45,435
STD Surveillance	93.283	(3,122)
Medical Assistance Program:		
Care Coordination	93.778	4,810
Outreach - Maternal and Infant Health Advocacy Services	93.778	78,797
Medicaid Outreach and Coordination	93.778	8,338
Medicaid	93.778	35,469
QHP Medicaid	93.778	38,528
Medicaid - Full Cost (settlement)	93.778	60,928
Medicaid - Full Cost	93.778	260,228
HIV Prevention Program:		
HIV/AIDS Regular Prevention Plan	93.940	13,260
HIV/AIDS Counseling and Testing	93.940	81,233
Maternal and Child Health Services Block Grant:		
Local Maternal and Child Health	93.994	109,958
SIDS	93.994	490
Child Special Health Care	93.994	22,800
		<hr/>
Total Michigan Department of Community Health		<b>1,691,748</b>

The accompanying notes are an integral part of this schedule.

**WASHTENAW COUNTY, MICHIGAN**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2003**

<b>Federal Agency/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)</b>		
Passed through Washtenaw Community Health Organization:		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	\$ 40,840
Community Mental Health Services Block Grant:		
Wraparound Services Initiative	93.958	50,000
Child Respite	93.958	74,967
ACT - Integrated Treatment	93.958	66,948
Case Manager	93.958	7,594
Co-Occurring Training	93.958	50,000
Omnibus Budget Reconciliation Act - Preadmission Screenings and Annual Resident Reviews (OBRA-PASARR)	93.778	<u>311,981</u>
Total Washtenaw Community Health Organization		<u>602,330</u>
Passed through Michigan Family Independence Agency:		
Family Support Payments to States	93.560	233,899
Child Support Enforcement:		
Friend of the Court	93.563	2,503,972
Prosecuting Attorney	93.563	378,266
Medical Support Payments	93.563	82,372
Assault Crisis Center	93.991	<u>35,000</u>
Total Michigan Family Independence Agency		<u>3,233,509</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>10,071,652</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 15,219,351</u>

The accompanying notes are an integral part of this schedule.

# WASHTENAW COUNTY, MICHIGAN

## Notes to Schedule of Expenditures of Federal Awards

### 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Washtenaw County, Michigan (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### 2. SUBRECIPIENTS

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

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Women, Infants and Children	10.557	\$ 89,848
Shelter Plus Care	14.238	326,963
HOME	14.239	788,347
Violence Against Women	16.588	512,896
Head Start	93.600	1,737,409

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**REHMANN ROBSON**

*Certified Public Accountants*

A member of **THE REHMANN GROUP**



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

March 5, 2004

To the Board of Commissioners  
of Washtenaw County  
Ann Arbor, Michigan

We have audited the financial statements of **WASHTENAW COUNTY, MICHIGAN**, as of and for the year ended December 31, 2003, and have issued our report thereon dated March 5, 2004. We did not audit the financial statements of the Employment Training and Community Services Fund, which represent 18.1% of the assets and 15.6% of the revenues of the nonmajor governmental funds and 1.0% of the assets and 3.9% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 47.7% of the assets and 76.7% of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinions, insofar as they relate to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered *Washtenaw County, Michigan's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 over financial reporting that might be material weaknesses. A material weakness is a 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 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. Our report and the report of other auditors noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.



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

March 5, 2004

To the Board of Commissioners  
of Washtenaw County  
Ann Arbor, Michigan

**Compliance**

We have audited the compliance of **Washtenaw 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, 2003. **Washtenaw County, 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 **Washtenaw County, Michigan's** management. Our responsibility is to express an opinion on **Washtenaw County, Michigan's** compliance based on our audit.

**Washtenaw County, Michigan's** financial statements include the operations of the Employment Training and Community Services Fund, a special revenue fund of the County, which received \$4,929,117 in federal awards, which is not included in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2003. Our audit, as described below, did not include the operations of the Employment Training and Community Services Fund because it was audited by other auditors in accordance with OMB Circular A-133.

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 **Washtenaw 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 **Washtenaw County, Michigan's** compliance with those requirements.

In our opinion, *Washtenaw County, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2003.

### **Internal Control Over Compliance**

The management of *Washtenaw 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 *Washtenaw 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 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 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 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. Our report and the report of other auditors 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 *Washtenaw County, Michigan* as of and for the year ended December 31, 2003, and have issued our report thereon dated March 5, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise *Washtenaw County, 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 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.

We did not audit the financial statements of the Employment Training and Community Services Fund, which represent 18.1% of the assets and 15.6% of the revenues of the nonmajor governmental funds and 1.0% of the assets and 3.9% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 47.7% of the assets and 76.7% of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors.

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

A handwritten signature in black ink that reads "Lehmann Lobson". The signature is written in a cursive, flowing style.

**WASHTENAW COUNTY, MICHIGAN**

**Schedule of Findings and Questioned Costs**

**For the Year Ended December 31, 2003**

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

**Financial Statements**

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes  X  no

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 auditors' report issued on compliance  
for major programs:

Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section 510(a)?

\_\_\_\_\_ yes  X  no

**WASHTENAW COUNTY, MICHIGAN**

**Schedule of Findings and Questioned Costs (Concluded)**

**For the Year Ended December 31, 2003**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)**

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.592	Local Law Enforcement Block Grant
93.268	Childhood Immunization Grants
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee?  X  yes   no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

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

No matters were reported.

**SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS**

No matters were reported.

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