

County of Kent,
Michigan



Year Ended
December 31,
2018

Single Audit Act
Compliance

COUNTY OF KENT, MICHIGAN

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INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

June 10, 2019

Honorable Members of the
Board of Commissioners
County of Kent
Grand Rapids, 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 Kent, Michigan* (the "County"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 10, 2019 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Robson LLC

COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster:					
Breakfast Program	10.553	MDE	41-000-8003A	\$ -	\$ 40,663
Lunch Program	10.555	MDE	41-000-8003A	-	81,326
Commodities (non-cash assistance)	10.555	MDE	41-000-8003	-	19,280
				-	100,606
Total Child Nutrition Cluster				-	141,269
Supplemental Nutrition Program for Women, Infants, and Children (WIC):					
Resident Services Administration (FY 2018)	10.557	MDHHS	182MI003W1003	138,865	2,378,670
Resident Services Administration (FY 2019)	10.557	MDHHS	TBD-050035	18,123	780,792
Breastfeeding Peer Counseling (FY 2018)	10.557	MDHHS	1616MI002Y8604	-	60,537
Breastfeeding Peer Counseling (FY 2018)	10.557	MDHHS	172MI013W5003	-	39,569
Breastfeeding Peer Counseling (FY 2018)	10.557	MDHHS	182MI003W1003	-	74,396
Breastfeeding Peer Counseling (FY 2019)	10.557	MDHHS	50022-TBD	-	37,200
Breastfeeding Peer Counseling (FY 2019)	10.557	MDHHS	50035-TBD	-	18,600
				156,988	3,389,764
Food Distribution Cluster:					
Commodity Supplemental Food Program:					
Cash Assistance (FY 2018)	10.565	MDE	FY2018	-	77,204
Commodity Assistance (Non-Cash Assistance) (FY 2018)	10.565	MDE	FY2018	-	219,783
Cash Assistance (FY 2019)	10.565	MDE	FY2019	-	36,096
Commodity Assistance (Non-Cash Assistance) (FY 2019)	10.565	MDE	FY2019	-	131,544
				-	464,627
Emergency Food Assistance Program:					
Administrative Costs (FY2018)	10.568	MDE	FY2018	-	213,690
Administrative Costs (FY2019)	10.568	MDE	FY2019	-	49,877
				-	263,567
Emergency Food Assistance Program:					
Food Commodities (FY 2018)	10.569	MDE	FY2018	-	609,929
Food Commodities (FY 2019)	10.569	MDE	FY2019	-	327,380
				-	937,309
Total Food Distribution Cluster				-	1,665,503
Total U.S. Department of Agriculture				156,988	5,196,536
U.S. Department of Housing and Urban Development					
Community Development Block Grant Cluster:					
2014-2015 Award	14.218	Direct	B-14-UC-26-0004	-	26,662
2015-2016 Award	14.218	Direct	B-15-UC-26-0004	-	117,125
2016-2017 Award	14.218	Direct	B-16-UC-26-0004	-	330,514
2017-2018 Award	14.218	Direct	B-17-UC-26-0005	241,345	1,056,390
2018-2019 Award	14.218	Direct	B-18-UC-26-0004	172,065	273,680
				413,410	1,804,371
Home Investment Partnerships Program (HOME):					
2013-2014 Award	14.239	Direct	M-13-DC-26-0221	45,868	45,868
2014-2015 Award	14.239	Direct	M-14-DC-26-0221	366,633	366,633
2015-2016 Award	14.239	Direct	M-15-DC-26-0221	2,987	2,987
2016-2017 Award	14.239	Direct	M-16-DC-26-0221	80,540	92,351
2017-2018 Award	14.239	Direct	M-17-DC-26-0221	-	10,354
2018-2019 Award	14.239	Direct	M-18-DC-26-0221	-	5,842
				496,028	524,035

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COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Housing and Urban Development (Concluded)					
Continuum of Care:					
Sponsor-based Rental Assistance 2017-2018	14.267	Direct	MI0174L5F061609	\$ 220,003	\$ 225,872
Sponsor-based Rental Assistance 2018-2019	14.267	Direct	MI0174L5F061710	217,660	222,723
Tenant-based Rental Assistance 2017-2018	14.267	Direct	MI0173L5F061609	483,789	500,024
Tenant-based Rental Assistance 2018-2019	14.267	Direct	MI0173L5F061710	417,807	424,438
				<u>1,339,259</u>	<u>1,373,057</u>
Housing Voucher Cluster:					
Section 8 Housing Choice Voucher Program:					
Housing Choice Vouchers 2017 Award	14.871	Direct	MI198VO	-	128,582
Housing Choice Vouchers 2018 Award	14.871	Direct	MI198VO	-	3,158,671
Family Services Coordinator	14.871	Direct	MI198FS	-	71,920
Veterans 2018 Award	14.871	Direct	MI198VO	-	1,114,977
				<u>-</u>	<u>4,474,150</u>
Lead-based Paint Hazard Control Grant (FY 2018)	14.900	CGR	MILHB0609-16	-	9,062
Total U.S. Department of Housing and Urban Development				<u>2,248,697</u>	<u>8,184,675</u>
U.S. Department of Justice					
State Criminal Alien Assistance Program	16.606	Direct	2019-AP-BX-0466	-	89,712
Equitable Sharing Program	16.922	Direct	MI4114100	26,605	83,401
Total U.S. Department of Justice				<u>26,605</u>	<u>173,113</u>
U.S. Department of Transportation					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	WYO	PT-18-42	-	26,066
State and Community Highway Safety	20.600	WYO	PT-19-31	-	14,329
				<u>-</u>	<u>40,395</u>
National Priority Safety Programs - Underage Drinking Enforcement	20.616	MSP	AL-18-26	-	7,487
Total Highway Safety Cluster				<u>-</u>	<u>47,882</u>
Hazardous Materials Emergency Planning	20.703	MSP	HM-HMP-0558-16-01-00	-	7,163
Total U.S. Department of Transportation				<u>-</u>	<u>55,045</u>
U.S. Environmental Protection Agency					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds (FY 2017-2018)	66.468	MDEQ	FS975487-16	-	492
Capitalization Grants for Drinking Water State Revolving Funds (FY 2018-2019)	66.468	MDEQ	FS975487-17	-	317
				<u>-</u>	<u>809</u>
U.S. Department of Energy					
Weatherization Assistance Program:					
Weatherization Assistance for Low-Income Persons (2017-2018)	81.042	MDHHS	WAP16-41016-2	-	299,039
Weatherization Assistance for Low-Income Persons (2018-2019)	81.042	MDHHS	WAP16-41016-3	-	156,991
				<u>-</u>	<u>456,030</u>

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COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services					
Aging Cluster:					
Special Programs for the Aging - Title III, Part B (FY 2018)	93.044	AAAWM	61.10 - FY18.1	\$ -	\$ 30,381
Special Programs for the Aging - Title III, Part B (FY 2019)	93.044	AAAWM	61.10 - FY19.1	-	7,213
				-	37,594
Nutrition Services Incentive Program 2017-2018	93.053	AAAWM	61.10-FY18.2	-	14,200
Total Aging Cluster				-	51,794
Public Health Emergency Preparedness:					
Bioterrorism Supplemental (10/2017 to 6/2018)	93.069	MDHHS	NU90TP921906	-	102,236
Bioterrorism Supplemental (7/2018 to 9/2018)	93.069	MDHHS	NU90TP921906	-	50,015
Bioterrorism Supplemental (10/2018 to 6/2019)	93.069	MDHHS	NU90TP921906	-	51,990
Bioterrorism Lab Services (FY 2018)	93.069	MDHHS	NU90TP000528	-	13,575
				-	217,816
Food and Drug Administration - Research:					
Training (FY2018)	93.103	AFDO	G-T-1710-05820	-	1,440
Equipment Inventory (FY2018)	93.103	AFDO	G-SP-1709-05187	-	2,792
				-	4,232
Tuberculous Control Program:					
Tuberculosis Control Program (FY 2018)	93.116	MDHHS	NU52PS004693	-	4,529
Tuberculosis Control Program (FY 2018)	93.116	MDHHS	U52PS004693	-	13,586
Tuberculosis Control Program (FY 2019)	93.116	MDHHS	U52PS004693	-	1,777
Tuberculosis Control Program (FY 2019)	93.116	MDHHS	251165-TBD	-	5,333
				-	25,225
Sexual Violence Prevention:					
Injury Prevention and Control Research (FY2018)	93.136	MDHHS	UF2CE002424	-	47,097
Injury Prevention and Control Research (FY2018)	93.136	MDHHS	VF1CE002229	-	35,780
Injury Prevention and Control Research (FY2019)	93.136	MDHHS	UF2CE002424	-	23,276
Injury Prevention and Control Research (FY2019)	93.136	MDHHS	251149-TBD	-	7,759
				-	113,912
Immunization Cooperative Agreements:					
Immunization Action Plan (IAP) (FY 2018)	93.268	MDHHS	NH23IP000752 -251129	-	41,475
Immunization Action Plan (IAP) (FY 2019)	93.268	MDHHS	NH23IP000752	-	21,042
Immunization Action Plan (IAP) (FY 2019)	93.268	MDHHS	251129-TBD	-	7,014
Immunizations - Fixed Fees (FY2018)	93.268	MDHHS	NH23IP000752	-	22,950
Immunizations - Fixed Fees (FY2019)	93.268	MDHHS	NH23IP000752	-	5,175
Immunizations - Fixed Fees (FY2019)	93.268	MDHHS	251129-TBD	-	1,725
Vaccines (non-cash assistance) (FY2018)	93.268	MDHHS	-n/a-	-	496,669
Vaccines (non-cash assistance) (FY2019)	93.268	MDHHS	-n/a-	-	213,687
				-	809,737
Epidemiology and Laboratory Capacity for Infectious Diseases - West Nile Virus (FY2018)					
	93.323	MDHHS	NU50CK000369	-	8,000
Health Resources and Services Administration:					
Public Health Training Centers Program (FY2018)	93.516	UM	1-UB6-HP-31684-01-01	-	1,021
Public Health Training Centers Program (FY2019)	93.516	UM	1-UB6-HP-31684-01-00	-	782
				-	1,803

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COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Capacity Assistance for Immunizations:					
Capacity Assistance for Immunizations (FY 2018)	93.539	MDHHS	NH23IP000752	\$ -	\$ 190,531
Capacity Assistance for Immunizations (FY 2019)	93.539	MDHHS	IMMUNPPHF-251177	-	31,563
Capacity Assistance for Immunizations (FY 2019)	93.539	MDHHS	251177-TBD	-	10,520
				-	232,614
Child Support Enforcement:					
Title IV-D - Incentive Payments (17-18)	93.563	MDHHS	CS/FOC-17-41001	-	827,246
Title IV-D - Incentive Payments (18-19)	93.563	MDHHS	CS/FOC-17-41001	-	265,743
Title IV-D - Friend of the Court (17-18)	93.563	MDHHS	CS/FOC-17-41001	-	3,447,741
Title IV-D - Friend of the Court (18-19)	93.563	MDHHS	CS/FOC-17-41001	-	1,143,035
Title IV-D - Prosecuting Attorney (17-18)	93.563	MDHHS	CSPA-17-41002	-	948,826
Title IV-D - Prosecuting Attorney (18-19)	93.563	MDHHS	CSPA-17-41002	-	315,451
				-	6,948,042
Low-Income Home Energy Assistance:					
Crisis Assistance 2017-2018	93.568	MDHHS	LCA16-41016	-	14,737
Low-Income Home Energy Assistance 2017-2018	93.568	MDHHS	WAP16-41016-2	-	140,313
Low-Income Home Energy Assistance 2018-2019	93.568	MDHHS	WAP16-41016-3	-	34,539
Michigan Energy Assistance Program 2016-2017	93.568	YMCA	MAE-17-06	-	8,490
Michigan Energy Assistance Program 2017-2018	93.568	YMCA	G-18B1MILIEA	-	346,920
				-	544,999
Community Services Block Grant:					
Community Services Block Grant 16-18	93.569	MDHHS	CSBG14-41016-4	-	654,132
Community Services Block Grant 17-19	93.569	MDHHS	CSBG14-41016-5	-	259,739
				-	913,871
Grants to States for Access and Visitation Programs:					
Access and Visitation Grant (17-18)	93.597	SCAO	SCAO-2018-014	-	11,350
Access and Visitation Grant (18-19)	93.597	SCAO	SCAO-2019-017	-	4,150
				-	15,500
Prevention and Public Health Fund:					
Racial and Ethnic Approaches to Community Health (FY 2018)	93.738	Direct	6 NU58DP005943-03-04	69,776	397,375
Racial and Ethnic Approaches to Community Health (FY 2019)	93.738	Direct	7 NU58DP005943-03-04	-	58,521
				69,776	455,896
Prevention of Obesity, Diabetes, Heart Disease and Stroke - YMCA Grant (2018)					
	93.757	YMCA	NU58DP005453	-	66,456
Preventive Health and Health Services Block Grant					
	93.758	MDHHS	2B01OT009028 (16)	-	635
Lead Hazard Control Grant:					
Children's Health Insurance Program (2017-2018)	93.767	CGR	87294-6571	-	2,090
Children's Health Insurance Program (2017-2018)	93.767	CGR	E20182862-00	-	44,892
Children's Health Insurance Program (2018-2019)	93.767	CGR	E20182862-00	-	32,906
				-	79,888
Medicaid Cluster:					
Medicaid Outreach and Advocacy (FY 2018)	93.778	MDHHS	1805MI5ADM	636,624	829,097
Medicaid Outreach and Advocacy (FY 2019)	93.778	MDHHS	253001-TBD	172,449	228,964
Medicaid Outreach - WIC/Imms (FY 2018)	93.778	MDHHS	1805MI5ADM	-	383,807
Medicaid Outreach - WIC/Imms (FY 2019)	93.778	MDHHS	253001-TBD	-	88,553
CSHCS Care Coordination Services (FY2018)	93.778	MDHHS	1805MI5ADM	-	10,960

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COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Continued)					
Medicaid Cluster (Concluded):					
CSHCS Care Coordination Services (FY2018)	93.778	MDHHS	1805MI5MAP	\$ -	\$ 6,652
CSHCS Care Coordination Services (FY2019)	93.778	MDHHS	253001-TBD	-	3,485
CSHCS Care Coordination Services (FY2019)	93.778	MDHHS	253002-TBD	-	1,411
CSHCS Medicaid Outreach (FY 2018)	93.778	MDHHS	1805MI5ADM	-	128,846
CSHCS Medicaid Outreach and Advocacy (FY 2018)	93.778	MDHHS	1805MI5ADM	-	83,142
CSHCS Medicaid Outreach and Advocacy (FY 2019)	93.778	MDHHS	253001-TBD	-	107,576
Nurse Family Partnership Services (FY 2018)	93.778	MDHHS	1805MI5ADM	-	77,207
Nurse Family Partnership Services (FY 2019)	93.778	MDHHS	253001-TBD	-	53,951
Nurse Family Partnership Medicaid Outreach (FY 2018)	93.778	MDHHS	1805MI5ADM	-	126,126
Elevated Blood Lead Case Management (FY2018)	93.778	MDHHS	1805MI5MAP	-	27,012
Elevated Blood Lead Case Management (FY2019)	93.778	MDHHS	253002-TBD	-	4,838
Medicaid Enrollment (FY 2018)	93.778	MAX/MCAAA	HLTH 130S-11-7791	-	17,020
				<u>809,073</u>	<u>2,178,647</u>
Maternal Infant and Early Childhood Home Visiting Cluster:					
Maternal Infant and Early Childhood Home Visiting (2017)	93.870	MDHHS	X10MC29482-252297	-	174,107
Maternal Infant and Early Childhood Home Visiting (2019)	93.870	MDHHS	X10MC31148	-	94,265
				-	<u>268,372</u>
Breast and Cervical Cancer Control Program:					
Cancer Prevention and Control Programs (2018)	93.898	MDHHS	NU58DP006334-251183	-	161,822
Cancer Prevention and Control Programs (2019)	93.898	MDHHS	NU58DP006334	-	41,759
Cancer Prevention and Control Programs (2019)	93.898	MDHHS	251183-TBD	-	13,919
				-	<u>217,500</u>
Strong Beginnings Program:					
Healthy Start Initiative (2017-2018 Award)	93.926	SPEC	2H49MC03591-11-00	-	146,633
Healthy Start Initiative (2018-2019 Award)	93.926	SPEC	5 H49MC03591-15-00	-	21,041
				-	<u>167,674</u>
HIV Prevention Activities:					
HIV Prevention (FY 2018)	93.940	MDHHS	NU62 PS003671-251124	-	9,191
HIV Prevention (FY 2018)	93.940	MDHHS	NU62PS624530	-	68,356
HIV Prevention (FY 2019)	93.940	MDHHS	U62PS003671	-	7,860
HIV Prevention (FY 2019)	93.940	MDHHS	251124-TBD	-	23,578
				-	<u>108,985</u>
Maternal and Child Health Services Block Grant:					
Children's Special Healthcare Care Coordination Services (2018)	93.994	MDHHS	B04MC31495	-	40,136
Children's Special Healthcare Care Coordination Services (2019)	93.994	MDHHS	252208-TBD	-	8,680
Regional Perinatal Care System (2018)	93.994	MDHHS	B04MC31495	-	150,000
Child Death (SIDS) (FY2018)	93.994	MDHHS	B04MC31495	-	1,250
Child Death (SIDS) (FY2019)	93.994	MDHHS	252208-TBD	-	125
Childhood Lead Poisoning Education and Outreach (FY 2018)	93.994	MDHHS	B04MC31495	-	40,989
Childhood Lead Poisoning Education and Outreach (FY 2019)	93.994	MDHHS	252208-TBD	-	4,660
Childhood Lead Poisoning Prevention (FY 2018)	93.994	MDHHS	B04MC31495	-	57,058
Childhood Lead Poisoning Prevention (FY 2019)	93.994	MDHHS	252208-TBD	-	13,850

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COUNTY OF KENT, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (Concluded)					
Maternal and Child Health Services Block Grant (Concluded):					
Enabling Services - Women (FY 2018)	93.994	MDHHS	B04MC31495	\$ -	\$ 5,312
Public Health Functions and Infrastructure (FY2018)	93.994	MDHHS	B04MC30620	-	115,839
Public Health Functions and Infrastructure (FY2018)	93.994	MDHHS	B04MC31495	-	115,838
Public Health Functions and Infrastructure (FY2019)	93.994	MDHHS	252208-TBD	-	24,572
Public Health Functions and Infrastructure (FY2019)	93.994	MDHHS	252208-TBD	-	24,572
				<u>-</u>	<u>602,881</u>
Total U.S. Department of Health and Human Services				<u>878,849</u>	<u>14,034,479</u>
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program	97.024	Direct	472-032	-	19,825
Emergency Management Performance Grant	97.042	MSP	EMC-2018-EP-00002	-	17,847
Homeland Security Grant Program:					
2016 Award (non-cash assistance)	97.067	WMSRDC	EMW-2016-SS-00010-S01	21,677	24,774
2014 Award	97.067	WMSRDC	EMW-2014-SS-00059	29,798	32,683
2016 Award	97.067	WMSRDC	EMW-2016-SS-00010-S01	7,040	78,678
2017 Award	97.067	WMSRDC	EMW-2017-SS-00013	-	39,323
				<u>58,515</u>	<u>175,458</u>
Total U.S. Department of Homeland Security				<u>58,515</u>	<u>213,130</u>
Total Expenditures of Federal Awards				<u>\$ 3,369,654</u>	<u>\$ 28,313,817</u>

concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF KENT, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Kent, Michigan (the "County") under programs of the federal government for the year ended December 31, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Comprehensive Annual Financial Report. The County's financial statements include the operations of the Kent County Road Commission and the Gerald R. Ford International Airport Authority discretely-presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2018, as these entities were separately audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the County has elected not to use the 10% de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MDE	Michigan Department of Education
MDHHS	Michigan Department of Health and Human Services
CGR	City of Grand Rapids, Michigan
WYO	City of Wyoming, Michigan
MSP	Michigan State Police
MDEQ	Michigan Department of Environmental Quality
AAAWM	Area Agency on Aging for West Michigan
AFDO	Association of Food and Drug Officials
UM	University of Michigan
SCAO	Michigan State Court Administrative Office
YMCA	Grand Rapids Metropolitan YMCA
MAX/MCAAA	Maximus Health Services, Inc./Michigan Community Action Agency Association
SPEC	Spectrum Health
WMSRDC	West Michigan Shoreline Regional Development Commission



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*

June 10, 2019

Honorable Members of the
Board of Commissioners
County of Kent
Grand Rapids, Michigan

We have audited, in accordance with the 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, 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 Kent, Michigan* (the "County"), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 10, 2019. Our report includes a reference to other auditors who audited the financial statements of the Kent County Road Commission and Gerald R. Ford International Airport Authority, discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from 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 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Kent, Michigan’s Response to Finding

The County’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

June 10, 2019

Honorable Members of the
Board of Commissioners
County of Kent
Grand Rapids, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of the *County of Kent, Michigan* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2018. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The County's basic financial statements also include the operations of the Kent County Road Commission which received certain federal awards which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2018. Our audit, described below, did not include the operations of the Kent County Road Commission because it arranged for a separate financial statement audit and did not meet the criteria for a single audit. The County's basic financial statements also include the operations of the Gerald R. Ford International Airport Authority which received \$17,750,419 in federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2018. Our audit, described below, did not include the operations of the Gerald R. Ford International Airport Authority because the entity arranged for a separate audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards s applicable to its federal programs.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Continuum of Care program

As described in item 2018-002 in the accompanying schedule of findings and questioned costs, the County did not comply with the subrecipient monitoring requirement applicable to its Continuum of Care program. Compliance with this requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Continuum of Care program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Continuum of Care program for the year ended December 31, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2018.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-003 to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rehmann Lobson LLC

COUNTY OF KENT, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major programs/
Type of auditor's report issued on compliance for major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion</u>
10.565, 10.568 and 10.569	Food Distribution Cluster	<i>Unmodified</i>
14.267	Continuum of Care	<i>Qualified</i>
14.871	Housing Choice Voucher Cluster	<i>Unmodified</i>
93.563	Child Support Enforcement	<i>Unmodified</i>
93.569	Community Services Block Grant	<i>Unmodified</i>

Dollar threshold used to distinguish between Type A and Type B programs: \$ 849,415

Auditee qualified as low-risk auditee? yes X no

COUNTY OF KENT, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

2018-001 - Material Audit Adjustments (Repeat Comment)

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed a material adjustment (which was approved and posted by management) to properly reflect local stabilization revenues (and related receivables) that were initially recognized in the General Fund but related to the Zoo and Museum Millage, Senior Millage and Correction and Detention Facilities funds.

Cause. This condition appears to be the result of an administrative oversight, through which the allocation of revenue noted by the State of Michigan was inadvertently overlooked, and all revenue was attributed to the general fund.

Effect. As a result of this condition, the County's accounting records were initially misstated by amounts that were material to certain opinion units within the financial statements.

Recommendation. We recommend that the calculation for the year end accrual of local stabilization revenues be based on the State of Michigan's allocation.

View of Responsible Officials. Management has reviewed its existing procedures and has already made revisions, as appropriate.

COUNTY OF KENT, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-002 - Subrecipient Monitoring (Repeat Comment)

Finding Type. Material Noncompliance / Material Weakness in Internal Control over Compliance (Subrecipient Monitoring).

Program. Continuum of Care Program; U.S. Department of Housing and Urban Development; CFDA Number 14.267; Award Numbers MI0173L5F061609, MI0174L5F061609, MI0173L5F061710, and MI0174L5F061710.

Criteria. Recipients of federal funding that pass through grant funds are expected to monitor any subrecipients to provide reasonable assurance that the subrecipients are complying with the requirements of the federal award being passed through. Among those requirements are a) during-the-award monitoring of compliance with requirements that could have a direct and material effect on compliance, and b) ensuring that subrecipients are complying with the audit requirements included in the Uniform Guidance. The pass-through entity is also responsible for issuing management decisions related to any related findings noted in the subrecipient audit and ensuring that timely and appropriate corrective action is taken.

Condition. Testing of the monitoring activities related to this program's subrecipient, noted the following exceptions:

1. The risk assessment checklist that was completed for this subrecipient bore no evidence of independent review and approval.
2. We noted a letter to the subrecipient announcing the date of the planned monitoring visit. We also noted some additional communication with the subrecipient, requesting files that were to be tested on site. We also noted a communication from the Director of the subrecipient organization that the team had been on site on May 17, 2018. The monitoring file contained no evidence of procedures performed or the results of any testing that was performed during the on-site visit.
3. There was no document in the monitoring file noted that reconciled the subrecipient Schedule of Expenditures of Federal Awards (SEFA) to the amounts reported as paid to subrecipients from the County SEFA.
4. There was no documentation in the monitoring file of a final monitoring report related to the scheduled monitoring visit.

In addition, our review of monthly reporting submitted by the subrecipient noted that the County paid it in advance, based on a report of estimated monthly costs, at the beginning of each month and that a follow up report of actual costs was not submitted by the subrecipient.

Cause. The cause of this condition appears to be a combination of turnover of program staff during the year, and a lack of understanding, by the former staff members, of the importance of monitoring specific subrecipient activities.

COUNTY OF KENT, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-002 - Subrecipient Monitoring (Repeat Comment) (Concluded)

Effect. The lack of monitoring documentation failed to provide reasonable assurance that the subrecipient complied with the activities allowed and unallowed, allowable cost principles, cash management, eligibility, matching, level of effort and earmarking, and special tests and provisions that are direct and material to the compliance of this program.

Questioned Costs. The total amount passed through to subrecipients for which inadequate monitoring was performed was \$1,339,259.

Recommendation. The County should revise its standard monitoring procedures to ensure that all applicable requirements for each of its federal programs are considered in the subrecipient monitoring process. Further, management should provide information to monitoring staff so that they are aware of the County's responsibilities in relation to monitoring and subrecipient audits. The monitoring file checklist should be signed and dated by both the individual responsible for completion of the file and the designated reviewer.

View of Responsible Officials. Management has reviewed existing monitoring procedures and made revisions as necessary to comply with all applicable requirements. In addition, management is working to centralize document storage of subrecipient monitoring files to minimize the risk related to staff turnover.

COUNTY OF KENT, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2018

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-003 - Food Distribution Site Monitoring Reports

Finding Type. Immaterial Noncompliance / Significant Deficiency in Internal Control over Compliance (Special Tests and Provisions).

Programs. Commodity Supplemental Food Program; U.S. Department of Agriculture; CFDA Number 10.565; passed-through the Michigan Department of Education.

Emergency Food Assistance Program; U.S. Department of Agriculture; CFDA Numbers 10.568 and 10.569; passed-through the Michigan Department of Education.

Criteria. Non-federal entities that receive food commodities under these programs are required to conduct monitoring on all distribution sites at least annually.

Condition. Program staff were unable to locate 5 of the 8 monitoring reports selected for testing during our audit of compliance. The reports that we were able to test did not bear evidence of independent review.

Cause. The cause of this condition appears to be turnover in program staff and the lack of organized storage for completed monitoring reports.

Effect. Program staff was unable to adequately document its monitoring procedures related to food distribution sites used during the year ended December 31, 2018.

Questioned Costs. No costs are required to be questioned as a result of this finding.

Recommendation. The County should revise its policies and procedures to provide adequate and organized storage for monitoring reports so that all program staff can locate as needed to document compliance. In addition, monitoring reports, when completed should be reviewed and approved by an independent member of the program staff.

View of Responsible Officials. Management has reviewed its existing procedures and has already made revisions, as appropriate, to ensure that all applicable requirements are considered in the monitoring process.

COUNTY OF KENT, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2018

2017-001 - Material Audit Adjustments

Audit procedures identified and proposed a certain material adjustment (which was approved and posted by management) to adjust the County's financial statements to the appropriate balances. This adjustment related to tax revenues (and related receivables and deferred inflows of resources) in the Zoo and Museum Millage and Correction and Detention Facilities funds. This finding was repeated in the current year related to a separate matter.

2017-002 - Subrecipient Monitoring

Audit procedures indicated that the risk assessment and other monitoring activities related to its subrecipients, were less complete than required under the circumstances. Monitoring files did not indicate that there were steps taken to determine whether the subrecipient was complying with cash management, level of effort (supplement not supplant), and reasonable rental rate requirements for this program. In addition, the subrecipient audit indicated a finding related to cash management for the Continuum of Care grant program (though not specifically related to the County's passthrough funds) was reported by the subrecipient's auditors. No documentation was noted related to a management decision or follow up on corrective action in the County's monitoring files. It was further noted that the checklist used to document completeness of the monitoring file was not signed off by either the initial preparer or the designated reviewer. This finding is repeated in the current year as item 2018-002.



OFFICE OF THE ADMINISTRATOR

Wayman Britt, County Administrator/Controller



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CORRECTIVE ACTION PLAN

Certain matters were brought to our attention as a result of the audit process. These matters are described at length in the Schedule of Findings and Questioned Costs. We evaluated these matters as described below and have described our planned action.

2018-001 - Material Audit Adjustments

Planned Corrective Action. Management has reviewed its existing procedures and has already made revisions, as appropriate to ensure proper allocation of collections.

Responsible Party. Fiscal Services staff

Date of Planned Corrective Action. June 2019

Management Assessment. We have reviewed all adjustments proposed by the auditors, and these have now been posted within the County's accounting records.

2018-002 - Subrecipient Monitoring

Planned Corrective Action. Management has reviewed existing monitoring procedures and made revisions as necessary to comply with all applicable requirements. In addition, management is working to centralize document storage of subrecipient monitoring files to minimize the risk related to staff turnover.

Responsible Party. Community Action and Fiscal Services Department staff

Date of Planned Corrective Action. July 2019

Management Assessment. We concur with the audit assessment regarding this matter.

2018-003 - Food Distribution Monitoring Reports

Planned Corrective Action. Management will review the existing monitoring procedures and make revisions as necessary to comply with applicable requirements. In addition, management is working to centralize document storage of subrecipient monitoring files to minimize the risk related to staff turnover.

Responsible Party. Community Action and Fiscal Services Department staff

Date of Planned Corrective Action. July 2019

Management Assessment. We concur with the audit assessment regarding this matter.