

**COUNTY OF MARQUETTE, MICHIGAN
FEDERAL FINANCIAL ASSISTANCE
For the Year Ended December 31, 2013**

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**INDEPENDENT AUDITOR'S 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 Commissioners of the
County of Marquette, Michigan
234 West Baraga Avenue
Marquette, Michigan 49855

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 Marquette, Michigan, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise The County of Marquette, Michigan's basic financial statements and have issued our report thereon dated April 18, 2014

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Marquette, Michigan'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 of Marquette, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The County of Marquette, Michigan'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Report to Management Letter as item 2013-01.

The County of Marquette, Michigan's Response to Findings

The County of Marquette, Michigan's response to the findings identified in our audit is described in the accompanying Report to Management Letter. The County of Marquette, Michigan'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 entity'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.

Anderson, Tackman & Company, PLLC

Certified Public Accountants

June 16, 2014



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

The Board of Commissioners of the
County of Marquette, Michigan
234 West Baraga Avenue
Marquette, Michigan 49855

Report on Compliance for Each Major Federal Program

We have audited the County of Marquette, Michigan's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Marquette, Michigan major federal programs for the year ended December 31, 2013. The County of Marquette, Michigan major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County of Marquette, Michigan's basic financial statements include the operations of the Marquette County Road Commission, which received \$2,102,418 in federal awards which is not included in the schedule during the year ended December 31, 2013. Our audit, described below, did not include the operations of Marquette County Road Commission, because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Marquette, Michigan'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 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 Marquette, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Marquette, Michigan's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Marquette, Michigan, 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 major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-01. Our opinion on each major federal program is not modified with respect to these matters.

The County of Marquette, Michigan's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Marquette, Michigan's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County of Marquette, Michigan, 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 of Marquette, Michigan'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 OMB Circular A-133, 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 Marquette, Michigan's internal control over compliance.

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 combination of deficiencies, in internal control over compliance, such that there is a 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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 Marquette, Michigan, as of and for the year

The Board of Commissioners of the
County of Marquette, Michigan

ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County of Marquette, Michigan's basic financial statements. We issued our report thereon dated April 18, 2014, 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 OMB Circular A-133 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 16, 2014



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Marquette, Michigan
234 West Baraga Avenue
Marquette, Michigan 49855

We have audited the accompanying 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 Marquette, Michigan, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Marquette County Medical Care Facility, which represent 16 percent, 15 percent, and 68 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Medical Care Facility, is based solely on the report of the other auditors. We did not audit the financial statements of Marquette County Road Commission, which represent 97 percent, 99 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 Marquette, Michigan, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Marquette, Michigan's basic financial statements. The combining and individual non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (as presented in a separate report) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

The Board of Commissioners of the
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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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2014, on our consideration of the County of Marquette, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Marquette, Michigan's internal control over financial reporting and compliance.

Anderson, Tackman & Company, PLLC

Certified Public Accountants

June 16, 2014

County of Marquette, Michigan
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2013 Federal Expenditures</u>
U.S. Department of Agriculture			
<i>Passed through the Michigan Department of Community Health</i>			
Michigan Nutrition Network Schools - Advisory Group Project SNAP-Ed	10.551	615431S	\$ 11,049
ARRA - Women, Infants and Children Admin - Resident Services	10.557	IW100342	240,020
ARRA - Women, Infants and Children Admin - Breastfeeding	10.557	IW100342	9,913
ARRA - Breastfeeding Peer Counseling - WIC Breastfeeding	10.557	W500342	29,056
		Sub-Total 10.557	<u>278,989</u>
<i>Passed through the Michigan Department of Natural Resources</i>			
Schools and Roads Grant	10.665	N/A	<u>24,468</u>
<i>Direct Award</i>			
Sheriff Office Patrol Vehicles	10.776	N/A	<u>6,000</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>320,506</u>
U.S. Department of Housing and Urban Development			
<i>Passed through the Michigan Department of Housing Development</i>			
Community Development Block Grant - Ishpeming Rehab Phase II	14.228	MSC-2005-0743	10,448
Community Development Block Grant - 2011 Allocation	14.228	MSC-2005-0743	55,448
Community Development Block Grant - South Gateway Project	14.228	MSC-2005-0743	5,703
		Sub-Total 14.228	<u>71,599</u>
<i>Passed through the Michigan Department of Community Health</i>			
HOPWA	14.241	MI28H95-FO36	<u>72,852</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>144,451</u>
U.S. Department of Justice			
<i>Passed through UPSET</i>			
Safe Trails	16.308	N/A	<u>5,019</u>
<i>Passed through the Michigan Supreme Court State Court Administrative Office</i>			
DWI Drug Treatment Court (Sobriety Court)	16.585	SCAO-13-062	<u>96,828</u>
<i>Passed through the State of Michigan</i>			
Juvenile Accountability Block Grant	16.523	N/A	<u>8,448</u>
<i>Passed through the Office of Drug Control Policy</i>			
UPSET	16.579	N/A	<u>31,547</u>
<i>Passed through the Office of Justice Programs</i>			
Bulletproof Vest	16.607	N/A	<u>1,781</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>143,623</u>
U.S. Department of Transportation			
<i>Passed through the Michigan Department of Transportation (SEE NOTE E)</i>			
ARRA - Airport Improvement Projects	20.106	3-26-0153-2708	71,250
ARRA - Airport Improvement Projects	20.106	3-26-0153-3210	1,373,610
ARRA - Airport Improvement Projects	20.106	3-26-0153-3411	333,275
		Sub-Total 20.106	<u>1,778,135</u>

County of Marquette, Michigan
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2013 Federal Expenditures</u>
Highway Traffic Safety Cluster <i>Passed through the Michigan State Police</i> Drive Michigan Safely	20.600	N/A	\$ 15,293
<i>Passed through the Michigan State Police</i> Child Passenger Safety	20.613	NA	171,401
Sub-Total Highway Traffic Safety Cluster			<u>186,694</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,964,829</u>
U.S. Environmental Protection Agency			
<i>Passed through the Michigan Department of Environmental Quality</i> ARRA - Capitalization Grant Drinking Water Revolving Fund	66.468	20060113	300
Operator Training Certification Program	66.471	20060113	656
Brownfield Assessment Grant	66.818	HSTS0213HSLR745	3,994
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>4,950</u>
U.S. Department of Health and Human Services			
<i>Passed through UPCAP Services Inc.</i> Title IIIB - Homemaker	93.044	NA	34,895
<i>Passed through the Michigan Department of Community Health</i> Bioterrorism - Supplemental - Bioterrorism 10/01/12 - 06/30/13	93.069	U90TP517018	91,874
HOSP Preparedness - Bioterrorism 07/01/13 - 09/30/13	93.069	U90TP517018	29,782
		Sub-Total 93.069	<u>121,656</u>
Family Planning	93.217	05H000173	47,644
Immunization - Action Plan	93.268	H23-CCH522556	30,567
Immunization - Field Services Rep	93.268	H23-CCH522556	109,464
Immunization - Fixed Fees	93.268	H23-CCH522556	6,600
Federal Vaccine Shipped at Cost	93.268	NA	48,874
		Sub-Total 93.268	<u>195,505</u>
<i>Direct Award</i> Affordable Care Act Grants For School-based Health Centers	93.501	C12CS25622	440,964
		Sub-Total 93.501	<u>440,964</u>
<i>Passed through the Michigan Department of Human Services</i> FOC - Cooperative Reimbursement	93.563	CS/FOC-10-52001	619,605
PA - Cooperative Reimbursement	93.563	CS/PA-10-52002	171,319
ADC - Incentive	93.563	CS/FOC-10-52001	78,113
		Sub-Total 93.563	<u>869,037</u>
<i>Passed through the Michigan Department of Community Health</i> Medicaid Administration - (CSHCS) Medicaid Outreach	93.778	05U05M15ADM	5,120
Medicaid Administration - (CSHCS) Outreach & Advocacy	93.778	05U05M15ADM	20,000
Medicaid Administration - Medicaid Outreach	93.778	05U05M15ADM	128,393
Medicaid Outreach - CPBC	93.778	NA	94,946
		Sub-Total 93.778	<u>248,459</u>
Cancer - Family Planning / BCCCP Joint Project	93.919	U58DP000812	1,815
Cancer - Family Planning / BCCCP Coordination	93.919	U58DP000812	17,280
		Sub-Total 93.919	<u>19,095</u>

County of Marquette, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2013 Federal Expenditures</u>
<i>Passed through the Michigan Department of Community Health</i>			
Maternal/Child Health Service Block Title V - (MIHP) F MCH	93.994	B1MIMCHS	\$ 42,526
		Sub-Total 93.994	<u>42,526</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,019,781</u>
Corporation for National and Community Service			
<i>Direct Award</i>			
Retired & Senior Volunteer Program	94.002	N/A	<u>7,658</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>7,658</u>
U.S. Department of Homeland Security			
<i>Passed through the Michigan Department of Natural Resources</i>			
Marine Safety Program	97.012	N/A	<u>35,000</u>
<i>Passed through the Michigan Department of State Police</i>			
Emergency Management Performance Grant	97.042	551 W3214438 001 2013	<u>72,684</u>
Lake Superior Dune and Flood Mitigation	97.047	FY 2009 PDM	<u>51,434</u>
<i>Passed through the Transportation Security Administration</i>			
Airport Security	97.067	HSTS0213HSLR745	75,533
<i>Passed through the County of Houghton, Michigan</i>			
2008 Michigan Homeland Security Grant Program	97.067	NA	11,280
2009 Michigan Homeland Security Grant Program	97.067	NA	94,853
2010 Michigan Homeland Security Grant Program	97.067	NA	25,844
2010 Michigan Homeland Security Grant Program - Reimbursed MQT CO	97.067	N/A	259,923
2010 Michigan Homeland Security Grant Program - Reimbursed MQT CO	97.067	N/A	9,967
2010 Michigan Homeland Security Grant Program - Equipment	97.067	N/A	996
2011 Michigan Homeland Security Grant Program - Reimbursed MQT CO	97.067	N/A	1,813
2011 Michigan Homeland Security Grant Program - Equipment	97.067	N/A	10,729
2012 Michigan Homeland Security Grant Program - Equipment	97.067	N/A	3,310
<i>Passed through the Michigan Department of State Police</i>			
Operation Stonegarden	97.067	2009-SJ-0007	570
		Sub-Total 97.067	<u>494,818</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>653,936</u>
TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,259,734</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Marquette, Michigan 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.

NOTE B – OVERSIGHT AGENCY:

The U.S. Department of Agriculture is the current year's oversight agency for the single audit as determined by the agency providing the largest share of the County's direct federal financial assistance.

NOTE C – PASS-THROUGH GRANTOR'S NUMBER:

The Pass-Through grantor's number represents the Facility's provider I.D. number. Such other I.D. numbers were not available or provided by State administering agencies.

NOTE D – ROAD COMMISSION:

The County of Marquette, Michigan's basic financial statement include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan, which received \$2,102,418 in federal awards that is not included in the schedule during the year ended December 31, 2013. Our audit, described below, did not include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

NOTE E – AIRPORT IMPROVEMENT PROJECTS:

During the year ended December 31, 2013, the Airport received and expended \$1,778,135 in federal funding. Projects utilizing this aid were administered by the Michigan Bureau of Aeronautics and will be audited for compliance by the State of Michigan. The State of Michigan is responsible for including these projects in its schedule of expenditures of federal awards.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

Section I – Summary of Auditor’s Results

Financial Statements

- Type of auditor’s report issued: Unmodified.
- Internal control over financial reporting:
 - No material weaknesses were identified.
 - No significant deficiencies were reported.
- No noncompliance items material to the financial statements were identified (refer to Section II).

Federal Awards

- Type of auditor’s report issued on compliance for major programs: Unmodified.
- Internal Control over major programs:
 - No material weaknesses were identified.
 - No significant deficiencies not considered to be material weaknesses were identified.
- There were no instances of noncompliance that are required to be reported in accordance with Circular A-133, Section .510(a). (refer to Section III).

Major Programs

<u>CFDA #:</u>	<u>Name of Federal Program:</u>
20.600	Drive Michigan Safely
20.601	DUI Drug Treatment Court
20.602	Child Passenger Safety
93.501	Affordable Care Act Grants for School-Based Health Centers
97.067	Airport Security
97.067	Homeland Security
97.067	Michigan Citizen Corp Program
97.067	Operation Stonegarden
	● Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
	● Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

INSTANCES OF NON COMPLIANCE

2013-01 – UNIFORM BUDGETING AND ACCOUNTING ACT (PA621)

Condition/Criteria: Public Act 621 of 1978, Section 18 (1) as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Marquette County Health Department had actual expenditures and budgeted expenditures for the Governmental Funds have been shown on a functional basis. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended December 31, 2013, the Marquette County Health

Department incurred functional expenditures which were in excess of the amounts appropriated as shown within the basic financial statements.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Effect: The Marquette County Health Department is not in compliance with State law.

Recommendation: The Marquette County Health Department should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Health Department Finance Director
- Corrective Action Planned:
 - Management concurs and will develop a procedure to include supporting documentation and approval of all invoices.
- Anticipated Date of Completion:
 - December 31, 2014.

Section III – Federal Award Findings and Questioned Costs

- There were no findings and questioned costs relating to the County's major programs.

COUNTY OF MARQUETTE, MICHIGAN
SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

FINANCIAL STATEMENT FINDINGS

- None

FEDERAL AWARED FINDINGS AND QUESTIONED COSTS

- None