

**COUNTY OF MARQUETTE, MICHIGAN**  
**FEDERAL FINANCIAL ASSISTANCE**  
**For the Year Ended December 31, 2014**

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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 County of Marquette, Michigan, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise County of Marquette, Michigan's basic financial statements, and have issued our report thereon dated April 24, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 County of Marquette, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. 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 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 schedule of findings and questioned costs as item 2014-001.

### **County of Marquette, Michigan's Response to Findings**

County of Marquette, Michigan's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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

April 24, 2015



**ANDERSON, TACKMAN & COMPANY, PLC**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTORL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

To 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 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 County of Marquette, Michigan's major federal programs for the year ended December 31, 2014. County of Marquette, Michigan's 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, a component unit of the County, which received \$1,578,641 in federal awards which is not included in the schedule during the year ended December 31, 2014. 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 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 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 County of Marquette, Michigan's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, 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, 2014.

### **Report on Internal Control over Compliance**

Management of 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 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 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 ended December 31, 2014, 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 24, 2015, 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

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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

April 24, 2015



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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 County of Marquette, Michigan, as of and for the year ended December 31, 2014, 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 76 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 99 percent, 99 percent, and 100 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. 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 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, 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, 2014, 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 on 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 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 nonmajor 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 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 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

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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 24, 2015, 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 County of Marquette, Michigan's internal control over financial reporting and compliance.

*Anderson, Tackman & Company, PLLC*

Certified Public Accountants

April 24, 2015

**County of Marquette, Michigan**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor Number	2014 Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through the Michigan Department of Community Health Michigan Nutrition Network Schools - Advisory Group Project SNAP-Ed	10.556	N/A	\$ 35,000
Passed through the Michigan Department of Community Health Breastfeeding Peer Counseling - WIC Breastfeeding	10.557	W500342	24,082
Women, Infants and Children Admin - Breastfeeding	10.557	IW100342	14,887
Women, Infants and Children Admin - Resident Services	10.557	IW100342	223,690
Sub-Total	10.557		<u>262,659</u>
Passed through the Michigan Department of Natural Resources Community Wildfire Protection Plan	10.664	N/A	14,933
Passed through the Michigan Department of Natural Resources Schools and Roads Grant	10.665	N/A	23,768
Direct Award Sheriff Office Patrol Vehicles	10.771	N/A	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u><b>336,360</b></u>
<b>U.S. Department of Housing &amp; Urban Development</b>			
Passed through the Michigan Department of Housing Development Community Development Block Grant - (2011 Allocation)	14.228	MSC-2011-0743-HOA	152,086
Community Development Block Grant - (Blight Elimination)	14.228	MSC-2013-0743-DG	30,113
Community Development Block Grant - (Ishpeming Façade Project)	14.228	MSC 213040-CDF	151,415
Community Development Block Grant - (Urgent Need Infrastructure Project)	14.228	MSC 214020-UN	3,413
Sub-Total	14.228		<u>337,027</u>
Passed through the Michigan Department of Community Health HOPWA	14.241	MI28H95-FO36	72,852
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><b>409,879</b></u>
<b>U.S. Department of Justice</b>			
Passed through UPSET Safe Trails	16.308	N/A	3,778
Passed through the Michigan Department of Human Services Juvenile Accountability Block Grant	16.523	JABGN13-52001	18,166
Passed through the Michigan Supreme Court State Court Administrative Office DWI Drug Treatment Court (Sobriety Court)	16.585	SCAO-13-062	118,892
Passed through the Office of Justice Programs Bulletproof Vest	16.607	N/A	-
Passed through the Office of Drug Control Policy Bryne Justice Assistance	16.738	N/A	31,523
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u><b>172,359</b></u>
<b>U.S. Department of Transportation</b>			
Passed through the Michigan Office of Highway Safety and Planning Drive Michigan Safely	20.600	PT-14-27	20,593
Passed through the Michigan State Police Child Passenger Safety	20.602	NA	-
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u><b>20,593</b></u>
<b>U.S. Environmental Protection Agency</b>			
Passed through the Michigan Department of Environmental Quality Capitalization Grant Drinking Water Revolving Fund	66.468	20060113	300
Passed through the Michigan Department of Environmental Quality Operator Training Certification Program	66.471	20060113	656
Direct Award Brownfield Assessment Grant	66.818	HSTS0213HSLR745	98,305
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			<u><b>99,261</b></u>

**County of Marquette, Michigan**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2014 Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through UPCAP Services Inc. Title IIIB - Homemaker	93.044	NA	\$ 32,241
Passed through the Michigan Department of Community Health HOSP Preparedness - Bio-Terrorism - Bio-Terrorism 10/01/13 - 06/30/14	93.069	U90TP517018	89,305
HOSP Preparedness - Bio-Terrorism - Bio-Terrorism 07/01/14 - 09/30/14	93.069	U90TP517018	30,245
Sub-Total	93.069		<u>119,550</u>
Passed through the Michigan Department of Community Health Food and Drug Administration Research	93.103	N/A	4,796
Passed through the Michigan Department of Community Health Family Planning	93.217	05H000173	32,136
Passed through the Michigan Department of Community Health Federal Vaccine Shipped at Cost	93.268	NA	36,190
Immunization - Action Plan	93.268	H23-CCH522556	30,354
Immunization - Field Services Rep	93.268	H23-CCH522556	109,464
Immunization - Fixed Fees	93.268	H23-CCH522556	6,600
Sub-Total	93.268		<u>182,608</u>
Direct Award			
Affordable Care Act Grants for School-Based Health Centers	93.501	C12CS25622	12,376
Passed through the Michigan Department of Human Services ADC - Incentive	93.563	CSFOC13-52001	83,714
FOC - Cooperative Reimbursement	93.563	CSFOC13-52001	641,322
PA - Cooperative Reimbursement	93.563	CSPA13-52002	138,568
Sub-Total	93.563		<u>863,604</u>
Passed through the Michigan Department of Community Health Cancer Prevention /BCCCP Coordination	93.752		4,074
Cancer Prevention /Family Planning BCCCP Joint Project	93.752		379
Sub-Total	93.752		<u>4,453</u>
Passed through the Michigan Department of Community Health Medicaid Administration - (CSHCS) Medicaid Outreach	93.778	05 U05M15ADM	11,383
Medicaid Administration - (CSHCS) Outreach & Advocacy	93.778	05 U05M15ADM	20,000
Medicaid Administration - Medicaid Outreach	93.778	05 U05M15ADM	154,313
Sub-Total	93.778		<u>185,696</u>
Passed through the Michigan Department of Community Health Title II HIV Care Grant	93.917	Various	177,777
Passed through the Michigan Department of Community Health Cancer Control Program - BCCCP Coordination	93.919	U58DP000812	22,222
Cancer - Family Planning / BCCCP Joint Project	93.919	U58DP000812	886
Sub-Total	93.919		<u>23,108</u>
Passed through the Michigan Department of Community Health Maternal/Child Health Service Block Title V - Family Planning Services	93.994	B1MIMCHS	10,637
Maternal/Child Health Service Block Title V - (MIHP) F MCH	93.994	B1MIMCHS	42,526
Sub-Total	93.994		<u>53,163</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>1,691,508</u></b>
<b>Corporation for National and Community Service</b>			
Direct Award			
Retired & Senior Volunteer Program	94.002	NA	6,158
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<b><u>6,158</u></b>
<b>U.S. Department of Homeland Security</b>			
Passed through the Michigan Department of Natural Resources Marine Safety Program	97.012	NA	29,750
Passed through the Michigan Department of State Police Emergency Management Performance Grant	97.042	551 W5503183	91,602
Passed through the Michigan Department of State Police Hazard Mitigation Plan Update	97.047	551 W5503442	24,307
Sub-Total	97.047		<u>24,307</u>

**County of Marquette, Michigan**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2014 Federal Expenditures</u>
Passed through the Transportation Security Administration			
Airport Security	97.067	HSTS0213HSLR745	\$ 46,230
2011 Michigan Homeland Security Grant Program - Mqt Reimbursed	97.067	NA	3,000
2011 Michigan Homeland Security Grant Program - Cert Grant	97.067	NA	5,971
2011 Michigan Homeland Security Grant Program - Other	97.067	NA	<u>10,881</u>
Sub-Total 2011 Grant			<u>19,852</u>
2012 Michigan Homeland Security Grant Program - Other	97.067	NA	<u>21,877</u>
Sub-Total 2012 Grant			<u>21,877</u>
2013 Michigan Homeland Security Grant Program - Other	97.067	NA	<u>23,487</u>
Sub-Total 2013 Grant			<u>23,487</u>
Sub-Total	97.067		<u>111,446</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>257,105</u>
<b>TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE</b>			<u><u>\$ 2,993,223</u></u>

**COUNTY OF MARQUETTE, MICHIGAN**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2014**

**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 \$1,578,641 in federal awards that is not included in the schedule during the year ended December 31, 2014. 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.

**COUNTY OF MARQUETTE, MICHIGAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

**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>
10.557	Breastfeeding Peer Counseling – WIC Breastfeeding
10.557	Women, Infants and Children Admin - Breastfeeding
10.557	Women, Infants and Children Admin – Resident Services
14.228	Community Development Block Grant (2011 Allocation)
14.228	Community Development Block Grant (Blight Elimination)
14.228	Community Development Block Grant (Ishpeming Façade Project)
14.228	Community Development Block Grant (Urgent Need Infrastructure Project)
93.778	Medicaid Administration – (CSHCS) Medicaid Outreach
93.778	Medicaid Administration – (CSHCS) Outreach and Advocacy
93.778	Medicaid Administration – Medicaid Outreach

- Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- Auditee qualified as low-risk auditee? Yes

**COUNTY OF MARQUETTE, MICHIGAN**

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

**For the Year Ended December 31, 2014**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**INSTANCES OF NON COMPLIANCE**

**2014-001 – 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, 2014, 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, 2015

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

- None reported.



**COUNTY OF MARQUETTE, MICHIGAN**  
**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2014**

**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**

- None reported.