

COUNTY OF MARQUETTE, MICHIGAN

SUPPLEMENTAL INFORMATION

FEDERAL AWARDS

For the Year Ended December 31, 2015

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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 Schedule of Expenditures of Federal Awards

We have audited the accompanying schedule of expenditures of federal awards of the County of Marquette, Michigan for the year ended December 31, 2015, and the related notes (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statements based on our audit. We conducted our audit 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 the audit 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). Those standards and the Uniform Guidance 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 statement. 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 statement.

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

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the expenditures of federal awards of the County of Marquette, Michigan for the year then ended December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

July 5, 2016



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, 2015, 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 May 27, 2016. Our report includes a reference to other auditors who audited the financial statements of the Marquette County Medical Care Facility and the Marquette County Road Commission, as described in our report on the County of Marquette, Michigan'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. The financial statements of the Marquette County Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

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.

Board of Commissioners of the
County of Marquette, Michigan

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 2015-001.

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

July 5, 2016



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

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 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, 2015. 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, which received \$2,690,312 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 31, 2015. Our audit, described below, did not include the operations of Marquette County Road Commission, a component unit, because the component unit engaged other auditors to perform an audit of compliance.

The County of Marquette, Michigan's basic financial statements include the operations of the Marquette County Medical Care Facility, a component unit, which received \$0 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 31, 2015. Our audit, described below, did not include the operations of Marquette County Medical Care Facility, a component unit, because the component unit engaged other auditors to perform an audit of compliance.

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 audit 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). Those standards and 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 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, 2015.

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 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 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 the Uniform Guidance

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, 2015, 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 May 27, 2016, 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

Board of Commissioners of the
County of Marquette, Michigan

of federal awards is presented for purposes of additional analysis as required by 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

July 5, 2016

County of Marquette, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31 2015

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor Number	2015 Federal Expenditures	Passed through to Subrecipient
U.S. Department of Agriculture				
Passed through the Michigan Department of Community Health				
WIC Breastfeeding	10.557	IW100342	\$ 12,389	\$ -
WIC Breastfeeding	10.557	W500342	26,306	-
WIC Resident Services	10.557	IW100342	223,690	-
Sub-Total	10.557		<u>262,385</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Local Health Department SNAP-ED	10.561	N/A	38,858	-
Sub-Total	10.561		<u>38,858</u>	<u>-</u>
Passed through the Michigan Department of Natural Resources				
Schools and Roads Grant	10.665	N/A	22,823	-
Sub-Total	10.665		<u>22,823</u>	<u>-</u>
Direct Award:				
Water and Waste Disposal Systems for Rural Communities - Loan Portion	10.760	N/A	869,000	-
Sub-Total	10.760		<u>869,000</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,193,066</u>	<u>-</u>
U.S. Department of Housing & Urban Development				
Passed through the Michigan Department of Housing Development				
Community Development Block Grant - (Blight Elimination)	14.228	MSC-2013-0743-DG	84,487	-
Community Development Block Grant - (Blight Elimination)	14.228	MSC-2014-0743-DG	23,476	-
Community Development Block Grant - (Ishpeming Façade Project)	14.228	MSC 213040-CDF	234,256	-
Community Development Block Grant - (Urgent Need Infrastructure Project)	14.228	MSC 214020-UN	100,000	75,281
Sub-Total	14.228		<u>442,219</u>	<u>75,281</u>
Passed through the Michigan Department of Community Health				
HOPWA	14.241	MI28H95 F036	65,567	-
Sub-Total	14.241		<u>65,567</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>507,786</u>	<u>75,281</u>
U.S. Department of Justice				
Direct Award:				
Safe Trails	16.308	N/A	5,514	-
Sub-Total	16.308		<u>5,514</u>	<u>-</u>
Passed through the Michigan Department of Human Services				
Juvenile Accountability Block Grant	16.523	JABGN13-52001	21,555	-
Sub-Total	16.523		<u>21,555</u>	<u>-</u>
Passed through the Michigan Supreme Court State Court Administrative Office				
DWI Drug Treatment Court (Sobriety Court)	16.585	SCAO-19-2901	65,663	-
Sub-Total	16.585		<u>65,663</u>	<u>-</u>
Direct Award:				
Blue Print For Safety	16.590	2015-WE-AX-0039	5,755	-
Sub-Total	16.590		<u>5,755</u>	<u>-</u>
Direct Award:				
Bulletproof Vest	16.607	N/A	1,097	-
Sub-Total	16.607		<u>1,097</u>	<u>-</u>
Passed through the Michigan State Police				
Bryrne JAG	16.738	N/A	19,808	-
Sub-Total	16.738		<u>19,808</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>119,392</u>	<u>-</u>
U.S. Department of Transportation				
Passed through the Michigan Department of Transportation (SEE NOTE E)				
Airport Improvement Projects	20.106	3-26-0153-3713	697,737	-
Airport Improvement Projects	20.106	3-26-0153-3612	870,121	-
Sub-Total	20.106		<u>1,567,858</u>	<u>-</u>
Passed through the Michigan Office of Highway Safety and Planning				
Traffic Enforcement	20.600	PT-16-27	11,744	-
Sub-Total	20.600		<u>11,744</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>1,579,602</u>	<u>-</u>
U.S. Environmental Protection Agency				
Passed through the Michigan Department of Environmental Quality				
State Drinking Water Revolving Loan Fund Program	66.468	FS97548712	438	-
State Drinking Water Revolving Loan Fund Program	66.468	FS97548712	300	-
Sub-Total	66.468		<u>738</u>	<u>-</u>
Direct Award				
Brownfield Assessment Grant	66.818	BF 00E01207	88,007	-
Sub-Total	66.818		<u>88,007</u>	<u>-</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>88,745</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed through UPCAP Services Inc.				
Title IIIB - Homemaker	93.044	NA	24,515	-
Sub-Total	93.044		<u>24,515</u>	<u>-</u>

County of Marquette, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31 2015

Passed through the Michigan Department of Community Health				
Public Health Emergency Preparedness (PHEP) 10/01/14 - 06/30/15	93.069	U90TP000528	90,733	-
Public Health Emergency Preparedness (PHEP) 07/01/15 - 09/30/15	93.069	U90PT000528	30,164	-
Public Health Emergency Preparedness (PHEP) Ebola Virus Disease (EVD) Pha	93.069	U90PT000528	3,371	-
Sub-Total	93.069		<u>124,268</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Family Planning Services	93.217	GFPHPA05017341	26,085	-
Sub-Total	93.217		<u>26,085</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Federal Vaccine Shipped at Cost	93.268	NA	42,091	-
Immunization Action Plan (IAP)	93.268	H23 CCH522556	31,408	-
Immunization Field Services Rep	93.268	H23 CCH522556	135,000	-
Sub-Total	93.268		<u>208,499</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Immunization Action Plan (IAP)	93.539	H23 IP000752	6,002	-
Sub-Total	93.539		<u>6,002</u>	<u>-</u>
Passed through the Michigan Department of Human Services				
ADC - Incentive	93.563	CSFOC13-52001	83,718	-
FOC - Cooperative Reimbursement	93.563	CSFOC13-52001	746,697	-
PA - Cooperative Reimbursement	93.563	CSPA13-52002	150,723	-
Sub-Total	93.563		<u>981,138</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
BCCCP Coordination	93.752	1U58DP003921	5,250	-
BCCCP Coordination	93.752	1U58DP003921	16,150	-
Family Planning/BCCCP Joint Project	93.752	1U58DP003921	949	-
Family Planning/BCCCP Joint Project	93.752	1U58DP003921	316	-
Sub-Total	93.752		<u>22,665</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Children's Special Health Care Services (CSHCS) Outreach & Advocacy	93.778	05 U05M15ADM	20,000	-
CSHCS Medicaid Outreach	93.778	05 U05M15ADM	50,964	-
Medicaid Outreach	93.778	05 U05M15ADM	115,406	-
Sub-Total	93.778		<u>186,370</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
HIV Ryan White Part B	93.917	Various	184,552	-
Sub-Total	93.917		<u>184,552</u>	<u>-</u>
Passed through the Michigan Department of Community Health				
Building Healthy Communities	93.991	2B10T009028	75,112	5,667
Sub-Total	93.991		<u>75,112</u>	<u>5,667</u>
Passed through the Michigan Department of Community Health				
Family Planning Services	93.994	B1MIMCHS	13,660	-
Maternal Infant Health Program (MIHP) - Children - MCH	93.994	B1MIMCHS	28,351	-
Maternal Infant Health Program (MIHP) - Women - MCH	93.994	B1MIMCHS	14,175	-
Sub-Total	93.994		<u>56,186</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,895,392</u>	<u>5,667</u>
Corporation for National and Community Service				
Direct Award:				
Retired & Senior Volunteer Program	94.002	NA	9,243	-
Sub-Total	94.002		<u>9,243</u>	<u>-</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>9,243</u>	<u>-</u>
U.S. Department of Homeland Security				
Passed through the Michigan Department of State Police				
Emergency Management Performance Grant	97.042	551 W5517204	90,644	-
Federal Hazardous Materials Emergency Preparedness	97.042	551 W6603233	1,571	-
Sub-Total	97.042		<u>92,215</u>	<u>-</u>
Passed through the Michigan Department of State Police				
Hazard Mitigation Plan Update	97.047	FY 2011 PDM	4,807	-
Sub-Total	97.047		<u>4,807</u>	<u>-</u>
Passed through the Transportation Security Administration				
Airport Security	97.067	HSTS0213HSLR745	45,165	-
Passed through the Michigan Department of State Police				
2014 OSGP Grant	97.067	551 W6608228	5,382	-
Passed through the County of Houghton, Michigan				
2013 Michigan Homeland Security Grant Program	97.067	NA	14,722	-
2014 Michigan Homeland Security Grant Program	97.067	NA	21,715	-
Sub-Total	97.067		<u>86,984</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>184,006</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE			<u>\$ 5,577,232</u>	<u>\$ 80,948</u>

COUNTY OF MARQUETTE, MICHIGAN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2015

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Marquette, Michigan for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 of Marquette, Michigan, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Marquette, Michigan.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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. Negative amounts on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County of Marquette, Michigan has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – PASS-THROUGH AGENCIES:

The County of Marquette, Michigan receives certain federal grants as sub-awards from non-federal entities. Pass-through grant numbers have been provided where available.

NOTE D – ROAD COMMISSION:

The County of Marquette, Michigan's basic financial statements include the operations of the Marquette County Road Commission, a component unit, which received \$2,690,312 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 31, 2015. Our audit, described below, did not include the operations of Marquette County Road Commission, a component unit, because the component unit engaged other auditors to perform an audit of compliance.

NOTE E – MEDICAL CARE FACILITY:

The County of Marquette, Michigan's basic financial statements include the operations of the Marquette County Medical Care Facility, a component unit, which received \$0 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended December 31, 2015. Our audit, described below, did not include the operations of Marquette County Medical Care Facility, a component unit, because the component unit engaged other auditors to perform an audit of compliance.

NOTE F – AIRPORT IMPROVEMENT PROJECTS:

During the year ended December 31, 2015, the Marquette County Airport received and expended \$1,567,858 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, 2015

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.
- There were instances of noncompliance to the financial statements 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.
- Audit findings that are required to be reported in accordance with the Uniform Guidance: *None were identified.*

Major Programs

<u>CFDA #:</u>	<u>Name of Federal Program:</u>
10.760	Water and Waste Disposal Systems for Rural Communities – Loan Portion
93.563	ADC - Incentive
93.563	FOC – Cooperative Reimbursement
93.563	PA – Cooperative Reimbursement

- Dollar threshold used to distinguish between Type A and Type B programs: *\$750,000.*
- Auditee qualified as low-risk auditee? *Yes.*

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

INSTANCES OF NON COMPLIANCE

2015-001 – UNIFORM BUDGETING AND ACCOUNTING ACT (PA621) (REPEAT)

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, 2015, 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:
 - Jim Rahoi, 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, 2016

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, 2015

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.