

**COUNTY OF MARQUETTE, MICHIGAN
FEDERAL FINANCIAL ASSISTANCE
For the Year Ended December 31, 2012**

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ANDERSON, TACKMAN & COMPANY, PLC

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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, 2012, 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 June 24, 2013.

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. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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, Jackman & Company, PLLC
Certified Public Accountants

June 24, 2013



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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**

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's major federal programs for the year ended December 31, 2012. The 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, which received \$645,608 in federal awards which is not included in the schedule during the year ended December 31, 2012. 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.

The Board of Commissioners of the
County of Marquette, Michigan

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 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, 2012.

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 ended June 30, 20X1, and the related notes to the financial statements, which collectively comprise The County of Marquette, Michigan's basic financial statements. We issued our report

The Board of Commissioners of the
County of Marquette, Michigan

thereon dated June 24, 2013, 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 24, 2013



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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners of the
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, 2012, 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 66 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, 98 percent, and 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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

The Board of Commissioners of the
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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, 2012, 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.

Emphasis of Matter

As described in Note 20 to the financial statements, in 2012, the County adopted the following new accounting guidance: GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an Amendment of GASB Statements No. 14 and No. 34*; GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions -- an amendment of GASB Statement No. 53*; and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

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

The Board of Commissioners of the
County of Marquette, Michigan

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 accompanying 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 not a required part of the basic financial statements (which is included in a separate report). 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 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 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.

Anderson, Jackman & Company, PLLC
Certified Public Accountants

June 24, 2013

County of Marquette, Michigan
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>2012 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 | \$ 34,307 |
| ARRA - Women, Infants and Children Admin - Resident Services | 10.557 | IW100342 | 240,020 |
| ARRA - Breastfeeding Peer Counseling - WIC Breastfeeding | 10.557 | W500342 | 68,250 |
| | | Sub-Total 10.557 | <u>308,270</u> |
| <i>Passed through the Michigan Department of Natural Resources</i> | | | |
| Schools and Roads Grant | 10.665 | N/A | <u>25,675</u> |
| <i>Direct Award</i> | | | |
| Sheriff Office Patrol Vehicles | 10.776 | N/A | <u>6,000</u> |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | <u>374,252</u> |
| U.S. Department of Commerce | | | |
| <i>Passed through the Michigan State Police</i> | | | |
| UP 911 Authority | 11.555 | FY2007 PS/C Grant | <u>118,105</u> |
| TOTAL U.S. DEPARTMENT OF COMMERCE | | | <u>118,105</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 | 141,916 |
| Community Development Block Grant - 2011 Allocation | 14.228 | MSC-2005-0743 | 67,466 |
| Community Development Block Grant - South Gateway Project | 14.228 | MSC-2005-0743 | 19,428 |
| | | Sub-Total 14.228 | <u>228,810</u> |
| <i>Passed through the Michigan Department of Community Health</i> | | | |
| HOPWA | 14.241 | MI28H95-FO36 | <u>69,393</u> |
| TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | <u>298,203</u> |
| U.S. Department of Justice | | | |
| <i>Passed through UPSET</i> | | | |
| Safe Trails | 16.308 | N/A | <u>3,161</u> |
| <i>Passed through the State of Michigan</i> | | | |
| Juvenile Accountability Block Grant | 16.523 | N/A | <u>17,368</u> |
| <i>Passed through the Office of Drug Control Policy</i> | | | |
| UPSET | 16.579 | N/A | <u>38,372</u> |
| <i>Passed through the Office of Justice Programs</i> | | | |
| Bulletproof Vest | 16.607 | N/A | <u>1,150</u> |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | <u>60,051</u> |
| U.S. Department of Transportation | | | |
| <i>Passed through the Michigan Department of Transportation (SEE NOTE E)</i> | | | |
| ARRA - Airport Improvement Projects | 20.106 | 3-26-0153-2106 | 794,030 |
| ARRA - Airport Improvement Projects | 20.106 | 3-26-0153-3511 | 259,256 |
| ARRA - Airport Improvement Projects | 20.106 | 3-26-0153-2307 | 1,180,501 |
| | | Sub-Total 20.106 | <u>2,233,787</u> |
| <i>Passed through the Michigan Department of Community Health</i> | | | |
| ARRA - Michigan Fitness Foundation - Safe Routes to School 10/01/11 - 06/30 | 20.205 | 87315 | <u>8,160</u> |

County of Marquette, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>2012 Federal Expenditures</u> |
|--|--|--|--|
| Highway Traffic Safety Cluster | | | |
| <i>Passed through the Michigan State Police</i> | | | |
| Drive Michigan Safety | 20.600 | N/A | \$ 16,937 |
| Safety Belt Enforcement | 20.600 | N/A | 858 |
| Youth Alcohol Enforcement | 20.600 | N/A | 3,835 |
| Elect Crash Cap/Submiss | 20.600 | N/A | 39,772 |
| | | Sub-Total 20.600 | <u>61,402</u> |
| <i>Passed through the Michigan Supreme Court State Court Administrative Office</i> | | | |
| DWI Drug Treatment Court | 20.601 | SCAO-11-058 | <u>77,196</u> |
| <i>Passed through the Michigan State Police</i> | | | |
| Child Passenger Safety | 20.602 | NA | <u>142,619</u> |
| | Sub-Total Highway Traffic Safety Cluster | | <u>281,217</u> |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | <u>2,523,164</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 | <u>300</u> |
| Operator Training Certification Program | 66.471 | 20060113 | <u>656</u> |
| TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY | | | <u>956</u> |
| U.S. Department of Health and Human Services | | | |
| <i>Passed through UPCAP Services Inc.</i> | | | |
| Title IIIB - Homemaker | 93.044 | NA | <u>33,877</u> |
| <i>Passed through the Michigan Department of Community Health</i> | | | |
| BioTerrorism - Supplemental - Bioterrorism 10/01/11 - 07/31/12 | 93.069 | U90TP517018 | 89,015 |
| HOSP Preparedness - Bioterrorism 07/01/12 - 09/30/12 | 93.069 | U90TP517018 | 30,625 |
| | | Sub-Total 93.069 | <u>119,640</u> |
| Family Planning | 93.217 | 05H000173 | <u>52,224</u> |
| Immunization - Action Plan | 93.268 | H23-CCH522556 | 29,732 |
| 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 | 49,791 |
| | | Sub-Total 93.268 | <u>195,587</u> |
| Obesity Prevention - Building Health Communities | 93.283 | 1U58DP001386 | <u>10,000</u> |
| | | Sub-Total 93.283 | <u>10,000</u> |
| <i>Passed through the Michigan Department of Human Services</i> | | | |
| FOC - Cooperative Reimbursement | 93.563 | CS/FOC-10-52001 | 537,108 |
| PA - Cooperative Reimbursement | 93.563 | CS/PA-10-52002 | 166,072 |
| ADC - Incentive | 93.563 | CS/FOC-10-52001 | 114,569 |
| | | Sub-Total 93.563 | <u>817,749</u> |
| <i>Passed through the Michigan Department of Community Health</i> | | | |
| Medicaid Administration - (CSHCS) Medicaid Outreach | 93.778 | 05U05M15ADM | 4,500 |
| Medicaid Administration - (CSHCS) Outreach & Advocacy | 93.778 | 05U05M15ADM | 11,135 |
| Medicaid Administration - Medicaid Outreach | 93.778 | 05U05M15ADM | 93,000 |
| Medicaid Outreach - CPBC | 93.778 | NA | 83,224 |
| | | Sub-Total 93.778 | <u>191,859</u> |
| ARRA - Local Tobacco | 93.919 | 3U58DP001973 | 72,500 |
| Cancer - Family Planning / BCCCP Joint Project | 93.919 | U58DP000812 | 1,815 |
| Cancer - Family Planning / BCCCP Coordination | 93.919 | U58DP000812 | 23,280 |
| | | Sub-Total 93.919 | <u>97,595</u> |

County of Marquette, Michigan
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2012

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>2012 Federal Expenditures</u> |
|---|------------------------|--|--|
| <i>Passed through the Michigan Department of Community Health</i> | | | |
| Maternal/Child Health Service Block Title V - Family Planning Services | 93.994 | B1MIMCHS | \$ 2,800 |
| Maternal/Child Health Service Block Title V - (CSHCS) Outreach & Advocacy | 93.994 | B1MIMCHS | 17,730 |
| Maternal/Child Health Service Block Title V - (MIHP) F MCH | 93.994 | B1MIMCHS | 42,526 |
| | | Sub-Total 93.994 | <u>63,056</u> |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>1,581,587</u> |
| Corporation for National and Community Service | | | |
| <i>Direct Award</i> | | | |
| Retired & Senior Volunteer Program | 94.002 | NA | <u>4,618</u> |
| TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | | <u>4,618</u> |
| U.S. Department of Homeland Security | | | |
| <i>Passed through the Michigan Department of Natural Resources</i> | | | |
| Marine Safety Program | 97.012 | 1/MS2010-Statistate | <u>35,000</u> |
| <i>Passed through the Michigan Department of State Police</i> | | | |
| Emergency Management Performance Grant | 97.042 | EMW-2011-EP-00044-S01 | <u>46,597</u> |
| Lake Superior Dune and Flood Mitigation | 97.047 | NA | <u>529</u> |
| <i>Passed through the Transportation Security Administration</i> | | | |
| Airport Security | 97.067 | HSTS0208HSLR255 | 115,620 |
| <i>Passed through the County of Houghton, Michigan</i> | | | |
| 2009 Michigan Homeland Security Grant Program - Reimbursed MQT CO | 97.067 | NA | 33,536 |
| <i>Passed through the Michigan Department of State Police</i> | | | |
| Michigan Citizen Corp Program | 97.067 | 2008-GE-T8-0052 | 10,833 |
| Operation Stonegarden | 97.067 | 2009-SJ-0007 | 1,342 |
| | | Sub-Total 97.067 | <u>161,331</u> |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | <u>243,457</u> |
| TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE | | | <u>\$ 5,204,393</u> |

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

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 \$658,608 in federal awards that is not included in the schedule during the year ended December 31, 2012. 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, 2012, the Airport received and expended \$2,233,787 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, 2012

Section I – Summary of Auditor’s Results

Financial Statements

- Type of auditor’s report issued: Unqualified.
- 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: Unqualified.
- 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 | ARRA - Women, Infants, and Children Admin – Resident Services |
| 10.557 | ARRA - Breastfeeding Peer Counseling – WIC Breastfeeding |
| 93.563 | FOC – Cooperative Reimbursement |
| 93.563 | PA – Cooperative Reimbursement |
| 93.563 | ADC – Incentive |

- 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

- None were noted.

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
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

There were no findings or questioned costs relative to major federal awards in the prior year.