

MARATHON COUNTY

Wausau, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2014

MARATHON COUNTY

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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*

Independent Auditors' Report

To the County Board of Supervisors
Marathon County
Wausau, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Marathon County, Wisconsin as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Marathon County's basic financial statements and have issued our report thereon dated June 23, 2015. Our report includes a reference to other auditors who audited the financial statements of North Central Health Care, a discretely presented component unit, as described in our report on Marathon County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

To the County Board of Supervisors
Marathon County

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. We consider a certain deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2014-001. We consider another deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. This significant deficiency is item 2014-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marathon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Marathon County's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Baker Tilly Vichow Krause, LLP

Madison, Wisconsin
June 23, 2015

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
REQUIRED BY OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

To the County Board of Supervisors
Marathon County
Wausau, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited Marathon County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Marathon County's major federal and major state programs for the year ended December 31, 2014. Marathon County's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Marathon County's basic financial statements include the operations of the Children with Disabilities Education Board which received \$1,034,194 in federal and state awards and the operation of North Central Health Care which received \$7,665,867 in federal and state awards which are not included in the schedule of expenditures of federal and state awards for the year ended December 31, 2014. Our audit, described below, did not include the operations of the Children with Disabilities Education Board or North Central Health Care because these component units had separate audits 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 and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Marathon County's major federal and major state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, and the *State Single Audit Guidelines* 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 or major state program occurred. An audit includes examining, on a test basis, evidence about Marathon County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the County Board of Supervisors
Marathon County

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and major state program. However, our audit does not provide a legal determination of Marathon County's compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, Marathon County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2014-003 and 2014-004. Our opinion on each major federal and major state program is not modified with respect to these matters.

Marathon County's Response to Findings

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

Report on Internal Control Over Compliance

Management of Marathon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marathon County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or major state 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 and major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, 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 Marathon County'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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state 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 or state 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.

To the County Board of Supervisors
Marathon County

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Guidelines

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 Marathon County, Wisconsin as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Marathon County's basic financial statements. Our report was modified to include a reference to other auditors who audited the financial statements of North Central Health Care, as described in our report on Marathon County's financial statements. We issued our report thereon dated June 23, 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 and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* 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 and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Vuchow Krause, LLP

Madison, Wisconsin
September 11, 2015

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grant/Passed Through Agency ID	Revenues			Total Revenues	Expenditures
				Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS								
U.S. Department of Agriculture								
CHILD NUTRITION CLUSTER								
School Breakfast Program 14-15	10.553	DPI	None Assigned	\$ -	\$ 3,989	\$ 550	\$ 4,539	\$ 4,539
School Breakfast Program/Juvenile Detention	10.553	DPI	None Assigned	1,990	6,783	-	4,793	4,793
School Breakfast Program/Shelter Home	10.553	DPI	None Assigned	958	958	-	-	-
Total CFDA #10.553				<u>2,948</u>	<u>11,730</u>	<u>550</u>	<u>9,332</u>	<u>9,332</u>
National School Lunch Program 14-15	10.555	DPI	None Assigned	-	6,432	793	7,225	7,225
National School Lunch Program/Juvenile Detention	10.555	DPI	None Assigned	3,106	10,348	-	7,242	7,242
National School Lunch Program/Shelter Home	10.555	DPI	None Assigned	1,446	1,446	-	-	-
Total CFDA #10.555				<u>4,552</u>	<u>18,226</u>	<u>793</u>	<u>14,467</u>	<u>14,467</u>
Total Child Nutrition Program Cluster				<u>7,500</u>	<u>29,956</u>	<u>1,343</u>	<u>23,799</u>	<u>23,799</u>
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	No Information Provided	177,129	644,600	(4,585)	462,886	462,886
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DCF	No Information Provided	-	3,056	-	3,056	3,056
Total CFDA #10.561				<u>177,129</u>	<u>647,656</u>	<u>(4,585)</u>	<u>465,942</u>	<u>465,942</u>
Soil & Water Conservation/GLCI 11105	10.902	DATCP	11105	(49,756)	50,000	(99,756)	-	-
Soil & Water Conservation/GLCI 12104	10.902	DATCP	12104	-	42,444	(42,444)	-	-
Soil & Water Conservation/GLCI 12205	10.902	DATCP	12205	10	10,659	(10,649)	-	-
Soil & Water Conservation/GLCI 12205-10	10.902	DATCP	12205-10	4,383	4,383	-	-	-
Total CFDA #10.902				<u>(45,363)</u>	<u>107,486</u>	<u>(152,849)</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>139,266</u>	<u>785,098</u>	<u>(156,091)</u>	<u>489,741</u>	<u>489,741</u>
U.S. Department of Justice								
DEA CEASE Program	16.000	DOJ	None Assigned	-	1,307	-	1,307	1,307
Joint Law Enforcement Operations/OCDETF 65	16.111	DOJ	GL-WIW-0065	-	4,175	-	4,175	4,175
Joint Law Enforcement Operations/OCDETF 68	16.111	DOJ	GL-WIW-0068	-	583	-	583	583
Total CFDA #16.111				<u>-</u>	<u>4,758</u>	<u>-</u>	<u>4,758</u>	<u>4,758</u>
Juvenile Accountability Block Grants	16.523	DOJ	No Information Provided	5,542	11,803	-	6,261	6,261
Juvenile Accountability Block Grants	16.523	DOJ	No Information Provided	4,564	-	-	(4,564)	(4,564)
Total CFDA #16.523				<u>10,106</u>	<u>11,803</u>	<u>-</u>	<u>1,697</u>	<u>1,697</u>
Juvenile Justice and Delinquency Prevention	16.540	DOA	No Information Provided	-	4,032	(1,211)	2,821	2,821
Crime Victim Assistance/Crime Response 13-14	16.575	DOJ	2012-070-16	17,241	80,163	-	62,922	62,922
Crime Victim Assistance/Crime Response 14-15	16.575	DOJ	2013-VO-01-10674	-	-	18,122	18,122	18,122
Total CFDA #16.575				<u>17,241</u>	<u>80,163</u>	<u>18,122</u>	<u>81,044</u>	<u>81,044</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014**

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grant/Passed Through Agency ID	Revenues			Total Revenues	Expenditures
				Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Department of Justice (cont.)								
Violence Against Women Formula Grant/VAWA 12-13	16.588	DOJ	2010/2012-VA-02B-9620	\$ 18,616	\$ 18,616	\$ -	\$ -	\$ -
Violence Against Women Formula Grant/VAWA 13-14	16.588	DOJ	2012/2013-VA-02B/02BX-10148	35,624	89,875	-	54,251	54,251
Violence Against Women Formula Grant/VAWA 14-15	16.588	DOJ	None Assigned	-	-	13,654	13,654	13,654
Total CFDA #16.588				<u>54,240</u>	<u>108,491</u>	<u>13,654</u>	<u>67,905</u>	<u>67,905</u>
State Criminal Alien Assistance Program	16.606	None	2013-AP-BX-0739	(30,862)	-	(4,999)	25,863	25,863
State Criminal Alien Assistance Program 14-15	16.606	None	2014-AP-BX-0421	-	18,652	(14,549)	4,103	4,103
Total CFDA #16.606				<u>(30,862)</u>	<u>18,652</u>	<u>(19,548)</u>	<u>29,966</u>	<u>29,966</u>
Edward Byrne Memorial Justice Assistance Grant/CEADEG	16.738	DOJ	2013-DJ-01-10475	-	26,269	-	26,269	26,269
Edward Byrne Memorial Justice Assistance Grant/Equip 12	16.738	None	2012-DJ-BX-0266	10,846	10,846	-	-	-
Edward Byrne Memorial Justice Assistance Grant/Equip 13	16.738	None	2013-DJ-BX-0164	13,791	13,791	-	-	-
Edward Byrne Memorial Justice Assistance Grant/Equip 14	16.738	None	2014-DJ-BX-0431	-	-	14,028	14,028	14,028
Total CFDA #16.738				<u>24,637</u>	<u>50,906</u>	<u>14,028</u>	<u>40,297</u>	<u>40,297</u>
Total U.S. Department of Justice				<u>75,362</u>	<u>280,112</u>	<u>25,045</u>	<u>229,795</u>	<u>229,795</u>
U.S. Department of Transportation								
Highway Planning & Construction/BIA	20.205	DOT	Co-Op Agreement 3-2014	-	500,000	-	500,000	500,000
Highway Planning & Construction/Bituminous	20.205	DOT	9478-04-70	-	7,164	-	7,164	7,164
Highway Planning & Construction/Bituminous	20.205	DOT	9478-05-70	-	730,712	48,371	779,083	779,083
Highway Planning & Construction/Bituminous	20.205	DOT	9479-06-71	-	28,843	-	28,843	28,843
Highway Planning & Construction/Infrastructure	20.205	DOT	1166-11-77	-	2,251	-	2,251	2,251
Highway Planning & Construction/Infrastructure	20.205	DOT	9439-04-76	-	83	-	83	83
Highway Planning & Construction/MPO	20.205	DOT	0093-05-89	29,606	119,431	48,286	138,111	138,111
Total CFDA #20.205				<u>29,606</u>	<u>1,388,484</u>	<u>96,657</u>	<u>1,455,535</u>	<u>1,455,535</u>
HIGHWAY SAFETY CLUSTER								
State & Community Highway Safety/Seat Belt 13-14	20.600	DOT	0954-25-45	-	10,521	-	10,521	10,521
Alcohol Impaired Driving Countermeasures Incentive Grants I 14-15	20.601	DOT	None Assigned	-	-	2,099	2,099	2,099
Child Safety and Child Booster Seats Incentive Grant	20.613	DOT	0952-24-13	1,560	3,934	-	2,374	2,374
Total Highway Safety Cluster				<u>1,560</u>	<u>14,455</u>	<u>2,099</u>	<u>14,994</u>	<u>14,994</u>
Interagency Hazardous Materials Public Sector Training & Planning	20.703	DMA/DEM	HM-HMP-180-10-01-00	-	22,128	2,850	24,978	24,978
Payments for Small Community Air Service Development	20.930	None	DOT-OST-2010-0124	(15,105)	12,272	(11,297)	16,080	16,080
Total U.S. Department of Transportation				<u>16,061</u>	<u>1,437,339</u>	<u>90,309</u>	<u>1,511,587</u>	<u>1,511,587</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grant/Passed Through Agency ID	Revenues			Total Revenues	Expenditures
				Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Environmental Protection Agency								
State Indoor Radon	66.032	DHS/DPH	Contract #24180	\$ 171	\$ 171	\$ -	\$ -	\$ -
State Indoor Radon	66.032	DHS/DPH	Contract #24180	-	2,766	-	2,766	2,766
Total CFDA #66.032				<u>171</u>	<u>2,937</u>	<u>-</u>	<u>2,766</u>	<u>2,766</u>
Capitalization Grant for Drinking Water	66.468	DNR	No Information Provided	5,395	23,335	8,365	26,305	26,305
Brownfield Assessment & Cleanup Cooperative Agreements	66.818	None	00E01081	80,369	80,369	184,200	184,200	184,200
Total U.S. Environmental Protection Agency				<u>85,935</u>	<u>106,641</u>	<u>192,565</u>	<u>213,271</u>	<u>213,271</u>
U.S. Department of Energy								
State Energy Program	81.041	DOA	AD149878	-	20,000	-	20,000	20,000
Total U.S. Department of Energy				<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
U.S. Department of Education								
Special Education, IDEA Part B/HV 13-14	84.027	None	No Information Provided	23,912	55,934	-	32,022	32,022
Total U.S. Department of Education				<u>23,912</u>	<u>55,934</u>	<u>-</u>	<u>32,022</u>	<u>32,022</u>
U.S. Department of Health and Human Services								
Public Health Emergency Preparedness/PHP Consortium	93.069	DHS/DPH	No Information Provided	(78,767)	-	(41,027)	37,740	37,740
Environmental Public Health and Emergency Response/Asthma 13-14	93.070	DHS/DPH	No Information Provided	-	4,831	-	4,831	4,831
Hospital Preparedness Program & PHEP Aligned Cooperative Agreements	93.074	DHS/DPH	Contract #17500	(24,157)	-	(23,557)	600	600
Hospital Preparedness Program & PHEP Aligned Cooperative Agreements	93.074	DHS/DPH	Contract #23622	4,809	38,596	-	33,787	33,787
Hospital Preparedness Program & PHEP Aligned Cooperative Agreements	93.074	DHS/DPH	Contract #23622	(15,067)	35,829	-	50,896	50,896
Hospital Preparedness Program & PHEP Aligned Cooperative Agreements	93.074	DHS/DPH	Contract #23622	-	1,985	-	1,985	1,985
Hospital Preparedness Program & PHEP Aligned Cooperative Agreements	93.074	DHS/DPH	Contract #24180	-	43,285	(2,969)	40,316	40,316
Total CFDA #93.074				<u>(34,415)</u>	<u>119,695</u>	<u>(26,526)</u>	<u>127,584</u>	<u>127,584</u>
Immunization Cooperative Agreements	93.268	DHS/DPH	Contract #24180	-	29,622	2,520	32,142	32,142
Drug Free Communities Support Program Grants 12-13	93.276	None	5H79SP015980-09	1,440	10,635	-	9,195	9,195
Drug Free Communities Support Program Grants 13-14	93.276	None	5H79SP015980-10	8,226	111,030	-	102,804	102,804
Total CFDA #93.276				<u>9,666</u>	<u>121,665</u>	<u>-</u>	<u>111,999</u>	<u>111,999</u>
PPHF National Public Health Improvement Initiative/Infrastructure	93.507	DHS/DPH	Contract #24180	-	21,609	-	21,609	21,609
PPHF Community Transform and National Dissemination and Support 13-14	93.531	None	5458DP003597-03	35,388	136,869	25,131	126,612	126,612
PPHF: State Nutrition, Physical Activity, and Obesity Program/Breastfeeding	93.548	DHS/DPH	Contract #21984	3,591	3,182	409	-	-
Promoting Safe and Stable Families	93.556	DCF	No Information Provided	-	57,103	-	57,103	57,103

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grant/Passed Through Agency ID	Revenues			Total Revenues	Expenditures
				Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Department of Health and Human Services (cont.)								
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	No Information Provided	\$ 4,099	\$ 30,080	\$ -	\$ 25,981	\$ 25,981
Block Grants for Temporary Assistance for Needy Families	93.558	DCF	No Information Provided	54,225	383,499	(63)	329,211	329,211
Total CFDA #93.558				<u>58,324</u>	<u>413,579</u>	<u>(63)</u>	<u>355,192</u>	<u>355,192</u>
Family Support Payments to States - Assistance Payments	93.560	DCF	No Information Provided	-	26	-	26	26
Child Support Enforcement	93.563	DCF	No Information Provided	255,656	1,249,756	(42,921)	951,179	951,179
Low Income Home Energy Assistance Block Grant	93.568	DOA	No Information Provided	23,034	242,625	-	219,591	219,591
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	No Information Provided	56,284	395,582	(121)	339,177	339,177
Chafee Education and Training Vouchers Program	93.599	DCF	No Information Provided	34,323	289,163	-	254,840	254,840
Child Welfare Service Grants - State Grants	93.645	DCF	No Information Provided	-	65,035	-	65,035	65,035
Child Welfare Services Grant - State Grants	93.645	DWD	No Information Provided	721	13,753	-	13,032	13,032
Total CFDA #93.645				<u>721</u>	<u>78,788</u>	<u>-</u>	<u>78,067</u>	<u>78,067</u>
Foster Care - Title IV-E	93.658	DCF	No Information Provided	2,693	439,947	-	437,254	437,254
Foster Care Title - IV-E	93.658	DWD	No Information Provided	1,081	19,254	-	18,173	18,173
Total CFDA #93.658				<u>3,774</u>	<u>459,201</u>	<u>-</u>	<u>455,427</u>	<u>455,427</u>
Social Services Block Grant	93.667	DHS	No Information Provided	1,624	40,989	-	39,365	39,365
Social Services Block Grant	93.667	DCF	No Information Provided	-	177,997	-	177,997	177,997
Total CFDA #93.667				<u>1,624</u>	<u>218,986</u>	<u>-</u>	<u>217,362</u>	<u>217,362</u>
Child Abuse and Neglect State Grants	93.669	DCF	No Information Provided	1,792	6,657	(741)	4,124	4,124
Chafee Foster Care Independence Program	93.674	DCF	No Information Provided	4,049	30,083	-	26,034	26,034
Children's Health Insurance Program	93.767	DHS	No Information Provided	21,630	84,510	(600)	62,280	62,280
Medical Assistance Program	93.778	DHS	No Information Provided	157,727	693,287	(5,411)	530,149	530,149
Medical Assistance Program	93.778	DCF	No Information Provided	-	2,803	-	2,803	2,803
Medical Assistance Program	93.778	DHS	No Information Provided	(39,444)	-	-	39,444	39,444
Medical Assistance Program/Health Check	93.778	DCF	No Information Provided	19,435	-	-	(19,435)	(19,435)
Medical Assistance Program - WIMCR	93.778	DHS	No Information Provided	-	17,972	-	17,972	17,972
Medical Assistance Program - CLTS	93.778	DHS	No Information Provided	-	593,375	-	593,375	593,375
Medical Assistance Program - CCS	93.778	DHS	No Information Provided	-	132,507	-	132,507	132,507
Medical Assistance Program/Cons Contracts MCH	93.778	DHS/DPH	Contract #24180	-	2,463	-	2,463	2,463
Total CFDA #93.778				<u>137,718</u>	<u>1,442,407</u>	<u>(5,411)</u>	<u>1,299,278</u>	<u>1,299,278</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	Federal CFDA Number	Passed Through Agency	Grant/Passed Through Agency ID	Revenues			Total Revenues	Expenditures
				Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
U.S. Department of Health and Human Services (cont.)								
HIV Care Formula Grant	93.917	DHS/DPH	Contract #24180	\$ 551	\$ 5,426	\$ 3,554	\$ 8,429	\$ 8,429
HIV Prevention Activities - Health Department Based	93.940	DHS/DPH	Contract #24180	-	3,037	2,215	5,252	5,252
Preventive Health and Health Services Block Grant	93.991	DHS/DPH	Contract #17374	(4,658)	-	(4,658)	-	-
Preventive Health and Health Services Block Grant 12-13	93.991	DHS/DPH	Contract #24180	-	4,733	-	4,733	4,733
Total CFDA #93.991				<u>(4,658)</u>	<u>4,733</u>	<u>(4,658)</u>	<u>4,733</u>	<u>4,733</u>
Maternal and Child Health Services Block Grant to States	93.994	DHS/DPH	Contract #24180	807	40,814	-	40,007	40,007
Maternal and Child Health Services Block Grant to States/CYSHCN	93.994	DHS/DPH	Contract #24180	(19,333)	119,638	(6,063)	132,908	132,908
Total CFDA #93.994				<u>(18,526)</u>	<u>160,452</u>	<u>(6,063)</u>	<u>172,915</u>	<u>172,915</u>
Total U.S. Department of Health and Human Services				<u>511,759</u>	<u>5,579,587</u>	<u>(94,302)</u>	<u>4,973,526</u>	<u>4,973,526</u>
U.S. Department of Homeland Security								
Disaster Grant-Public Assistance/Cattails	97.036	DMA/DEM	PA05-WI-1944-PW00293	(6,536)	-	(6,161)	375	375
Hazard Mitigation Grant/Hazmat-Stettin	97.039	DMA/DEM	FEMA-1944-DR-WI	83,433	113,860	-	30,427	30,427
Emergency Management Performance Grant 12-13	97.042	DMA/DEM	None Assigned	44,723	44,723	-	-	-
Emergency Management Performance Grant 13-14	97.042	DMA/DEM	None Assigned	24,160	37,268	49,657	62,765	62,765
Emergency Management Performance Grant 14-15	97.042	DMA/DEM	None Assigned	-	-	22,505	22,505	22,505
Total CFDA #97.042				<u>68,883</u>	<u>81,991</u>	<u>72,162</u>	<u>85,270</u>	<u>85,270</u>
Homeland Security Grant Program/Equipment 13-14	97.067	DMA	2013-HSW-02A-10365	-	26,576	-	26,576	26,576
Total U.S. Department of Homeland Security				<u>145,780</u>	<u>222,427</u>	<u>66,001</u>	<u>142,648</u>	<u>142,648</u>
TOTAL FEDERAL PROGRAMS				<u>\$ 998,075</u>	<u>\$ 8,487,138</u>	<u>\$ 123,527</u>	<u>\$ 7,612,590</u>	<u>\$ 7,612,590</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
County Staff and Support	115.150	\$ 8,465	\$ 137,482	\$ -	\$ 129,017	\$ 129,017
Land and Water Resource Management	115.400	<u>65,665</u>	<u>193,562</u>	<u>38,800</u>	<u>166,697</u>	<u>166,697</u>
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		<u>74,130</u>	<u>331,044</u>	<u>38,800</u>	<u>295,714</u>	<u>295,714</u>
Wisconsin Department of Natural Resources						
Nonpoint Source Pollution Abatement/Target Resource	370.424	159,706	130,146	29,560	-	-
Enforcement Aids-Boating Enforcement	370.550	-	8,581	-	8,581	8,581
County Snowmobile Enforcement 13-14	370.552	-	3,124	-	3,124	3,124
County Snowmobile Enforcement 14-15	370.552	-	-	301	301	301
County Snowmobile Enforcement/Equipment	370.552	<u>5,457</u>	<u>1,946</u>	<u>3,511</u>	-	-
Total State Assistance #370.552		<u>5,457</u>	<u>5,070</u>	<u>3,812</u>	<u>3,425</u>	<u>3,425</u>
Wildlife Damage Abatement & Claims	370.553	36,112	36,112	58,904	58,904	58,904
County Forest Wildlife Habitat Grant	370.564	-	1,416	-	1,416	1,416
County Forest Loans	370.567	-	14,691	-	14,691	14,691
County Forest Administration	370.572	-	52,758	-	52,758	52,758
Snowmobile Trail Aids 07-08	370.574	(6,870)	-	(6,870)	-	-
Snowmobile Trail Aids 12-13	370.574	97,767	98,701	-	934	934
Snowmobile Trail Aids 13-14	370.574	22,202	299,212	68,565	345,575	345,575
Snowmobile Trail Aids 14-15	370.574	-	99,738	10,004	109,742	109,742
Snowmobile Trail Aids/Special Projects	370.574	<u>(8,170)</u>	<u>-</u>	<u>(8,170)</u>	<u>-</u>	<u>-</u>
Total State Assistance #370.574		<u>104,929</u>	<u>497,651</u>	<u>63,529</u>	<u>456,251</u>	<u>456,251</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
Wisconsin Department of Natural Resources (cont.)						
All-Terrain Vehicle Trails/Special Projects	370.577	\$ (26,104)	\$ -	\$ 3,046	\$ 29,150	\$ 29,150
All-Terrain Vehicle Trails/Summer 13-14	370.577	(1,336)	6,150	-	7,486	7,486
All-Terrain Vehicle Trails/Summer 14-15	370.577	-	6,150	(1,862)	4,288	4,288
All-Terrain Vehicle Trails/UTV 14-15	370.577	-	1,025	(1,025)	-	-
All-Terrain Vehicle Trails/Winter 13-14	370.577	(34,690)	34,690	-	69,380	69,380
All-Terrain Vehicle Trails/Winter 14-15	370.577	-	34,690	(34,690)	-	-
Total State Assistance #370.577		<u>(62,130)</u>	<u>82,705</u>	<u>(34,531)</u>	<u>110,304</u>	<u>110,304</u>
Environmental Aids/Lake Protection LPT-403-11	370.663	15,760	1,717	15,934	1,891	1,891
Environmental Aids/Lake Protection LPT-429-12	370.663	4,863	-	18,858	13,995	13,995
Environmental Aids/Lake Protection LPT-430-12	370.663	37,500	14,701	27,172	4,373	4,373
Environmental Aids/Lake Protection LPT-450-13	370.663	21,529	-	23,383	1,854	1,854
Environmental Aids/Lake Protection LPT-451-13	370.663	9,127	-	17,360	8,233	8,233
Environmental Aids/Lake Protection LPT-454-14	370.663	-	-	30,905	30,905	30,905
Environmental Aids/Lake Protection-Shoreland	370.663	(1,250)	-	(1,250)	-	-
Total State Assistance #370.663		<u>87,529</u>	<u>16,418</u>	<u>132,362</u>	<u>61,251</u>	<u>61,251</u>
Targeted Runoff Management/Garman	370.TF1	-	-	11,958	11,958	11,958
Targeted Runoff Management/Zahn	370.TF1	-	-	175,225	175,225	175,225
Targeted Runoff Management/TRM HAAS	370.TF1	-	-	29,315	29,315	29,315
Total State Assistance #370.TF1		<u>-</u>	<u>-</u>	<u>216,498</u>	<u>216,498</u>	<u>216,498</u>
Total Wisconsin Department of Natural Resources		<u>331,603</u>	<u>845,548</u>	<u>470,134</u>	<u>984,079</u>	<u>984,079</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
Wisconsin Department of Transportation						
Alcohol Impaired Driving/Div Justice 12-13	None	\$ 176	\$ 176	\$ -	\$ -	\$ -
Alcohol Impaired Driving/Div Justice 13-14	None	21,711	49,824	-	28,113	28,113
Alcohol Impaired Driving/Div Justice 14-15	None	-	-	22,175	22,175	22,175
Total Alcohol Impaired Driving State Assistance		<u>21,887</u>	<u>50,000</u>	<u>22,175</u>	<u>50,288</u>	<u>50,288</u>
Specialized Transportation Assistance	395.101	-	323,243	(14,173)	309,070	309,070
Planning Commission Program	395.202	136	10,450	3,800	14,114	14,114
Total Wisconsin Department of Transportation		<u>22,023</u>	<u>383,693</u>	<u>11,802</u>	<u>373,472</u>	<u>373,472</u>
Wisconsin Department of Corrections						
Early & Intensive Intervention Program	410.302	-	51,700	-	51,700	51,700
Youth Aids	410.313	70,294	1,342,305	(9,026)	1,262,985	1,262,985
Total Wisconsin Department of Corrections		<u>70,294</u>	<u>1,394,005</u>	<u>(9,026)</u>	<u>1,314,685</u>	<u>1,314,685</u>
Wisconsin Department of Health Services						
TB Dispensary/2013	None	-	8,024	-	8,024	8,024
TB Dispensary/2014	None	-	-	668	668	668
Total TB Dispensary State Assistance		<u>-</u>	<u>8,024</u>	<u>668</u>	<u>8,692</u>	<u>8,692</u>
Regional Radon Inf Centers	435.103010	1,653	13,913	1,090	13,350	13,350
WWWP-GPR CC CFY	435.157000	(32,582)	38,097	(20,005)	50,674	50,674
Cons Contracts CHHD LD	435.157720	17	13,398	-	13,381	13,381
TPCP - Com Interventions - LHD	435.158125	3,750	3,750	-	-	-
TPCP - Com Interventions - LHD	435.158125	(59,463)	-	(59,463)	-	-
Total State Assistance #435.158125		<u>(55,713)</u>	<u>3,750</u>	<u>(59,463)</u>	<u>-</u>	<u>-</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
Wisconsin Department of Health Services (cont.)						
TPCP - WI Wins	435.158127	\$ 2,744	\$ 2,744	\$ -	\$ -	\$ -
Cons Contracts MCH	435.159320	-	2,463	-	2,463	2,463
TPCP-WIS-WINS	435.181005	1,351	12,481	-	11,130	11,130
TPCP-COM-INTRVN-LHD	435.181012	-	86,425	(1,647)	84,778	84,778
FSET Admin GPR/Fed Base	435.231	27,499	-	-	(27,499)	(27,499)
FSET Admin GPR/Fed Base	435.233	(53)	-	-	53	53
FSET Retent GPR/Fed Base	435.235	(558)	-	-	558	558
IMAA State Share	435.283	-	396,054	-	396,054	396,054
IMAA Federal Share	435.284	14,891	-	-	(14,891)	(14,891)
Medicaid Subrogation Collection	435.291	(927)	32	-	959	959
IMAA State Share Supp	435.292	15,385	37,344	-	21,959	21,959
IMAA Federal Share Supp	435.293	129	314	-	185	185
IMAA State Share ACA	435.297	33,656	184,875	-	151,219	151,219
IMAA Federal Share ACA	435.298	283	1,553	-	1,270	1,270
Community Options Program	435.367	-	76,222	(17,283)	58,939	58,939
Community Options Program	435.367	-	20,686	-	20,686	20,686
Regional Enrollment Network	435.4401	-	3,810	-	3,810	3,810
Basic County Allocation	435.561	11,346	254,588	-	243,242	243,242
Family Support	435.577	11,854	44,124	(914)	31,356	31,356
Base County Allocation - State Match	435.681	(7,019)	11,580	-	18,599	18,599
CLTS DD AUT CWA ADMIN GPR	435.832	(7,689)	(7,689)	-	-	-
CLTS DD OTH CWA ADMIN GPR	435.835	11,106	11,106	-	-	-
CLTS MH AUT CWA ADMIN GPR	435.838	(1,436)	(1,436)	-	-	-
CLTS MH OTH CWA ADMIN GPR	435.841	(1,570)	(1,570)	-	-	-
CLTS MH OTH CWA ADMIN GPR	435.847	977	977	-	-	-
TPA CLTS OTHER GPR	435.871	-	62,117	-	62,117	62,117
TPA CLTS AUTISM GPR	435.874	-	134,605	-	134,605	134,605
CLTS OTHER CWA ADMIN GPR	435.877	-	6,729	-	6,729	6,729
CLTS AUTISM CWA ADMIN GPR	435.880	-	3,816	-	3,816	3,816
CSH ADJ TPA CLTS BCA MTCH	435.918	13,791	13,791	-	-	-
CSH ADJ TPA CLTS COP MTCH	435.920	(67,373)	(67,373)	-	-	-
Total Wisconsin Department of Health Services		(28,238)	1,367,550	(97,554)	1,298,234	1,298,234

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
Wisconsin Department of Children and Families						
AFDC Agency Incentive	437.238	\$ -	\$ 21	\$ -	\$ 21	\$ 21
Food Stamp Agency Collections Take Back	437.267	-	(496)	-	(496)	(496)
Food Stamp Agency Collections Incentive	437.267	284	3,552	-	3,268	3,268
MA Agency Incentive	437.267	-	3,028	-	3,028	3,028
MA Agency Collection Take Back	437.267	-	(225)	-	(225)	(225)
Total State Assistance #437.267		<u>284</u>	<u>5,859</u>	<u>-</u>	<u>5,575</u>	<u>5,575</u>
Adam Walsh Foster/Adoptive Parent Fingerprinting	437.3324	321	1,376	-	1,055	1,055
CW Foster Parent Competency Based T-Reporting Line	437.3396	4,575	-	-	(4,575)	(4,575)
Basic County Allocation	437.3561	-	643,419	-	643,419	643,419
Basic County Allocation Overmatch	437.3681	-	113,432	23,348	136,780	136,780
CW WSACWIS Annual Op Maint Fee	437.3935	-	(17,485)	-	(17,485)	(17,485)
CS State GPR Funding/PR Funding Allocation	437.7502	-	167,441	-	167,441	167,441
Total Wisconsin Department of Children and Families		<u>5,180</u>	<u>914,063</u>	<u>23,348</u>	<u>932,231</u>	<u>932,231</u>
Wisconsin Department of Justice						
DRCI Penalty Assessment-JAG Drug/CEADEG	None	-	18,177	-	18,177	18,177
DNA Sample Reimbursement	455.211	-	1,600	(651)	949	949
Regional Training Facilities	455.503	-	81,895	1,951	83,846	83,846
Total Wisconsin Department of Justice		<u>-</u>	<u>101,672</u>	<u>1,300</u>	<u>102,972</u>	<u>102,972</u>
Wisconsin Department of Military Affairs						
State Match - Federal Disaster Assistance/Cattails	465.305	(2,179)	-	(2,054)	125	125
State Match - Federal Disaster Assistance/Stettin	465.305	13,906	18,977	-	5,071	5,071
Total State Assistance #465.305		<u>11,727</u>	<u>18,977</u>	<u>(2,054)</u>	<u>5,196</u>	<u>5,196</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2014

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		Accrued (Deferred) Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
Wisconsin Department of Military Affairs (cont.)						
Emergency Response Equipment/Hazmat	465.308	\$ -	\$ 8,988	\$ -	\$ 8,988	\$ 8,988
Emergency Planning/SARA 12-13	465.337	15,796	15,796	-	-	-
Emergency Planning/SARA 13-14	465.337	8,306	16,379	16,379	24,452	24,452
Emergency Planning/SARA 14-15	465.337	-	-	10,414	10,414	10,414
Total State Assistance #465.337		<u>24,102</u>	<u>32,175</u>	<u>26,793</u>	<u>34,866</u>	<u>34,866</u>
Total Wisconsin Department of Military Affairs		<u>35,829</u>	<u>60,140</u>	<u>24,739</u>	<u>49,050</u>	<u>49,050</u>
Wisconsin Department of Administration						
Land Information Program	505.116	(780)	1,000	(1,580)	200	200
Low Income Home Energy Assistance Program	505.371	<u>20,610</u>	<u>140,600</u>	<u>-</u>	<u>119,990</u>	<u>119,990</u>
Total Wisconsin Department of Administration		<u>19,830</u>	<u>141,600</u>	<u>(1,580)</u>	<u>120,190</u>	<u>120,190</u>
TOTAL STATE PROGRAMS		<u>\$ 530,651</u>	<u>\$ 5,539,315</u>	<u>\$ 461,963</u>	<u>\$ 5,470,627</u>	<u>\$ 5,470,627</u>

See notes to schedule of expenditures of federal and state awards.

MARATHON COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2014

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state grant activity of Marathon County under programs of the federal and state government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Marathon County, it is not intended to and does not present the financial position, changes in net position or cash flows of Marathon County.

The reporting entity for Marathon County is based upon criteria established by the Governmental Accounting Standards Board. Marathon County is the primary government according to GASB criteria, while the Children with Disabilities Education Board and North Central Health Center are component units. Federal and state awards received directly by both entities are not included in this report since they have been audited by other auditors for their grants and those amounts are reported in a separate report.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

NOTE 3 – CARS/CORE REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the Community Aids Reporting System (CARS) reports dated March 1, 2015 and the CORE reports for December 2014.

MARATHON COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2014

NOTE 4 – PASS-THROUGH AGENCIES

Marathon County received federal awards from the following pass-through agencies:

DATCP	Wisconsin Department of Agriculture, Trade and Consumer Protection
DHS	Wisconsin Department of Health Services
DCF	Wisconsin Department of Children and Families
DOA	Wisconsin Department of Administration
DWD	Wisconsin Department of Workforce Development
DEM	Wisconsin Department of Emergency Management
DNR	Wisconsin Department of Natural Resources
DPH	Wisconsin Department of Public Health
DOJ	Wisconsin Department of Justice
DOT	Wisconsin Department of Transportation
DPI	Wisconsin Department of Public Instruction
DMA	Wisconsin Department of Military Affairs

MARATHON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)

FEDERAL AND STATE AWARDS (cont.)

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program</u>
115.150	County Staff and Support
115.400	Land and Water Resource Management
370.574	Snowmobile Trail Aids
370.TF1	Targeted Runoff Management
395.101	Specialized Transportation Assistance
395.202	Planning Commission Program
410.313	Youth Aids
435.283	IMAA State Share
435.292	IMAA State Share Supp
435.293	IMAA Federal Share Supp
435.297	IMAA State Share ACA
435.298	IMAA Federal Share ACA
435.871	TPA CLTS OTHER GPR
435.874	TPA CLTS AUTISM GPR
435.877	CLTS OTHER CWA ADMIN GPR
435.880	CLTS AUTISM CWA ADMIN GPR
437.7502	CS State GPR Funding/PR Funding Allocation

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 2014-001 INTERNAL CONTROL OVER FINANCIAL REPORTING

Criteria: According to Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, sufficient internal controls should be in place that provide for the preparation of reliable financial statements, including the schedule of expenditures of federal and state awards, that are fairly presented in conformity with generally accepted accounting principles.

Condition: Marathon County’s financial records contained material misstatements, the auditors prepared the financial statements in accordance with generally accepted accounting principles, and material changes were made to the schedule of expenditures of federal and state awards.

Cause: The County has chosen to contract with the auditors for preparation of the annual financial statements. Material journal entries were identified by the auditors.

Effect: The County’s financial records and schedule of expenditures of federal and state awards were materially misstated. The auditors proposed and made an audit entry that was material to the County’s financial statements during the 2014 audit. In addition, the auditors prepared the financial statements.

Recommendation: The County may consider and implement additional internal control procedures to ensure the accuracy of its financial records.

MARATHON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (cont.)

FINDING 2014-001 INTERNAL CONTROL OVER FINANCIAL REPORTING (cont.)

Management's Response: With increased workload for each of the Finance Department staff, it was determined that the auditors would prepare the financial statements for 2014.

The County reviewed transactions and accounts that met transaction dollar limits, reviewed transactions during the year and completed additional pre-audit work to verify all transactions were appropriate. The County takes the accuracy of its financial reporting very seriously and will continue to strive to create financial records that are free of material misstatements.

Official Responsible for Ensuring the Corrective Action Plan: Kristi Kordus, Marathon County Finance Director.

Planned Completion Date for the Corrective Action Plan:

- > Complete and review financial transactions during the year: on-going.
- > Complete additional pre-audit work on specific transactions accounts: April 2016.
- > Review staff workload in future years to see if the department has the funds and capacity to create the financial statements in house.

FINDING 2014-002 DEPARTMENTAL CONTROLS/DECENTRALIZED ACTIVITIES

Criteria: Auditing standards state that a lack of adequate segregation of duties is a weakness in internal control.

Condition: A department at Marathon County does not have adequate segregation of duties regarding their accounting procedures.

Cause: A county department lacks the personnel necessary to adequately segregate financial and accounting duties.

Effect: Financial records and assets at the department without adequate segregation of duties is at more risk for misstatement due to fraud or errors.

Recommendation: The County may consider and implement additional internal control procedures to ensure adequate segregation of duties in all departments. In lieu of additional controls, the County may rely on continued or increased involvement by the appropriate committees.

Management's Response: County management will continue to look at ways we can mitigate the risk posed by the lack of segregation of duties in the department identified in your letter. As part of this process, staff from the Finance Department would meet with the department and evaluate different aspects of the accounting cycles in order to identify opportunities for additional segregation of duties.

Official Responsible for Ensuring the Corrective Action Plan: Kristi Kordus, Marathon County Finance Director.

Planned Completion Date for the Corrective Action Plan: The County will continue to work on implementing additional internal control procedures on an on-going basis.

MARATHON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 2014-003

State Grantor: Wisconsin Department of Children and Families (DCF) General Requirements

Criteria: The DCF general requirements found in the *State Single Audit Guidelines* states that Random Moment Sampling (RMS) responses should be reasonably supported by appropriate documentation.

Condition/Context: One out of the twenty-five items tested did not have supporting documentation consistent with the reported program activity.

Questioned Costs: None noted

Cause: Unknown

Effect: The caseworker could be working on a different program than what the RMS sample states and could result in an inaccurate distribution of expenditures to programs for financial reporting to the state.

Recommendation: We recommend the County establish controls, such as internal review procedures, to ensure that RMS responses are consistent with supporting documentation.

Management's Response: Economic support staff will be reminded of the importance of documenting work being performed on the case in CARES when reporting to RMS. The Fiscal Services Manager will attend a unit meeting to emphasize RMS and CARES case noting.

Official Responsible for Ensuring the Corrective Action Plan: Jane Huebsch, Support Program Manager and Jean Schult, Fiscal Services Manager.

Planned Completion Date for the Corrective Action Plan: September 30, 2015

FINDING 2014-004

Program State ID Number and Title: 435.871 – TPA CLTS OTHER GPR
435.874 – TPA CLTS AUTISM GPR
435.877 – CLTS OTHER CWA ADMIN GPR
435.880 – CLTS AUTISM CWA ADMIN GPR

State Grantor: Wisconsin Department of Health Services

Criteria: DHS audit guidance states that the County waiver agency is required to establish Cost Sharing Agreements with the participant's family where appropriate. The MA Waiver Eligibility and Cost Sharing Worksheet (Form F-20919) and/or CARES screen should be completed in order to complete this requirement. This should be updated annually.

Condition/Context: During our testing, it was noted that one of the individuals selected for testing did not have a current copy of the MA Waiver Eligibility and Cost Sharing Worksheet (Form F-20919).

Cause: Unknown.

MARATHON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 2014-004 (cont.)

Effect: The County may not be applying cost share when appropriate.

Questioned Costs: None noted

Recommendation: We recommend the County implement a system for tracking and verifying all documents are updated appropriately.

Management's Response: The MA Waiver Eligibility and Cost Sharing Worksheet (Form F-20919) has been added to the annual recertification packet for staff to complete. CLTS staff will be reminded of the requirement to have F-20919 as part of the annual recertification process.

Official Responsible for Ensuring the Corrective Action Plan: Julie Jensen, Children's Support Services Supervisor.

Planned Completion Date for the Corrective Action Plan: September 30, 2015

MARATHON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2014

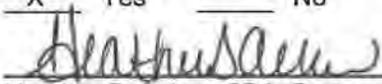
SECTION IV – OTHER ISSUES

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? _____ Yes X No

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade and Consumer Protection	_____	Yes	_____	X	No
Department of Natural Resources	_____	Yes	_____	X	No
Department of Transportation	_____	Yes	_____	X	No
Department of Corrections	_____	Yes	_____	X	No
Department of Health Services	<u> X </u>	Yes	_____	_____	No
Department of Children and Families	<u> X </u>	Yes	_____	_____	No
Department of Justice	_____	Yes	_____	X	No
Department of Military Affairs	_____	Yes	_____	X	No
Department of Administration	_____	Yes	_____	X	No

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? _____ X Yes _____ No

4. Name and signature of partner 

Heather S. Acker, CPA, Partner

5. Date of report September 11, 2015