

***DAVIDSON COUNTY
NORTH CAROLINA***

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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 Members of the Board of Commissioners
Davidson County, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2012, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Davidson County, North Carolina, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Davidson County's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Davidson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, members of management, others within the organization, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 27, 2012

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditors' Report

To the Members of the Board of Commissioners
Davidson County, North Carolina

Compliance

We have audited Davidson County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Davidson County's management. Our responsibility is to express an opinion on Davidson County's compliance based on our audit.

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 Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Davidson County'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. Our audit does not provide a legal determination of Davidson County's compliance with those requirements.

In our opinion, Davidson County 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 June 30, 2012.

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Internal Control Over Compliance

Management of Davidson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Davidson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, 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 Davidson 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, non-compliance 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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise Davidson County's basic financial statements and have issued our report thereon dated November 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Davidson County's 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 Implementation Act, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the 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 taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, members of management, others within the organization, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P. A.
November 27, 2012

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Report On Compliance With Requirements That Could Have a Direct And Material Effect on Each Major State Program And On Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditors' Report

To the Members of the Board of Commissioners
Davidson County, North Carolina

Compliance

We have audited Davidson County's compliance with the types of compliance requirements described in applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2012. The County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Davidson County's management. Our responsibility is to express an opinion on Davidson County's compliance based on our audit.

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; applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Davidson County'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. Our audit does not provide a legal determination of Davidson County's compliance with those requirements.

In our opinion, Davidson County 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 State programs for the year ended June 30, 2012.

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Internal Control Over Compliance

Management of Davidson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered Davidson County's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 Davidson 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, non-compliance with a type of compliance requirement of a State 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 non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise Davidson County's basic financial statements and have issued our report thereon dated November 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Davidson County's 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 Implementation Act, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the 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 taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, members of management, others within the organization, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 27, 2012

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditors' report issued on compliance for major federal programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major federal programs:

CFDA Numbers	Names of Federal Program or Cluster
93.720, 93.775, 93.777, 93.778 10.557	Medicaid Cluster Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
93.575, 93.596 93.558, 93.714, 93.715 93.767	Child Care Development Fund Cluster Temporary Assistance for Needy Families Cluster State Children's Insurance Program

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditors' Results (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between Type A
and Type B Programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

_____ Yes X No

State Awards

Internal control over major state programs:

• Material weaknesses identified?

_____ Yes X No

• Significant deficiencies identified that are
not considered to be material
weaknesses?

_____ Yes X None reported

Type of auditors' report issued on compliance for
major state programs:

Unqualified

Any findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act?

_____ Yes X No

Identification of major State programs:

Medicaid
Subsidized Childcare Cluster
Foster Care and Adoption Cluster
School Nurse Funding Initiative

Section II - Financial Statement Findings

There were no financial statement findings for the fiscal year ended June 30, 2012.

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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Section III - Federal Award Findings and Responses

There were no federal award findings for the fiscal year ended June 30, 2012.

Section IV - State Award Findings and Responses

There were no State award findings for the fiscal year ended June 30, 2012.

**DAVIDSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012**

None reported.

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL AWARDS:				
<u>U. S. DEPT. OF TRANSPORTATION</u>				
<u>FEDERAL AVIATION ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.11.1	\$ 53,510	\$ -
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.11.2	42,236	-
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.11.3	94,456	-
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.12.1	37,494	-
<u>FEDERAL TRANSIT ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	36233.34.13.1	156,264	9,766
FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	20.509	36233.34.13.3	105,089	6,568
PASSED THROUGH N.C. STATE UNIVERSITY				
CLEAN FUEL PROGRAM	20.205	44002.1.1	74,400	-
PASSED THROUGH THE CITY OF HIGH POINT:				
URBANIZED AREA FORMULA PROGRAM	20.507	N/A	<u>98,395</u>	<u>-</u>
TOTAL U.S. DEPT. OF TRANSPORTATION			<u>661,844</u>	<u>16,334</u>
<u>U. S. DEPT. OF AGRICULTURE</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES				
DIVISION OF SOCIAL SERVICES:				
ADMINISTRATION:				
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER:				
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ADMINISTRATION	10.561	N/A	829,328	-
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FRAUD ADMINISTRATION	10.561	N/A	<u>36,945</u>	<u>-</u>
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			866,273	-
PASSED THROUGH PIEDMONT TRIAD COUNCIL				
NUTRITION SERVICES INCENTIVE PROGRAM	10.570	N/A	58,965	-
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN				
AGRI-SFP FOOD PROGRAM MEAL	10.557	N/A	812,156	-
	10.559	N/A	956	-
DIRECT BENEFIT PAYMENTS:				
SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	N/A	<u>3,167,657</u>	<u>-</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>4,906,007</u>	<u>-</u>
<u>U.S. DEPT. OF COMMERCE</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE:				
DIVISION OF COMMUNITY DEVELOPMENT:				
ASTRAN DRIVE PROJECT	14.228	10-C-2186	19,336	-
LOLLY WOLLY DOODLE	14.228	11-E-2263	272,055	-
MORTON METALCRAFT PROJECT	14.228	07-E-1646	<u>3,615</u>	<u>-</u>
TOTAL U.S. DEPT. OF COMMERCE			<u>295,006</u>	<u>-</u>

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL AWARDS (CONTINUED):				
<u>U.S. DEPT. OF HOMELAND SECURITY</u>				
PASSED THROUGH GUILFORD COUNTY:				
HOMELAND SECURITY PREPAREDNESS TECHNICAL ASSISTANCE PROGRAM	97.067	N/A	\$ 45,334	-
PASSED THROUGH N.C. DEPT OF CRIME CONTROL AND PUBLIC SAFETY:				
HOMELAND SECURITY PREPAREDNESS TECHNICAL ASSISTANCE	97.067	2010-SS-T0-0075	267,407	-
HOMELAND SECURITY PREPAREDNESS TECHNICAL ASSISTANCE	97.067	2011-SS-001119-S01	46,755	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	N/A	35,000	-
BUFFER ZONE PROTECTION PROGRAM	97.078	2009-BF-T9-0028	67,739	-
			<hr/>	
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			462,235	-
<u>U. S. DEPT. OF LABOR</u>				
<u>EMPLOYMENT AND TRAINING ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE:				
DIVISION OF WORKFORCE DEVELOPMENT:				
WORKFORCE INVESTMENT ACT CLUSTER:				
WORKFORCE INVESTMENT ACT	17.258	10-2020	118,966	-
WORKFORCE INVESTMENT ACT	17.258	11-2020	177,594	-
WORKFORCE INVESTMENT ACT	17.260	10-2030	288,107	-
WORKFORCE INVESTMENT ACT	17.260	11-2030	233,296	-
WORKFORCE INVESTMENT ACT	17.259	10-2040	192,547	-
WORKFORCE INVESTMENT ACT	17.259	11-2040	160,136	-
WORKFORCE INVESTMENT ACT	17.260	10-2031	9,382	-
WORKFORCE INVESTMENT ACT	17.258	10-2050	41,962	-
WORKFORCE INVESTMENT ACT	17.259	10-2050	54,201	-
WORKFORCE INVESTMENT ACT	17.260	10-2050	78,679	-
WORKFORCE INVESTMENT ACT	17.258	10-2010	14,507	-
WORKFORCE INVESTMENT ACT	17.260	10-2010	27,200	-
WORKFORCE INVESTMENT ACT	17.259	10-2010	18,737	-
WORKFORCE INVESTMENT ACT	17.258	11-2010	24,169	-
WORKFORCE INVESTMENT ACT	17.260	11-2010	32,226	-
WORKFORCE INVESTMENT ACT	17.259	11-2010	24,169	-
			<hr/>	
TOTAL U.S. DEPT. OF LABOR			1,495,878	-
<u>U. S. DEPT. OF ENERGY:</u>				
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM	81.128	DE-FOA-000013	631,100	-
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES</u>				
<u>ADMINISTRATION FOR CHILDREN AND FAMILIES</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF SOCIAL SERVICES:				
FAMILY PRESERVATION	93.556	N/A	8,323	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES:				
ADMINISTRATION	93.558	N/A	1,155,967	-
DIRECT BENEFIT PAYMENTS	93.558	N/A	837,460	-
CHILD SUPPORT ENFORCEMENT	93.563	N/A	807,524	-
LOW INCOME ENERGY ASSISTANCE:				
ADMINISTRATION	93.568	N/A	144,720	-
HOME ENERGY ASSISTANCE	93.568	N/A	311,826	-
CRISIS INTERVENTION	93.568	N/A	444,512	-
PERMANENCY PLANNING - SPECIAL	93.645	N/A	35,734	6,506
FOSTER CARE AND ADOPTION (NOTE 3):				
IV-E FOSTER CARE	93.658	N/A	334,091	101,417
IV-E FOSTER CARE/OFF TRN	93.658	N/A	166,394	-
IV-E CPS	93.658	N/A	267,892	93,226
ADOPTION/FOSTER CARE	93.658	N/A	452,559	32,080
IV-E OPTIONAL ADOPTION TRAINING	93.659	N/A	5,818	-
ADOPTION ASSISTANCE - DIRECT BENEFIT	93.659	N/A	481,414	128,773

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL AWARDS (CONTINUED):				
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>				
<u>ADMINISTRATION FOR CHILDREN AND FAMILIES (CONTINUED)</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED):				
FOSTER CARE AND ADOPTION (NOTE 3)(CONTINUED):				
ADOPTION ASSISTANCE - VENDOR PAYMENTS	93.659	N/A	3,538	1,829
ADOPTION ASSISTANCE - DIRECT BENEFIT		N/A	-	718,341
ADOPTION ASSISTANCE - VENDOR PAYMENTS		N/A	-	9,390
TOTAL FOSTER CARE AND ADOPTION (NOTE 3)			1,711,706	1,085,056
SOCIAL SERVICES BLOCK GRANT	93.667	N/A	405,522	40,557
IN-HOME SERVICES	93.667	N/A	58,751	-
ADULT DAY CARE	93.667	N/A	42,331	35,679
TANF	93.558	N/A	15,564	-
LINKS	93.674	N/A	16,903	4,226
INDEPENDENT LIVING TRANSITIONAL	93.674	N/A	18,023	-
SUBSIDIZED CHILD CARE (NOTE 3):				
CHILD CARE DEVELOPMENT FUND CLUSTER:				
DIVISION OF SOCIAL SERVICES:				
CHILD CARE DEVELOPMENT FUND-ADMINISTRATION	93.596	N/A	221,344	-
DIVISION OF CHILD DEVELOPMENT:				
CHILD CARE AND DEVELOPMENT FUND-DISCRETIONARY	93.575	N/A	2,678,490	-
CHILD CARE AND DEVELOPMENT FUND-MANDATORY	93.596	N/A	948,976	-
CHILD CARE AND DEVELOPMENT FUND-MATCH	93.596	N/A	318,958	-
TOTAL CHILD CARE FUND CLUSTER			4,167,768	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	1,122,411	-
FOSTER CARE TITLE IV-E	93.658	N/A	35,743	-
ARRA-EMERGENCY CONTINGENCY FUND FOR TANF STATE PROGRAMS	93.714	N/A	105,259	-
STATE APPROPRIATIONS		N/A	-	246,797
TANF-MOE		N/A	-	180,778
TOTAL SUBSIDIZED CHILD CARE CLUSTER (NOTE 3)			5,431,181	427,575
<u>CENTERS FOR DISEASE CONTROL AND PREVENTION</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069	N/A	48,268	-
ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	93.070	N/A	10,261	-
INJURY PREVENTION AND CONTROL RESEARCH	93.136	N/A	6,447	-
IMMUNIZATION PROGRAM/AID TO COUNTY FUNDING PREVENTION, INVESTIGATIONS, AND TECHNICAL ASSISTANCE	93.283	N/A	1,957	-
COMPREHENSIVE BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAMS	93.919	N/A	29,601	12,240
ARRA- PREVENTING HEALTHCARE -ASSOCIATED INFECTIONS	93.717	N/A	1,574	-
<u>HEALTH RESOURCES AND SERVICE ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT	93.994	N/A	123,712	92,795
<u>OFFICE OF POPULATION AFFAIRS</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
OFFICE OF POPULATION AFFAIRS:				
FAMILY PLANNING SERVICES	93.217	N/A	99,879	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
FEDERAL AWARDS (CONTINUED):				
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>				
<u>ADMINISTRATION ON AGING</u>				
PASSED THROUGH PIEDMONT TRIAD COUNCIL OF GOVERNMENTS:				
AGING CLUSTER:				
SPECIAL PROGRAMS FOR AGING, TITLE III-D	93.043	N/A	2,597	153
SPECIAL PROGRAMS FOR AGING, TITLE III-B	93.044	N/A	115,874	115,369
SOCIAL SERVICES BLOCK GRANT	93.667	N/A	410,428	1,571
SPECIAL PROGRAMS FOR AGING, CONGREGATE NUTRITION	93.045	N/A	143,438	8,438
SPECIAL PROGRAMS FOR AGING, HOME DELIVERED NUTRITION	93.045	N/A	111,418	50,178
TOTAL AGING CLUSTER			783,755	175,709
 <u>CENTERS OF MEDICARE AND MEDICAID SERVICES</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF MEDICAL ASSISTANCE:				
DIRECT BENEFIT PAYMENTS:				
TITLE XIX - MEDICAID	93.778	N/A	111,675,926	64,671,203
MEDICAL ASSISTANCE PROGRAM	93.778	N/A	153,893	59,373
 DIVISION OF SOCIAL SERVICES:				
MEDICAL ASSISTANCE ADMIN	93.778	N/A	1,047,812	-
ELIGIBILITY WORKERS ADMIN - MA	93.778	N/A	18,385	18,385
ADULT CARE HOME CASE MANAGEMENT	93.778	N/A	30,136	15,068
NC HEALTH CHOICE	93.767	N/A	51,780	5,892
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			125,570,819	66,650,264
 <u>U.S DEPT. OF JUSTICE</u>				
JUSTICE ASSISTANCE GRANT-ARRA	16.803	2009-SB-B9-2751	26,860	-
JUSTICE ASSISTANCE GRANT	16.738	2009-DJ-BX-1091	1,226	-
JUSTICE ASSISTANCE GRANT	16.738	2010-DJ-BX-0145	79	-
JUSTICE ASSISTANCE GRANT	16.738	2011-DJ-BX-2550	15,488	-
 PASSED THROUGH N.C. DEPT. OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION:				
JUVENILE ASSISTANCE GRANT-ARRA	16.803	N/A	59,264	-
TOTAL U.S. DEPT. OF JUSTICE			102,917	-
 <u>INSTITUTE OF MUSEUM & LIBRARY SERVICES</u>				
PASSED THROUGH N.C. DEPT. OF CULTURAL RESOURCES:				
LSTA BASIC EQUIPMENT GRANT	45.310	N/A	17,272	-
LSTA STRENGTHENING PUBLIC & ACADEMIC LIBRARY COLLECTIONS GRANT	45.310	N/A	20,000	-
LSTA TECHNOLOGY GRANT- NC CARDINAL	45.310	N/A	16,593	-
TOTAL INSTITUTE OF MUSEUM & LIBRARY SCIENCES			53,865	-
TOTAL FEDERAL AWARDS			134,179,671	66,666,598

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
STATE AWARDS:				
<u>N.C. DEPT. OF HEALTH AND HUMAN SERVICES</u>				
DIVISION OF PUBLIC HEALTH:				
ENVIRONMENTAL	N/A	N/A		\$ 6,691
GENERAL COMMUNICABLE DISEASE CONTROL	N/A	N/A		3,806
FOOD AND LODGING	N/A	N/A		15,994
GENERAL AID TO COUNTIES	N/A	N/A		163,653
MOSQUITO- PUBLIC HEALTH PESTICIDE	N/A	N/A		2,691
TUBERCULOSIS	N/A	N/A		29,899
WOMEN'S PREVENTIVE HEALTH	N/A	N/A		29,200
RISK REDUCTION/HEALTH PROMOTION	N/A	N/A		6,351
SPAY/NEUTER PROGRAM	N/A	N/A		17,288
LEAD PREVENTION AID TO COUNTY FUNDS	N/A	N/A		312
PUBLIC HEALTH NURSING	N/A	N/A		1,000
TB MEDICAL SERVICE	N/A	N/A		787
SCHOOL NURSE FUNDING INITIATIVE	N/A	N/A		400,000
DIVISION OF SOCIAL SERVICES:				
DIRECT BENEFIT PAYMENTS:				
SPECIAL ASSISTANCE TO ADULTS	N/A	N/A		1,107,367
STATE FOSTER CARE	N/A	N/A		401,492
SHARE THE WARMTH	N/A	N/A		7,436
AFDC PROGRAM INTEGRITY/INCENTIVES	N/A	N/A		134
TANF PROGRAM INTEGRITY/INCENTIVES	N/A	N/A		2,275
PASSED THROUGH PIEDMONT TRIAD				
COUNCIL OF GOVERNMENTS:				
SENIOR CENTER GENERAL PURPOSE	N/A	N/A		24,410
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				<u>2,220,786</u>
<u>N.C. DEPT. OF CULTURAL RESOURCES</u>				
DIVISION OF STATE LIBRARY:				
AID TO PUBLIC LIBRARIES	N/A	N/A		183,947
<u>N.C. DEPT. OF ADMINISTRATION</u>				
DIVISION OF VETERANS AFFAIRS:				
VETERAN'S ADMINISTRATION	N/A	N/A		1,452
N.C. DEPT. OF ENVIRONMENT AND				
<u>NATURAL RESOURCES</u>				
TECHNICAL ASSISTANCE	N/A	N/A		25,500
<u>N.C. DEPT. OF TRANSPORTATION</u>				
PUBLIC TRANSPORTATION DIVISION:				
RURAL OPERATING ASSISTANCE PROGRAM (ROAP)				
ROAP ELDERLY AND DISABLED TRANSPORTATION	N/A	36220.10.4.1		109,941
ROAP RURAL GENERAL PUBLIC TRANSPORTATION	N/A	36228.22.4.1		122,563
ROAP WORKFIRST	N/A	36236.11.3.1		55,468
TOTAL N.C. DEPT. OF TRANSPORTATION				<u>287,972</u>
<u>N.C. DEPT. OF PUBLIC INSTRUCTION</u>				
PUBLIC SCHOOL BUILDING CAPITAL FUND	N/A	N/A		1,649,460

DAVIDSON COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF
 FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
STATE AWARDS (CONTINUED):				
<u>N.C. DEPT. OF CORRECTIONS</u>				
CRIMINAL JUSTICE PARTNERSHIP PROGRAM: IMPLEMENTATION	N/A	N/A		<u>129,690</u>
<u>N.C. OFFICE OF JUVENILE JUSTICE</u>				
JUVENILE JUSTICE AND DELINQUENCY PREVENTION	N/A	N/A		<u>482,588</u>
TOTAL STATE AWARDS				<u>4,981,395</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$134,179,671</u>	<u>\$ 71,647,993</u>

**DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of Davidson County and is presented on the modified 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*, and the *State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the presentation of, the financial statements. Certain benefit payments are paid directly to recipients and are not included in the County's financial statements. However, due to the County's involvement in determining eligibility, they are considered federal or State awards to the County and are included on this schedule.

2. Subrecipients

Of the Federal and State expenditures presented in the schedule, Davidson County provided Federal and State awards to subrecipients as follows:

<u>Subrecipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Family Services of Davidson County	Juvenile Justice and Delinquency Prevention	N/A	\$ 301,949
Davidson County Schools	Juvenile Justice and Delinquency Prevention	N/A	38,294
The Life Center	Special Programs for Aging	N/A	123,458
Mills Home	Juvenile Justice and Delinquency Prevention	N/A	27,500
Project Challenge, Inc.	Juvenile Justice and Delinquency Prevention	N/A	68,667
Piedmont Mediation	Juvenile Justice and Delinquency Prevention	N/A	31,173

3. The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes - Subsidized Child Care and Foster Care and Adoption.

