

***DAVIDSON COUNTY
NORTH CAROLINA***

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2013

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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

Independent Auditor's Report

To the Board of County Commissioners
Davidson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2013, and the related notes to the financial statements, not presented here, which collectively comprises the County's basic financial statements, and have issued our report thereon dated November 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Davidson 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 Davidson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Davidson County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 26, 2013

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

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal And State Awards As Required By OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Davidson County, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Davidson County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on each of Davidson County's major Federal programs for the year ended June 30, 2013. Davidson County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davidson County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; 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 on compliance for each major Federal program. However, our audit does not provide a legal determination of Davidson County's compliance.

Opinion on Each Major Federal Program

In our opinion, Davidson 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 programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Davidson 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 Davidson County's internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 And The State Single Audit Implementation Act

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, as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise Davidson County's basic financial statements, and have issued our report thereon dated November 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 26, 2013

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

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule Of Expenditures Of Federal And State Awards As Required By OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Davidson County, North Carolina

Report On Compliance for Each Major State Program

We have audited Davidson County's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on each of Davidson County's major State programs for the year ended June 30, 2013. Davidson County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davidson County's 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; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, 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 on compliance for each major State program. However, our audit does not provide a legal determination of Davidson County's compliance.

Opinion On Each Major State Program

In our opinion, Davidson 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 State programs for the year ended June 30, 2013.

Report On Internal Control Over Compliance

Management of Davidson 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 Davidson County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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. *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 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.

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

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

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 as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise Davidson County's basic financial statements. We have issued our report thereon dated November 26, 2013, which contained unmodified opinions 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 26, 2013

DAVIDSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major Federal programs:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major Federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of major Federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.720, 93.775, 93.777, 93.778
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Child Care Development Fund Cluster	93.575, 93.596
Temporary Assistance for Needy Families Cluster	93.558, 93.714, 93.716
Adoption Assistance Program	93.659

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$3,000,000</u>
Auditee qualified as low-risk auditee?	No

DAVIDSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weakness identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

- Medicaid Cluster
- Subsidized Childcare Cluster
- Public School Building Capital Fund
- Juvenile Justice and Delinquency Prevention

2. Findings Related to the Audit of the Basic Financial Statements

None reported

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None reported

4. Findings and Questioned Costs Related to the Audit of State Awards

None reported

DAVIDSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

No prior year findings.

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
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	36237.19.11.2	\$ 12,664	\$ -
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.11.3	35,220	-
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.12.1	102,989	-
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.13.1	146,853	-
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.14.1	37,467	-
<u>FEDERAL TRANSIT ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
FORMULA GRANTS FOR RURAL AREAS	20.509	36233.34.14.1	142,973	8,905
FORMULA GRANTS FOR RURAL AREAS	20.509	36233.34.13.3	128,707	16,088
TRANSIT SERVICES PROGRAMS CLUSTER				
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.1.3	143,823	17,500
PASSED THROUGH THE CITY OF HIGH POINT:				
FEDERAL TRANSIT CLUSTER:				
FEDERAL TRANSIT FORMULA GRANTS	20.507	N/A	140,851	-
TOTAL U.S. DEPT. OF TRANSPORTATION			<u>891,547</u>	<u>42,493</u>
<u>U.S. DEPT. OF AGRICULTURE</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES				
DIVISION OF SOCIAL SERVICES:				
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE:				
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER:				
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561	N/A	968,707	-
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561	N/A	42,280	-
FRAUD ADMINISTRATION	10.561	N/A	42,280	-
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			<u>1,010,987</u>	<u>-</u>
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	N/A	812,910	-
DIRECT BENEFIT PAYMENTS:				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	N/A	3,202,006	-
CHILD NUTRITION CLUSTER:				
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	N/A	1,077	-
TOTAL U.S. DEPT. OF AGRICULTURE			<u>5,026,980</u>	<u>-</u>
<u>U.S. DEPT. OF COMMERCE</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE:				
DIVISION OF COMMUNITY DEVELOPMENT:				
CDBG - STATE-ADMINISTERED SMALL CITIES PROGRAM CLUSTER:				
COMMUNITY DEVELOPMENT BLOCK GRANT				
SMALL CITIES PROGRAM - LOLLY WOLLY DOODLE	14.228	11-E-2263	45,657	-
TOTAL U.S. DEPT. OF COMMERCE			<u>45,657</u>	<u>-</u>
<u>U.S. DEPT. OF HOMELAND SECURITY</u>				
PASSED THROUGH DAVIE COUNTY:				
HOMELAND SECURITY GRANT PROGRAM				
TECHNICAL ASSISTANCE PROGRAM	97.067	N/A	17,000	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS (CONTINUED):				
<u>U.S. DEPT. OF HOMELAND SECURITY (CONTINUED)</u>				
PASSED THROUGH N.C. DEPT OF CRIME CONTROL AND PUBLIC SAFETY:				
HOMELAND SECURITY GRANT PROGRAM TECHNICAL ASSISTANCE	97.067	2010-SS-T0-0075	\$ 83,034	\$ -
HOMELAND SECURITY GRANT PROGRAM TECHNICAL ASSISTANCE	97.067	2012-SS-00100-S01	41,298	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	N/A	62,729	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT HAZARDOUS MATERIALS	97.042	N/A	5,900	-
BUFFER ZONE PROTECTION PROGRAM (BZPP)	97.078	2009-BF-T9-0028	<u>9,650</u>	<u>-</u>
TOTAL U.S. DEPT. OF HOMELAND SECURITY			<u>219,611</u>	<u>-</u>
<u>U. S. DEPT. OF LABOR</u>				
<u>EMPLOYMENT AND TRAINING ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE: DIVISION OF EMPLOYMENT AND TRAINING: WORKFORCE INVESTMENT ACT CLUSTER:				
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	11-2020	179,838	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	12-2020	190,987	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	10-2040	16,869	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	11-2040	189,835	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	12-2040	171,988	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	10-2050	22,653	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	10-2050	29,260	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	11-2050	12,000	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	11-2050	12,000	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	11-2010	14,867	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	11-2010	14,867	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	12-2010	20,306	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	12-2010	27,074	-
TOTAL WORKFORCE INVESTMENT ACT CLUSTER			<u>902,544</u>	<u>-</u>
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	11-2030	230,405	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	12-2030	293,653	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	10-2050	42,474	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	11-2050	16,000	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	11-2010	19,824	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	12-2010	20,306	-
TOTAL U.S. DEPT. OF LABOR			<u>1,525,206</u>	<u>-</u>
<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: TANF CLUSTER:				
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES: ADMINISTRATION	93.558	N/A	1,120,919	-
DIRECT BENEFIT PAYMENTS	93.558	N/A	772,343	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	12,840	-
TOTAL TANF CLUSTER			<u>1,906,102</u>	<u>-</u>
PROMOTING SAFE AND STABLE FAMILIES	93.556	N/A	9,896	-
CHILD SUPPORT ENFORCEMENT	93.563	N/A	1,015,879	-
LOW INCOME ENERGY ASSISTANCE: ADMINISTRATION	93.568	N/A	128,940	-
HOME ENERGY ASSISTANCE	93.568	N/A	445,300	-
CRISIS INTERVENTION	93.568	N/A	676,957	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	93.645	N/A	72,976	1,834
FOSTER CARE AND ADOPTION CLUSTER (NOTE 3): IV-E FOSTER CARE	93.658	N/A	408,387	123,163
IV-E FOSTER CARE/OFF TRN	93.658	N/A	202,598	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
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):				
IV-E CPS	93.658	N/A	\$ 113,345	\$ 48,178
ADOPTION/FOSTER CARE	93.658	N/A	\$ 461,268	\$ 101,581
IV-E OPTIONAL ADOPTION ASSISTANCE TRAINING	93.659	N/A	8,341	-
ADOPTION ASSISTANCE - DIRECT BENEFIT	93.659	N/A	496,170	130,944
ADOPTION ASSISTANCE - VENDOR PAYMENTS	93.659	N/A	1,145	573
ADOPTION ASSISTANCE - DIRECT BENEFIT		N/A	-	673,712
ADOPTION ASSISTANCE - VENDOR PAYMENTS		N/A	-	10,626
TOTAL FOSTER CARE AND ADOPTION CLUSTER (NOTE 3)			1,691,254	1,088,777
SOCIAL SERVICES BLOCK GRANT CLUSTER:				
SOCIAL SERVICES BLOCK GRANT	93.667	N/A	427,451	58,331
SOCIAL SERVICES BLOCK GRANT	93.667	N/A	369,739	30,843
SOCIAL SERVICES BLOCK GRANT-IN HOME SERVICES	93.667	N/A	58,937	-
SOCIAL SERVICES BLOCK GRANT-ADULT DAY CARE	93.667	N/A	44,306	37,067
TOTAL SOCIAL SERVICES BLOCK GRANT CLUSTER			900,433	126,241
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	N/A	21,297	5,324
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	N/A	24,070	-
SUBSIDIZED CHILD CARE (NOTE 3):				
CHILD CARE DEVELOPMENT FUND CLUSTER:				
DIVISION OF SOCIAL SERVICES:				
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND:	93.596	N/A	202,023	-
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575	N/A	2,178,734	-
CHILD CARE AND DEVELOPMENT FUND-MANDATORY	93.596	N/A	981,997	-
CHILD CARE AND DEVELOPMENT FUND-MATCH	93.596	N/A	232,210	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER			3,594,964	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	1,238,496	-
FOSTER CARE TITLE IV-E	93.658	N/A	51,370	24,415
SOCIAL SERVICES BLOCK GRANT	93.667	N/A	5,911	-
STATE APPROPRIATIONS		N/A	-	167,675
TANF-MOE		N/A	-	182,656
TOTAL SUBSIDIZED CHILD CARE CLUSTER (NOTE 3)			4,890,741	374,746
<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	54,619	-
ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	93.070	N/A	9,035	-
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136	N/A	9,822	-
IMMUNIZATION COOPERATIVE GRANTS	93.268	N/A	41,795	-
CENTERS FOR DISEASE AND CONTROL AND PREVENTION AND TECHNICAL ASSISTANCE	93.283	N/A	2,994	-
COOPERATIVE AGREEMENTS FOR STATE-BASED COMPREHENSIVE BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAMS	93.919	N/A	29,601	12,240
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	N/A	9,640	-
<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 TO THE STATES	93.994	N/A	121,756	91,328
STATE HEALTH ACCESS PROGRAM	93.256	N/A	5,147	-
FAMILY PLANNING SERVICES	93.217	N/A	74,879	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
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-B	93.044	N/A	\$ 156,888	\$ 83,057
GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS				
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES	93.045	N/A	139,068	8,187
CONGREGATE MEALS				
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES	93.045	N/A	91,555	71,151
HOME DELIVERED MEALS				
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	N/A	<u>64,661</u>	<u>-</u>
TOTAL AGING CLUSTER			<u>452,172</u>	<u>162,395</u>
SPECIAL PROGRAMS FOR AGING, TITLE III-D				
DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	93.043	N/A	3,025	180
AFFORDABLE CARE ACT - AGING AND DISABILITY RESOURCE CENTER	93.517	N/A	1,953	-
MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	93.791	N/A	805	-
<u>CENTERS OF MEDICARE AND MEDICAID SERVICES</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF MEDICAL ASSISTANCE:				
MEDICAID CLUSTER:				
DIRECT BENEFIT PAYMENTS:				
MEDICAL ASSISTANCE PROGRAM	93.778	N/A	110,712,249	61,858,528
MEDICAL ASSISTANCE ADMIN	93.778	N/A	1,033,901	-
ELIGIBILITY WORKERS ADMIN - MA	93.778	N/A	16,767	16,767
ADULT CARE HOME CASE MANAGEMENT	93.778	N/A	<u>18,216</u>	<u>9,108</u>
TOTAL MEDICAID CLUSTER			<u>111,781,133</u>	<u>61,884,403</u>
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	N/A	<u>47,984</u>	<u>5,570</u>
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			<u>124,430,205</u>	<u>63,753,038</u>
<u>U.S DEPT. OF JUSTICE</u>				
JAG PROGRAM CLUSTER:				
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG)				
PROGRAM/GRANTS TO STATES AND TERRITORIES (ARRA)	16.803	2009-SB-B9-2751	16,540	-
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2009-DJ-BX-1091	6,846	-
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2012-DJ-BX-0999	11,112	-
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2011-DJ-BX-2550	<u>2,071</u>	<u>-</u>
TOTAL U.S. DEPT. OF JUSTICE			<u>36,569</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>132,175,775</u>	<u>63,795,531</u>
STATE AWARDS:				
<u>N.C. DEPT. OF HEALTH AND HUMAN SERVICES</u>				
DIVISION OF PUBLIC HEALTH:				
ENVIRONMENTAL HEALTH				\$ 4,000
ENVIRONMENTAL	N/A	N/A		6,795
GENERAL COMMUNICABLE DISEASE CONTROL	N/A	N/A		3,806
FOOD AND LODGING	N/A	N/A		15,222
GENERAL AID TO COUNTIES	N/A	N/A		147,485
MOSQUITO- PUBLIC HEALTH PESTICIDE	N/A	N/A		2,795
TUBERCULOSIS	N/A	N/A		29,899
WOMEN'S HEALTH SERVICES FUND	N/A	N/A		30,352
RISK REDUCTION/HEALTH PROMOTION	N/A	N/A		6,206
SPAY/NEUTER PROGRAM	N/A	N/A		16,871
HEALTHY COMMUNITIES	N/A	N/A		2,839
PUBLIC HEALTH NURSING	N/A	N/A		1,800
TB MEDICAL SERVICE	N/A	N/A		787
SCHOOL NURSE FUNDING INITIATIVE	N/A	N/A		400,000

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
DIVISION OF SOCIAL SERVICES:				
DIRECT BENEFIT PAYMENTS:				
SPECIAL ASSISTANCE TO ADULTS	N/A	N/A		1,095,115
STATE FOSTER CARE	N/A	N/A		258,372
SHARE THE WARMTH	N/A	N/A		7,780
AFDC PROGRAM INTEGRITY/INCENTIVES	N/A	N/A		3,901
PASSED THROUGH PIEDMONT TRIAD COUNCIL OF GOVERNMENTS:				
SENIOR CENTER GENERAL PURPOSE	N/A	N/A		<u>23,505</u>
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				<u>2,057,530</u>
<u>N.C. DEPT. OF CULTURAL RESOURCES</u>				
DIVISION OF STATE LIBRARY:				
AID TO PUBLIC LIBRARIES	N/A	N/A		<u>179,596</u>
<u>N.C. DEPT. OF ADMINISTRATION</u>				
DIVISION OF VETERANS AFFAIRS:				
VETERAN'S ADMINISTRATION	N/A	N/A		<u>1,452</u>
<u>N.C. DEPT. OF ENVIRONMENT AND NATURAL RESOURCES</u>				
TECHNICAL ASSISTANCE	N/A	N/A		<u>25,500</u>
<u>N.C. DEPT. OF TRANSPORTATION</u>				
PUBLIC TRANSPORTATION DIVISION:				
RURAL OPERATING ASSISTANCE PROGRAM (ROAP)				
ROAP ELDERLY AND DISABLED TRANSPORTATION	N/A	36235.19.1.2		99,484
ROAP RURAL GENERAL PUBLIC TRANSPORTATION	N/A	36228.22.5.1		138,121
ROAP WORKFIRST	N/A	36235.19.2.2		<u>39,867</u>
TOTAL N.C. DEPT. OF TRANSPORTATION				<u>277,472</u>
<u>N.C. DEPT. OF PUBLIC INSTRUCTION</u>				
PUBLIC SCHOOL BUILDING CAPITAL FUND	N/A	N/A		<u>1,649,460</u>
<u>N.C. OFFICE OF JUVENILE JUSTICE</u>				
JUVENILE JUSTICE AND DELINQUENCY PREVENTION	N/A	N/A		<u>479,479</u>
TOTAL STATE AWARDS				<u>4,670,489</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 132,175,775</u>	<u>\$ 68,466,020</u>

**DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2013**

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. Sub-recipients

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

<u>Sub-recipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Family Services of Davidson County	Juvenile Justice and Delinquency Prevention	N/A	\$ 313,346
Davidson County Schools	Juvenile Justice and Delinquency Prevention	N/A	39,075
The Life Center	Special Programs for Aging	N/A	121,754
Mills Home	Juvenile Justice and Delinquency Prevention	N/A	17,750
Project Challenge, Inc.	Juvenile Justice and Delinquency Prevention	N/A	60,084
Piedmont Mediation	Juvenile Justice and Delinquency Prevention	N/A	34,191

3. The following are clustered by the NC Department of Health and Human Services and are treated separately for

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