

**DAVIDSON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2014

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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
Lexington, 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, 2014, 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 December 17, 2014.

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, NC
December 17, 2014

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 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
Lexington, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Davidson County, North Carolina'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, 2014. 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, 2014.

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, 2014, and the related Notes to the Financial Statements, which collectively comprise Davidson County's basic financial statements, and have issued our report thereon dated December 17, 2014, 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, NC
December 17, 2014

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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
Lexington, North Carolina

Report On Compliance for Each Major State Program

We have audited Davidson County, North Carolina'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, 2014. 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, 2014.

Report On Internal Control Over Compliance

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.

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, 2014, and the related Notes to the Financial Statements, which collectively comprise Davidson County's basic financial statements. We have issued our report thereon dated December 17, 2014, 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, NC
December 17, 2014

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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 | 93.775, 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 |
| State Children's Insurance Program (Health Choice) | 93.767 |

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

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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)? No

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
- Children's Health Insurance Program (Health Choice)
- SC/SA Domiciliary Care (Special Assistance for Adults)
- Maternal and Child Health Services Block Grant
- CWS Adoption Subsidy
- ROAP Cluster
- Subsidized Child Care Cluster
- In-Home Services – State Funds 90%

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

None

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

None

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

None

DAVIDSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Not applicable - no findings in prior year.

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2014**

| 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 | 36237.19.12.1 | \$ 47,716 | - |
| AIRPORT IMPROVEMENT PROGRAM | 20.106 | 36237.19.13.1 | 20,679 | - |
| AIRPORT IMPROVEMENT PROGRAM | 20.106 | 36237.19.14.1 | 15,025 | - |
| <u>FEDERAL TRANSIT ADMINISTRATION</u> | | | | |
| PASSED THROUGH N.C. DEPT. OF TRANSPORTATION: | | | | |
| FORMULA GRANTS FOR RURAL AREAS | 20.509 | 36233.34.15.1 | 161,853 | 10,115 |
| TRANSIT SERVICES PROGRAMS CLUSTER | | | | |
| ENHANCED MOBILITY FOR SENIORS AND INDIVIDUALS WITH DISABILITIES | 20.513 | 51001.58.1.3 | 96,086 | 12,591 |
| TOTAL U.S. DEPT. OF TRANSPORTATION | | | 341,359 | 22,706 |
| <u>U.S. DEPT. OF AGRICULTURE</u> | | | | |
| PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES | | | | |
| DIVISION OF SOCIAL SERVICES: | | | | |
| SNAP CLUSTER | | | | |
| STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - ADMIN | 10.561 | N/A | 1,043,915 | - |
| STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION | 10.561 | N/A | 72,885 | - |
| TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER | | | 1,116,800 | - |
| 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 | 814,309 | - |
| DIRECT BENEFIT PAYMENTS: | | | | |
| SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN | | | | |
| | 10.557 | N/A | 3,185,986 | - |
| CHILD NUTRITION CLUSTER: | | | | |
| SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSPC) | | | | |
| | 10.559 | N/A | 2,136 | - |
| TOTAL U.S. DEPT. OF AGRICULTURE | | | 5,119,231 | - |
| <u>U.S. DEPT. OF COMMERCE</u> | | | | |
| PASSED THROUGH N.C. DEPT. OF COMMERCE: | | | | |
| DIVISION OF COMMUNITY DEVELOPMENT: | | | | |
| CDBG - STATE-ADMINISTERED CDBG CLUSTER: | | | | |
| COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON- ENTITLEMENT GRANTS IN HAWAII - LOLLY WOLLY DOODLE | | | | |
| | 14.228 | 11-E-2263 | 432,288 | - |
| TOTAL U.S. DEPT. OF COMMERCE | | | 432,288 | - |
| <u>U.S. DEPT. OF HOMELAND SECURITY</u> | | | | |
| PASSED THROUGH N.C. DEPT. OF CRIME CONTROL AND PUBLIC SAFETY: | | | | |
| EMERGENCY MANAGEMENT PERFORMANCE GRANT | | | | |
| | 97.042 | N/A | 46,864 | - |
| EMERGENCY MANAGEMENT PERFORMANCE GRANT | | | | |
| | 97.042 | N/A | 8,900 | - |
| TOTAL U.S. DEPT. OF HOMELAND SECURITY | | | 55,764 | - |

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2014

| 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 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 | 13-2020 | \$ 333,579 | \$ - |
| WORKFORCE INVESTMENT ACT ADULT PROGRAM | 17.258 | 12-2020 | 49,424 | - |
| WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES | 17.259 | 12-2040 | 157,041 | - |
| WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES | 17.259 | 13-2040 | 252,161 | - |
| WORKFORCE INVESTMENT ACT ADULT PROGRAM | 17.258 | 13-2050 | 2,030 | - |
| WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES | 17.259 | 13-2050 | 2,621 | - |
| WORKFORCE INVESTMENT ACT ADULT PROGRAM | 17.258 | 12-2010 | 9,485 | - |
| WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES | 17.259 | 12-2010 | 12,252 | - |
| WORKFORCE INVESTMENT ACT ADULT PROGRAM | 17.258 | 13-2010 | 16,446 | - |
| WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES | 17.259 | 13-2010 | 21,243 | - |
| TOTAL WORKFORCE INVESTMENT ACT CLUSTER | | | <u>856,282</u> | <u>-</u> |
| WORKFORCE INVESTMENT ACT DISLOCATED WORKERS | 17.260 | 12-2030 | 101,941 | - |
| WORKFORCE INVESTMENT ACT DISLOCATED WORKERS | 17.260 | 13-2030 | 238,463 | - |
| WORKFORCE INVESTMENT ACT DISLOCATED WORKERS | 17.260 | 13-2050 | 3,805 | - |
| WORKFORCE INVESTMENT ACT DISLOCATED WORKERS | 17.260 | 12-2010 | 17,784 | - |
| WORKFORCE INVESTMENT ACT DISLOCATED WORKERS | 17.260 | 13-2010 | 30,836 | - |
| TOTAL U.S. DEPT. OF LABOR | | | <u>1,249,111</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 (TANF) STATE PROGRAMS: | | | | |
| ADMINISTRATION | 93.558 | N/A | 1,045,618 | - |
| DIRECT BENEFIT PAYMENTS | 93.558 | N/A | 750,521 | (83) |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | N/A | 12,809 | - |
| TOTAL TANF CLUSTER | | | <u>1,808,948</u> | <u>(83)</u> |
| FAMILY PRESERVATION | 93.556 | N/A | 19,096 | - |
| CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION | 93.563 | N/A | 958,453 | - |
| LOW INCOME ENERGY ASSISTANCE: | | | | |
| ADMINISTRATION | 93.568 | N/A | 114,231 | - |
| HOME ENERGY ASSISTANCE ADMIN | 93.568 | N/A | 703,600 | - |
| CRISIS INTERVENTION PAYMENTS | 93.568 | N/A | 543,839 | - |
| STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM - PERM PLANNING | 93.645 | N/A | 111,716 | - |
| DIRECT BENEFITS: | | | | |
| AFDC PAYMENTS & PENALTIES | 93.560 | N/A | (1,023) | (280) |
| FOSTER CARE AND ADOPTION CLUSTER (NOTE 3): | | | | |
| IV-E FOSTER CARE - DIRECT BENEFIT | 93.658 | N/A | 356,224 | 116,827 |
| IV-E FOSTER CARE TRN/OFF TRN | 93.658 | N/A | 184,668 | - |
| IV-E CPS | 93.658 | N/A | 60,589 | 114,269 |
| FOSTER CARE - ADMIN | 93.658 | N/A | 284,932 | 122,995 |
| IV-E OPTIONAL ADOPTION ASSISTANCE TRAINING | 93.659 | N/A | 9,782 | - |
| ADOPTION ASSISTANCE - DIRECT BENEFIT | 93.659 | N/A | 505,289 | 131,839 |
| ADOPTION ASSISTANCE IV-E- VENDOR PAYMENTS | 93.659 | N/A | 1,400 | 700 |
| ADOPTION ASSISTANCE IV-B- VENDOR PAYMENTS | | N/A | - | 6,301 |
| TOTAL FOSTER CARE AND ADOPTION CLUSTER (NOTE 3) | | | <u>1,402,884</u> | <u>492,931</u> |
| SOCIAL SERVICES BLOCK GRANT - OTHER SVCS & TRNG | 93.667 | N/A | 329,918 | 36,528 |
| SOCIAL SERVICES BLOCK GRANT | 93.667 | N/A | - | 12,500 |
| SOCIAL SERVICES BLOCK GRANT-IN HOME SERVICES | 93.667 | N/A | 57,438 | - |
| SOCIAL SERVICES BLOCK GRANT-ADULT DAY CARE | 93.667 | N/A | 45,685 | 41,618 |
| CHAFEE FOSTER CARE LINKS - ADMIN | 93.674 | N/A | 22,242 | 5,560 |
| CHAFEE FOSTER CARE INDEPENDENCE LIVING TRANSITIONAL - DIRECT BENEFIT | 93.674 | N/A | 12,648 | - |

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2014**

| 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> | | | | |
| SUBSIDIZED CHILD CARE (NOTE 3): | | | | |
| CHILD CARE DEVELOPMENT FUND CLUSTER: | | | | |
| DIVISION OF SOCIAL SERVICES: | | | | |
| CHILD CARE DEVELOPMENT FUND - ADMINISTRATION | 93.596 | N/A | \$ 203,274 | \$ - |
| DIVISION OF CHILD DEVELOPMENT: | | | | |
| CHILD CARE AND DEVELOPMENT FUND - DISCRETIONARY | 93.575 | N/A | 1,858,004 | - |
| CHILD CARE AND DEVELOPMENT FUND - MANDATORY | 93.596 | N/A | 1,340,335 | - |
| CHILD CARE AND DEVELOPMENT FUND - MATCH | 93.596 | N/A | 287,890 | - |
| TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER | | | 3,689,503 | - |
| TEMPORARY ASSISTANCE FOR NEEDY FAMILIES | 93.558 | N/A | 1,058,597 | - |
| FOSTER CARE TITLE IV-E | 93.658 | N/A | 53,547 | 27,933 |
| STATE APPROPRIATIONS | | N/A | - | 159,107 |
| TANF-MOE | | N/A | - | 184,505 |
| TOTAL SUBSIDIZED CHILD CARE CLUSTER (NOTE 3) | | | 4,801,647 | 371,545 |
| <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 | 42,887 | - |
| ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE | 93.070 | N/A | 7,750 | - |
| IMMUNIZATION GRANTS | 93.268 | N/A | 41,386 | - |
| CENTERS FOR DISEASE CONTROL AND PREVENTION, INVESTIGATIONS, AND TECHNICAL ASSISTANCE | | | | |
| OPPORTUNITIES FOR STATES, TRIBES, AND TERRITORIES SOLELY FINANCED BY 2012 PREVENTION AND PUBLIC HEALTH FUNDS | 93.283 | N/A | 3,825 | - |
| COOPERATIVE AGREEMENTS FOR STATE-BASED COMPREHENSIVE BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAMS | 93.744 | N/A | 1,046 | - |
| ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL | 93.919 | N/A | 27,582 | 12,240 |
| STATEWIDE HEALTH PROMOTION PROGRAM | 93.945 | N/A | 242,447 | - |
| | 93.991 | N/A | 10,783 | - |
| <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 | 109,093 | 437,863 |
| <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 | 71,020 | - |
| <u>ADMINISTRATION ON AGING</u> | | | | |
| PASSED THROUGH PIEDMONT TRIAD COUNCIL OF GOVERNMENTS: | | | | |
| AGING CLUSTER: | | | | |
| SPECIAL PROGRAMS FOR AGING, TITLE III-B | | | | |
| GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS | 93.044 | N/A | 164,762 | 22,437 |
| SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES | | | | |
| CONGREGATE MEALS | 93.045 | N/A | 134,991 | 7,947 |
| SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES | | | | |
| HOME DELIVERED MEALS | 93.045 | N/A | 94,489 | 74,847 |
| NUTRITION SERVICES INCENTIVE PROGRAM SUPPLEMENT | 93.053 | N/A | 67,377 | - |
| TOTAL AGING CLUSTER | | | 461,619 | 105,231 |
| SPECIAL PROGRAMS FOR AGING, TITLE III-D | | | | |
| DISEASE PREVENTION AND HEALTH PROMOTION SERVICES | 93.043 | N/A | 1,360 | 80 |

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2014

| 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>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 | \$ 119,539,784 | \$ 65,120,083 |
| ADMINISTRATION: | | | | |
| MEDICAL ASSISTANCE ADMIN | 93.778 | N/A | 1,063,058 | - |
| MA EXPANSION - ADMIN | 93.778 | N/A | 20,057 | 20,057 |
| STATE/COUNTY SPEC. ASSISTANCE | 93.778 | N/A | 33,845 | - |
| ADULT CARE HOME CASE MANAGEMENT | 93.778 | N/A | 11,783 | 5,892 |
| TOTAL MEDICAID CLUSTER | | | <u>120,668,527</u> | <u>65,146,032</u> |
| STATE CHILDREN'S INSURANCE PROGRAM NC HEALTH CHOICE - ADMIN | 93.767 | N/A | 22,583 | 6,157 |
| STATE CHILDREN'S INSURANCE PROGRAM - DIRECT BENEFIT | 93.767 | N/A | 4,805,238 | 1,515,630 |
| TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES | | | <u>137,448,468</u> | <u>68,183,552</u> |
| <u>U.S. DEPT. OF JUSTICE</u> | | | | |
| JAG PROGRAM CLUSTER: | | | | |
| EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM | 16.738 | 2013-DJ-BX-0524 | 11,853 | - |
| EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM | 16.738 | 2012-DJ-BX-0999 | 1,495 | - |
| TOTAL U.S. DEPT. OF JUSTICE | | | <u>13,348</u> | <u>-</u> |
| TOTAL FEDERAL AWARDS | | | <u>144,659,569</u> | <u>68,206,258</u> |
| STATE AWARDS: | | | | |
| <u>N.C. DEPT. OF HEALTH AND HUMAN SERVICES</u> | | | | |
| DIVISION OF PUBLIC HEALTH: | | | | |
| OTHER RECEIPTS / STATE SUPPORTED EXPENDITURES | | | | |
| ENVIRONMENTAL HEALTH | N/A | N/A | | \$ 4,000 |
| MATERNAL HEALTH (HMHC) | N/A | N/A | | 8,130 |
| GENERAL COMMUNICABLE DISEASE CONTROL | N/A | N/A | | 3,806 |
| FOOD AND LODGING FEES | N/A | N/A | | 22,912 |
| GENERAL AID TO COUNTIES | N/A | N/A | | 147,485 |
| MOSQUITO - PUBLIC HEALTH PESTICIDE | N/A | N/A | | 3,193 |
| TUBERCULOSIS | N/A | N/A | | 29,899 |
| WOMEN'S HEALTH SERVICE FUND | N/A | N/A | | 30,503 |
| RISK REDUCTION/HEALTH PROMOTION | N/A | N/A | | 6,285 |
| SPA/NEUTER PROGRAM | N/A | N/A | | 8,157 |
| TB MEDICAL SERVICE | N/A | N/A | | 787 |
| SCHOOL NURSE FUNDING INITIATIVE | N/A | N/A | | 45,293 |
| DIVISION OF SOCIAL SERVICES: | | | | |
| DIRECT BENEFIT PAYMENTS: | | | | |
| SC/SA DOMICILIARY CARE | N/A | N/A | | 991,322 |
| CWS ADOPT SUBSIDY | N/A | N/A | | 636,447 |
| F/C AT RISK MAXIMIZATION | N/A | N/A | | 124 |
| SFHF MAXIMIZATION | N/A | N/A | | 218,633 |
| STATE FOSTER HOME | N/A | N/A | | 87,004 |
| ADMIN: | | | | |
| ENERGY ASSIST PRIVATE GRANT - SHARE THE WARMTH | N/A | N/A | | 7,283 |
| AFDC INCENT/PROGRAM INTEGRITY | N/A | N/A | | 2,306 |
| DIVISION OF AGING AND ADULT SERVICES: | | | | |
| PASSED THROUGH PIEDMONT TRIAD | | | | |
| COUNCIL OF GOVERNMENTS: | | | | |
| IN-HOME SERVICES - STATE FUNDS 90% | N/A | N/A | | 402,444 |
| IN-HOME SERVICES - CAREGIVER MATCH | N/A | N/A | | 25,362 |
| SENIOR CENTER GENERAL PURPOSE | N/A | N/A | | <u>23,360</u> |
| TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES | | | | <u>2,704,735</u> |

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2014**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Expenditures | State Expenditures |
|------------------------------------------------------------|---------------------------|-------------------------------------|-------------------------|-----------------------|
| <u>N.C. DEPT. OF CULTURAL RESOURCES</u> | | | | |
| DIVISION OF STATE LIBRARY: | | | | |
| AID TO PUBLIC LIBRARIES | N/A | N/A | | 179,045 |
| <u>N.C. DEPT. OF ADMINISTRATION</u> | | | | |
| DIVISION OF VETERANS AFFAIRS: | | | | |
| VETERAN'S ADMINISTRATION | N/A | N/A | | 1,452 |
| <u>N.C. DEPT. OF ENVIRONMENT AND NATURAL RESOURCES</u> | | | | |
| TECHNICAL ASSISTANCE | | | | |
| PART F GRANT | N/A | N/A | | 26,583 |
| | N/A | N/A | | 94,724 |
| TOTAL NC DEPT. OF ENVIRONMENT AND NATURAL RESOURCES | | | | 121,307 |
| <u>N.C. DEPT. OF TRANSPORTATION</u> | | | | |
| PUBLIC TRANSPORTATION DIVISION: | | | | |
| RURAL OPERATING ASSISTANCE PROGRAM (ROAP) CLUSTER: | | | | |
| ROAP ELDERLY AND DISABLED TRANSPORTATION | N/A | 36220.10.4.1 | | 108,007 |
| ROAP RURAL GENERAL PUBLIC TRANSPORTATION | N/A | 36228.22.5.1 | | 160,142 |
| ROAP WORKFIRST | N/A | 36236.11.3.1 | | 38,997 |
| TOTAL N.C. DEPT. OF TRANSPORTATION | | | | 307,146 |
| <u>N.C. DEPT. OF PUBLIC INSTRUCTION</u> | | | | |
| PUBLIC SCHOOL BUILDING CAPITAL FUND | N/A | N/A | | 4,649,460 |
| <u>N.C. OFFICE OF JUVENILE JUSTICE</u> | | | | |
| JUVENILE JUSTICE AND DELINQUENCY PREVENTION | N/A | N/A | | 501,530 |
| TOTAL STATE AWARDS | | | | 8,464,675 |
| TOTAL FEDERAL AND STATE AWARDS | | | \$ 144,659,569 | \$ 76,670,933 |

**DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2014**

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 | \$ 330,153 |
| Davidson County Schools | Juvenile Justice and Delinquency Prevention | N/A | 39,075 |
| The Life Center | Special Programs for Aging | N/A | 117,914 |
| Barium Springs | Juvenile Justice and Delinquency Prevention | N/A | 28,778 |
| Project Challenge, Inc. | Juvenile Justice and Delinquency Prevention | N/A | 60,454 |
| Piedmont Mediation | Juvenile Justice and Delinquency Prevention | N/A | 28,241 |

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.