DAVIDSON COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2019

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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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2019, not presented here, 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 22, 2019. The financial statements of the Davidson County ABC Board were not audited in accordance with *Government Auditing Standards.*

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 the 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ **www.martinstarnes.com**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Davidson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 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 22, 2019

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of 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 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 Davidson County's major federal programs for the year ended June 30, 2019. Davidson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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.

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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, 2019.

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 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 federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 and; therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-001, that we consider to be a material weakness.

Davidson County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Davidson County's response was not subjected to the auditing procedures applied in the audit of compliance and; accordingly, we express no opinion on the response.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davidson County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated November 22, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 Uniform Guidance 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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 taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 22, 2019

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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 Required by Uniform Guidance; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Davidson County
Lexington, North Carolina

Report On Compliance for Each Major State Program

We have audited the compliance of Davidson County, North Carolina, with the types of compliance requirements described in 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 Davidson County's major state programs for the year ended June 30, 2019. Davidson County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards 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; applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina,* and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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.

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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 other major state programs for the year ended June 30, 2019.

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 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 the Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davidson County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated November 22, 2019, 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 Uniform Guidance 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 22, 2019

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None reported
Non-compliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(s) identified?	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 2 CFR 200.516 (a)?	Yes

Identification of major federal programs:

Federal Program	CFDA #
TANF Cluster	93.558
Medicaid Cluster	93.778
WIC	10.557
SSBG	93.667
Community Development Block Grant	14.228
Rural Economic Development Loans and Grants	10.854

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	No

State Awards

Internal control over major state programs:

• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	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
Public School Building Capital Fund
Industrial Development Fund – Egger Wood

2. Financial Statement Findings

None reported

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

3. Federal Award Findings, Responses, and Questioned Costs

US Department of Health and Human Services
Passed through the NC Dept. of Health and Human Services
Program Name: TANF Cluster
CFDA# 93.558
Grant Number: G1901NCTANF

Finding 2019-001

Material Weakness

Criteria: In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that active cases are eligible for benefits and that closed casefiles are terminated or redetermined timely, and to properly review and assess the eligibility of individuals to ensure the accuracy of benefits being provided is within program requirements. Management must monitor activities under federal awards to assure compliance with federal requirements.

Condition: Two participants did not have the income eligibility and verification (IEVS) in the casefile. Upon further review, both participants were determined to be eligible.

Context: Of the 339 TANF participants, we examined 60. We determined the above condition applied to two participants (3%). These applicants' files lacked information available for eligibility determination. The applicants received benefits during the fiscal year without documentation of the IEVS.

Effect: Participants could receive benefits for which they are not eligible.

Cause: The caseworker failed to perform the IEVS for the applicant and, therefore did not obtain sufficient documentation to determine eligibility.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2018-002, modified.

Questioned Costs: None. The County was able to substantiate that the applicants were eligible to receive benefits.

Recommendation: Caseworkers should perform the IEVS on a timely basis.

View of Responsible Officials and Planned Corrective Actions: See Corrective Action Plan submitted with this report.

4. State Award Findings, Responses, and Questioned Costs

None.

DAVIDSON COUNTY
DEPARTMENT OF SOCIAL SERVICES
Dale Moorefield, Director

Lexington DSS Office	Thomasville DSS Office	Lexington Child Support Office	Thomasville Child Support Office
P.O. Box 788	PO Box 2656	PO Box 788	PO Box 2656
913 Greensboro Street	211 W. Colonial Drive	913 Greensboro Street	211 W. Colonial Drive
Lexington, North Carolina 27293	Thomasville, North Carolina 27361	Lexington, North Carolina 27293	Thomasville, North Carolina 27361
336-242-2500	336-474-2760	336-242-2242	336-474-2609
FAX: 336-249-7588	FAX: 336-472-6635	FAX: 336-242-1236	FAX: 336-474-2620

CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Finding: **2019-001**

Name of Contact Person: Elizabeth Huff, IM Program Administrator

Corrective Action/Management's Response:

Additional training will be given to all Work First/TANF staff on the completion and IEVS for all cases and well as documentation if no results are returned. Training will be completed in unit meetings and/or by the agency Income Maintenance Trainer.

Proposed Completion Date: January 31, 2020

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Material Weakness/Material Non-Compliance

Finding 2018-001

Status: Corrected

Material Weakness

Finding 2018-002

Status: Modified and repeated as finding 2019-001

Significant Deficiency

Finding 2018-003

Status: Corrected

Significant Deficiency

Finding 2018-004

Status: Corrected

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed -Through To Subrecipients
FEDERAL AWARDS:					
U.S. DEPT. OF TRANSPORTATION					
FEDERAL HIGHWAY ADMINISTRATION					
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:					
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	34156.3.GV2	$ 81,840	$ -	$ -
PASSED THROUGH NC STATE UNIVERSITY:					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	44907.1.1	37,219	-	-
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			119,059	-	-
FEDERAL TRANSIT ADMINISTRATION					
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:					
FEDERAL TRANSIT CLUSTER					
FEDERAL TRANSIT FORMULA GRANTS	20.507	36231.24.3.2	21,589	-	-
FEDERAL TRANSIT FORMULA GRANTS	20.507	36231.24.4.2	80,000	-	-
BUSES AND BUS FACILITIES FORMULA PROGRAM	20.526	44637.18.2.3	104,044	13,005	-
PASSED THROUGH CITY OF WINSTON SALEM:					
FEDERAL TRANSIT FORMULA GRANTS	20.507	36231.24.3.2	15,828	-	-
TOTAL FEDERAL TRANSIT CLUSTER			221,461	13,005	-
PASSED THROUGH N.C. DEPT. OF PUBLIC SAFETY:					
DIVISION OF EMERGENCY MANAGEMENT					
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703	HM-HMP-0544-16-02-00-1700	3,960	-	-
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:					
FORMULA GRANTS FOR RURAL AREAS	20.509	36233.34.20.1	183,796	11,487	-
TRANSIT SERVICES PROGRAMS CLUSTER					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.6.3	193,259	24,201	-
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER			193,259	24,201	-
RECREATIONAL TRAILS PROGRAM					
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:					
DANIEL BOONE HERITAGE CANOE TRAIL- WILCOX BRIDGE/YORK HILL ACCESS	20.219	RTP2018-43P001	27,017	-	-
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:					
PASSED THROUGH TOURISM-RECREATION INVESTMENT PARTNERSHIP FOR DC:					
DANIEL BOONE HERITAGE CANOE TRAIL- HIGHWAY 64 ACCESS	20.219	RTP2016-25P001	48,750	-	-
TOTAL RECREATIONAL TRAILS PROGRAM			75,767	-	-
TOTAL U.S DEPT. OF TRANSPORTATION			797,302	48,693	-
U.S. DEPT. OF AGRICULTURE					
FOOD AND NUTRITION SERVICE					
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES					
DIVISION OF SOCIAL SERVICES:					
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER					
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - ADMIN	10.561	195NC406S2514	1,025,769	-	-
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION	10.561	195NC406S2514	7,899	-	-
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			1,033,668	-	-
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:					
DIVISION OF PUBLIC HEALTH:					
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	13A2540	720,554	-	-
RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS					
PASSED THROUGH ENERGYUNITED ELECTRIC MEMBERSHIP CORP:					
EGGER WOOD PRODUCTS LOAN	10.854	2014	2,000,000	-	-
TOTAL U.S DEPT. OF AGRICULTURE			3,754,222	-	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed -Through To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U.S. DEPT. OF HOUSING AND URBAN DEVLOPMENT					
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT					
PASSED THROUGH N.C. DEPT. OF COMMERCE:					
RURAL ECONOMIC DEVELOPMENT DIVISION:					
COMMUNITY DEVEOLPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII - EGGER WOOD PRODUCTS NATURAL GAS PROJECT	14.228	16-E-2933	$ 1,035,790	$ -	$ -
COMMUNITY DEVEOLPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII - EGGER WOOD PRODUCTS PROJECT LOAN	14.228	13-S-2628	49,375	-	-
COMMUNITY DEVEOLPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII - THOMSON PLASTICS	14.228	13-E-2646	130,972	-	-
TOTAL U.S DEPT. OF HOUSING AND URBAN DEVLOPMENT			1,216,137	-	-
U.S. DEPT. OF HOMELAND SECURITY					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
PASSED THROUGH N.C. DEPT OF PUBLIC SAFETY:					
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	EMA-2018-EP-00007	52,899	-	-
PASSED THROUGH N.C. DEPT OF PUBLIC SAFETY:					
HOMELAND SECURITY GRANT PROGRAM	97.067	EMW-2018-SS-00053	101,441	-	-
PASSED THROUGH N.C. DEPT OF PUBLIC SAFETY:					
DISASTER GRANTS- PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	97.036	FEMA-4393-DR-NC	65,933	-	-
TOTAL U.S. DEPT. OF HOMELAND SECURITY			220,273	-	-
U. S. DEPT. OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
PASSED THROUGH N.C. DEPT. OF COMMERCE:					
DIVISION OF EMPLOYMENT AND TRAINING:					
WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER:					
WIOA ADULT PROGRAM	17.258	18-2020	288,447	-	-
WIOA ADULT PROGRAM	17.258	17-2020	58,443	-	-
WIOA YOUTH ACTIVITIES	17.259	18-2040	209,459	-	-
WIOA YOUTH ACTIVITIES	17.259	17-2040	63,757	-	-
WIOA ADULT PROGRAM	17.258	18-2010	19,676	-	-
WIOA YOUTH ACTIVITIES	17.259	18-2010	19,131	-	-
WIOA ADULT PROGRAM	17.258	17-2010	17,672	-	-
WIOA YOUTH ACTIVITIES	17.259	17-2010	16,269	-	-
WIOA YOUTH ACTIVITIES	17.259	17-2050	45,566	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	18-2030	108,661	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	17-2030	29,153	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	18-2010	16,267	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	17-2010	10,939	-	-
TOTAL WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER			903,440	-	-
WIA DISLOCATED WORKER GRANTS	17.260	16-2050	15,176	-	-
WIA DISLOCATED WORKER GRANTS	17.260	18-2050	5,977	-	-
WIA DISLOCATED WORKER GRANTS	17.260	17-2050	73,095	-	-
TOTAL U.S. DEPT. OF LABOR			997,688	-	-
U. S. DEPT. OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES					
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:					
DIVISION OF SOCIAL SERVICES:					
TANF CLUSTER:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES STATE PROGRAMS - ADMINISTRATION	93.558	1901NCTANF	761,638	-	-
DIVISION OF PUBLIC HEALTH:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES STATE PROGRAMS	93.558	13A1515	20,735	-	-
TOTAL TANF CLUSTER			782,373	-	-
SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3):					
PROMOTING SAFE AND STABLE FAMILIES	93.556	1901NCFPSS	71,373	-	-
SPECIAL CHILDREN ADOPTION			-	48,000	-
TOTAL SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3)			71,373	48,000	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed -Through To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
ADMINISTRATION FOR CHILDREN AND FAMILIES (CONTINUED)					
CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION	93.563	1904NC4005	$ 1,070,735	$ -	$ -
LOW-INCOME HOME ENERGY ASSISTANCE- ADMINISTRATION	93.568	G19B1NCLIEA	105,662	-	-
LOW-INCOME HOME ENERGY ASSISTANCE- HOME ENERGY ASSISTANCE ADMIN	93.568	G19B1NCLIEA	507,408	-	-
LOW-INCOME HOME ENERGY ASSISTANCE- CRISIS INTERVENTION PAYMENTS	93.568	G19B1NCLIEA	203,883	-	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM - PERM PLANNING	93.645	G1901NCCWSS	55,020	-	-
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN					-
SERVICES (CONTINUED):					-
FOSTER CARE AND ADOPTION CLUSTER (NOTE 3):					
FOSTER CARE TITLE IV-E- CPS	93.658	1901NCFOST	116,345	365,993	-
FOSTER CARE TITLE IV-E- ADMIN	93.658	1901NCFOST	1,689,532	303,519	-
ADOPTION ASSISTANCE- IV-E OPTIONAL TRAINING	93.659	1901NCFOST	13,420	-	-
ADOPTION ASSISTANCE- IV-E VENDOR PAYMENTS	93.659	1901NCFOST	4,357	2,352	-
ADOPTION ASSISTANCE- IV-B VENDOR PAYMENTS	93.659	1901NCFOST	-	17,746	-
TOTAL FOSTER CARE AND ADOPTION CLUSTER (NOTE 3)			1,823,654	689,610	-
SOCIAL SERVICES BLOCK GRANT- OTHER SVCS & TRNG	93.667	G1901NCSOSR	461,768	-	-
SOCIAL SERVICES BLOCK GRANT- IN HOME SERVICES	93.667	G1901NCSOSR	54,748	-	-
SOCIAL SERVICES BLOCK GRANT- ADULT DAY CARE	93.667	G1901NCSOSR	64,978	54,631	-
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM - ADMIN	93.674	G1901NCCILP	18,258	4,564	-
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	G1901NCCILP	23,606	-	-
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM -TRANSITIONAL DB	93.674	G1901NCCILP	20,963	-	-
U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
ADMINISTRATION FOR CHILDREN AND FAMILIES (CONTINUED)					
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED):					
SUBSIDIZED CHILD CARE CLUSTER (NOTE 3):					
CHILD CARE DEVELOPMENT FUND CLUSTER:					
DIVISION OF SOCIAL SERVICES:					
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND - ADMIN	93.596	G1901NCCCDF	254,312	-	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER			254,312	-	-
TOTAL SUBSIDIZED CHILD CARE CLUSTER (NOTE 3)			254,312	-	-
CENTERS FOR DISEASE CONTROL AND PREVENTION					
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:					
DIVISION OF PUBLIC HEALTH:					
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069	1264268	3,650	-	-
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS	93.074	1264268	39,313	-	-
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAM	93.116	1460272	50	-	-
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	41,386	-	-
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL, AND TRIBAL ORGANIZATIONS	93.898	1320310	31,620	-	-
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	1261550	23,131	-	-
HIV CLUSTER (NOTE 3)					
SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS	93.977	1311462	100	-	-
TOTAL HIV CLUSTER (NOTE 3)			100	-	-
HEALTH RESOURCES AND SERVICES ADMINISTRATION					
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	1271574	56,541	8,213	-
OFFICE OF POPULATION AFFAIRS					
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:					
DIVISION OF PUBLIC HEALTH:					
FAMILY PLANNING SERVICES	93.217	13A1592	51,050	-	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed -Through To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
ADMINISTRATION FOR COMMUNITY LIVING					
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL:					
AGING CLUSTER:					
SPECIAL PROGRAMS FOR AGING, TITLE III, PART B, GRANTS FOR SUPORTIVE SERVICES AND SENIOR CENTERS	93.044	GO35	$ 229,798	$ 46,268	$ 43,139
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES-CONGREGATE MEALS	93.045	GO35	132,721	7,814	-
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES-HOME DELIVERED MEALS	93.045	GO35	113,449	82,288	-
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	GO35	64,033	-	-
TOTAL AGING CLUSTER			540,001	136,370	43,139
U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
CENTERS OF MEDICARE AND MEDICAID SERVICES					
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:					
DIVISION OF HEALTH BENEFITS:					
MEDICAID CLUSTER:					
ADMINISTRATION:					
MEDICAL ASSISTANCE PROGRAM - ADMIN	93.778	XIX-MAP19	2,044,052	-	-
MEDICAL ASSISTANCE PROGRAM - ADMIN	93.778	XIX-MAP19	41,287	-	-
MEDICAL ASSISTANCE PROGRAM	93.778	XIX-MAP19	23,169	-	-
MEDICAL ASSISTANCE PROGRAM- TRANSPORTATION ADMIN	93.778	XIX-MAP19	71,990	-	-
MEDICAL ASSISTANCE PROGRAM	93.778	XIX-MAP19	17,735	8,075	-
TOTAL MEDICAID CLUSTER			2,198,233	8,075	-
CHILDREN'S HEALTH INSURANCE PROGRAM- ADMIN	93.767	CHIP 19	70,600	-	-
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			8,574,416	949,463	43,139
U.S. DEPT. OF TREASURY					
DIRECT PROGRAM					
EQUITABLE SHARING	21.016	NC0290000	27,538	-	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA:					
GRANTS TO STATES	45.310	NC-18-08	6,697	-	-
GRANTS TO STATES	45.310	NC-18-16	62,474	-	-
GRANTS TO STATES	45.310	NC-18-64	1,181	-	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			70,352	-	-
TOTAL FEDERAL AWARDS			15,657,928	998,156	43,139
STATE AWARDS:					
N.C. DEPT. OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
OTHER RECEIPTS / STATE SUPPORTED EXPENDITURES					
GENERAL COMMUNICABLE DISEASE CONTROL				$ 3,806	$ -
FOOD AND LODGING FEES				22,875	-
CHA/CHIP PEER REVIEW				147,535	-
SCHOOL NURSING FUNDING INTIATIVE				400,000	-
TB CONTROL				30,686	-
WOMEN HEALTH SERVICE FUND				12,901	-
CHILD HEALTH				3,122	-
MATERNAL HEALTH				75,750	-
HEALTHY COMMUNITY ACTIVITIES				4,137	-
STD DRUGS				1,758	-
BREAST AND CERVICAL CANCER CONTROL				25,500	-
HIV/STD STATE				12,500	-
FAMILY PLANNING - STATE				29,975	-
SPAY/NEUTER PROGRAM				8,599	-
DIVISION OF SOCIAL SERVICES:					
SFHF MAXIMIZATION				168,602	-
STATE FOSTER HOME				86,536	-
ADMIN:					
ENERGY ASSIST PRIVATE GRANT - SHARE THE WARMTH				4,462	-
AFDC INCENT/PROGRAM INTEGRITY				1,205	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2019

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed -Through To Subrecipients
STATE AWARDS (CONTINUED):					
DIVISION OF AGING AND ADULT SERVICES:					
PASSED THROUGH PIEDMONT TRIAD					
REGIONAL COUNCIL:					
IN-HOME SERVICES - STATE FUNDS 90%				$ 348,657	$ 79,220
IN-HOME SERVICES - CAREGIVER MATCH				4,562	1,037
SENIOR CENTER GENERAL PURPOSE				21,386	-
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				1,414,554	80,257
N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES					
STATE LIBRARY OF NORTH CAROLINA:					
STATE AID FOR PUBLIC LIBRARIES				187,421	-
SPECIAL APPROPRIATION:					
FORT YORK TRAIL AND PARK				74,000	-
TOTAL N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES				261,421	-
N.C. DEPT. OF COMMERCE					
ECONOMIC INFRASTRUCTURE PROGRAM				162,500	-
INDUSTRIAL DEVELOPMENT FUND-EGGER WOOD PRODUCTS				1,812,625	-
TOTAL N.C. DEPT. OF COMMERCE				1,975,125	-
N.C. DEPT. OF ENVIRONMENTAL QUALITY					
PART F GRANT- WILCOX BRIDGE PROJECT				277,097	-
N.C. DEPT. OF ENVIRONMENTAL QUALITY					
TECHNICAL ASSISTANCE				26,820	-
FORT YORK SEPTIC SYSTEM				2,916	-
TOTAL N.C. DEPT. OF ENVIRONMENTAL QUALITY				29,736	-
N.C. DEPT. OF MILITARY AND VETERAN AFFAIRS					
COMMUNITY GRANT PROGRAM				2,216	-
N.C. DEPT. OF TRANSPORTATION					
PUBLIC TRANSPORTATION DIVISION:					
DOT CLUSTER:					
ROAP ELDERLY AND DISABLED TRANSPORTATION ASSISTANCE PROGRAM				115,191	-
ROAP RURAL GENERAL PUBLIC PROGRAM				105,586	-
ROAP WORKFIRST TRANSITIONAL/EMPLOYMENT TRANSPORTATION ASSISTANCE PROGRAM				37,603	-
TOTAL DOT CLUSTER				258,380	-
N.C. STATE BOARD OF ELECTIONS					
VOTER ID EQUIPMENT GRANT				2,334	-
N.C. DEPT. OF AGRICULTURE AND CONSUMER SERVICES					
NEW BUILDING FOR HUMANE SOCIETY OF DAVIDSON COUNTY				125,000	125,000
N.C. DEPT. OF PUBLIC INSTRUCTION					
PUBLIC SCHOOL BUILDING CAPITAL FUND- LOTTERY FUND				1,849,460	200,000
N.C. OFFICE OF JUVENILE JUSTICE					
JUVENILE JUSTICE AND DELINQUENCY PREVENTION				481,629	466,129
TOTAL STATE AWARDS				6,676,952	871,386
TOTAL FEDERAL AND STATE AWARDS			$ 15,657,928	$ 7,675,108	$ 914,525

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2019

1. Basis of Presentation

   The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of Davidson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Davidson County, it is not intended to and does not present the finanicial postion, changes in net position or cash flows of Davidson County.

2. Summary of Signficant Accounting Policies

   Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Davidson County has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

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, Foster Care and Adoption, Special Children Adoption Fund, and HIV.

4. Loans Outstanding

   Davidson County had the following loan balances outstanding at June 30, 2019 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2019 consist of:

Program Title	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
Rural Economic Development Loans and Grants - EnergyUnited Electric Membership Corporation	10.854	2014	$ 1,980,000