DAVIDSON COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2021

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent 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, 2021, 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 January 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Davidson County ABC Board, as described in our report on Davidson County's financial statements. The financial statements of the Davidson County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Davidson County ABC Board.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2021-001 that we consider to be a significant deficiency.

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 financial statements. 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*.

Davidson County's Response to Finding

Davidson County's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. Davidson County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
January 31, 2022

MARTIN ❖ STARNES
& ASSOCIATES, CPAs, P.A.
"A Professional Association of Certified Public Accountants and Management Consultants"

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, 2021. 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 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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13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

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, 2021.

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 each 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 purposes 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2021-002 that we consider to be a significant deficiency.

Davidson County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the 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, 2021, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated January 31, 2022, 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 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 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
January 31, 2022

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 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 that could have a direct and material effect on each of Davidson County's major state programs for the year ended June 30, 2021. 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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800-948-0585 ♦ www.martinstarnes.com

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, 2021.

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 each major state program 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2021-002 that we consider to be a significant deficiency.

Davidson County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the 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, 2021, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated January 31, 2022, 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 as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 31, 2022

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

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?	Yes
Non-compliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	Yes
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	AL #
Medicaid Cluster	93.778
Child Support Enforcement	93.563
COVID-19 – Coronavirus Relief Fund	21.019
Aging Cluster	93.044, 93.045, 93.053
Foster Care, Adoption, and Guardianship Assistance Program Cluster	93.658, 93.659
Child Care Mandatory and Matching Funds of the Child Care and Development Fund Cluster	93.596
WIC Special Supplemental Nutrition Program for Women Infants, and Children	10.557
Highway Planning and Construction Cluster	20.205, 20.219
Federal Transit Cluster	20.526, 20.507

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Auditor's Results (continued)

Federal Awards (continued)

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?	Yes
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?	Yes

Identification of major State programs:

Medicaid Cluster
Child Support Enforcement
Federal Transit Cluster
Aging Cluster
Foster Care, Adoption, and Guardianship Assistance Program Cluster
Public School Building Capital Fund

2. Financial Statement Findings

Finding 2021-001

Significant Deficiency

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: During our walkthrough of controls over the in-house revaluation process, we noted a weakness in controls. Access to adjusting property valuation is not limited and there is not written documentation of changes. The County currently has five Tax Appraisers. Each appraiser has access to any township within the County to make adjustments to property valuation and is not limited to just the township assigned to them. Prior to the tax bills being processed and mailed, appraisers have access to change valuations as needed. There is no documentation or approval required to make changes to a valuation before tax bills are processed. Furthermore, there are employees in the department, other than the appraisers, with access to change property values in the system. Access is not limited to those responsible for valuating property.

Effect: Unintentional or intentional changes could be made to property values without oversight. Errors in financial reporting could occur and not be detected.

Cause: The County in-house revaluation process does not limit access to valuation changes in the tax system.

Recommendation: The County should implement procedures to strengthen controls over the process. Limit access to valuation changes in the tax system to certain individuals and limit individual access to sections of the County assigned. In addition, maintain the tracking of valuation changes and require a review/approval process for all adjustments made by employees other than the appraiser assigned to the property.

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

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: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778
Grant Number: XIX-MAP20
Program Name: Child Care Mandatory and Matching Funds of the Child Care and Development Fund
CFDA# 93.596
Grant Number: G2001NCCCDF
Program Name: Child Support Enforcement (IV-D)
CFDA# 93.563
Grant Number: 2004NC4005
Program Name: Foster Care (Title IV-E)
CFDA# 93.658
Grant Number: 2001NCFOST
Program Name: Adoption Assistance (IV-E, IV-B)
CFDA # 93.659
Grant Number: 2001NCFOST

Finding 2021-002

Significant Deficiency

Criteria: In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe.

Condition: Upon surprise inspection, one unattended workstation of a DSS employee was logged onto the state network without anyone attending to the workstation.

Context: While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

Effect: Unauthorized access to the state system could be obtained due to the unattended logon to the system throughout the DSS building.

Cause: Lack of proper internal controls over data security.

Questioned Costs: None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2020-002, modified.

Recommendation: Require the County Data Processing Department to implement procedures to require logout of workstations where access to the state DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

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

4. State Award Findings, Responses, and Questioned Costs

Finding 2021-002 - In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the state network terminals or personal computers that are connected to the state mainframe. See more at Finding 2021-002 in Section 3 - Federal Award Findings, Responses, and Questioned Costs.

DAVIDSON COUNTY FINANCE
Davidson County Governmental Center
P. O. Box 1067
913 Greensboro Street
Lexington, North Carolina 27292

CORRECTIVE ACTION PLAN
For THE FISCAL YEAR ENDED JUNE 30, 2021

Finding: 2021-001

Name of contact person: David Rickard, Tax Administrator

Corrective Action/Management Response: I plan to create written procedures for valuing, correcting, adjusting or otherwise changing real property values. The procedures will also include a schedule of reports which will be reviewed by the supervisors and saved to document the adjustments and the reason(s) for the change. We also plan to implement a review and approval process for parcels that increase or decrease in value within certain parameters.

I plan to make a full review of all permissions within Bi-tek concerning each employee. We will further restrict access when possible as long as it does not interfere with the employees job duties. We have spoken with our vendor and we have identified several other options listed below we are considering:

1) Restricting access by Township, only supervisors will have access to all.
2) Creating a report to identify value changes made within townships
3) Creating a report to identify value changes made within a certain time frame
4) Create a report to identify values as of a certain date
5) Creating a report to identify value changes by appraiser/other staff

We will continue to work with our vendor to explore other options available to us to limit errors and increase controls.

Proposed completion date: March 15, 2022

DAVIDSON COUNTY
DEPARTMENT OF SOCIAL SERVICES
Patricia Baker

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, 2021

Finding: **2021-002**

Name of Contact Person: Trish Baker, Director

Corrective Action/Management's Response:

Required IT to set automatic locking on inactive terminals to 3 minutes, required staff to log out of computer when leaving their desk, reminders will be given to staff to lock their computer when they are not at their work station. Random inspection of computer stations to verify compliance. Notification of supervisory and management staff when controls violated, with further education and inspections of non-compliant staff when this occurs. Annual security training will be covered to include confidentiality measures.

Proposed Completion Date: February 09, 2022

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Finding 2020-001:

Status: Corrected.

Finding 2020-002:

Status: Modified and repeated, see Finding 2021-002.

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Provided To Subrecipients
FEDERAL AWARDS:					
U.S. DEPT. OF TRANSPORTATION					
FEDERAL HIGHWAY ADMINISTRATION					
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER:					
HIGHWAY PLANNING, RESEARCH & CONSTRUCTION CLUSTER:					
PASSED THROUGH NC DEPT OF TRANSPORTATION					
HIGHWAY PLANNING AND CONSTRUCTION	20.205	34156.3.GV2	$ 913,230	$ -	$ -
RECREATIONAL TRAILS PROGRAM - DANIEL BOONE HERITAGE CANOE TRAIL-BOONES CAVE PARK	20.219	RTP2017-46P001	50,238	-	-
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER / HIGHWAY PLANNING, RESEARCH & CONSTRUCTION CLUSTER			963,468	-	-
FEDERAL HIGHWAY ADMINISTRATION					
FEDERAL TRANSIT CLUSTER:					
PASSED THROUGH NC DEPT OF TRANSPORTATION					
BUSES AND BUS FACILITIES FORMULA, COMPETITIVE, AND LOW OR NO EMISSIONS PROGRAMS	20.526	44637.18.3.3	55,259	6,907	-
FEDERAL TRANSIT FORMULA GRANTS	20.507	49458.9.1.2	-	-	-
COVID-19 FEDERAL TRANSIT FORMULA GRANTS	20.507	49358.4.1.2	482,729	-	-
FEDERAL TRANSIT FORMULA GRANTS	20.507	36231.24.5.3	121,581	-	-
PASSED THROUGH CITY OF WINSTON SALEM					
COVID-19 FEDERAL TRANSIT FORMULA GRANTS	20.507	NC-2018-071-00	457,256	-	-
FEDERAL TRANSIT FORMULA GRANTS	20.507	NC-2018-071-00	4,907	-	-
TOTAL FEDERAL TRANSIT CLUSTER			1,121,732	6,907	-
PASSED THROUGH NC DEPT OF TRANSPORTATION					
COVID-19 FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT	20.509	49233.22.1.2	550,489	-	-
TRANSIT SERVICES PROGRAMS CLUSTER:					
PASSED THROUGH NC DEPT OF TRANSPORTATION					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.8.3	121,383	15,143	-
PASSED THROUGH CITY OF WINSTON SALEM					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.8.3	24,809	-	-
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER			146,192	15,143	-
TOTAL U.S. DEPT. OF TRANSPORTATION			2,781,881	22,050	-
U.S. DEPT. OF AGRICULTURE					
FOOD AND NUTRITION SERVICE					
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER:					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF SOCIAL SERVICES:					
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - ADMIN	10.561	205NC406S2514	934,311	-	-
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION	10.561	205NC406S2514	20,386	-	-
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			954,697	-	-
DIVISION OF PUBLIC HEALTH:					
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557	13A2540	669,324	-	-
PASSED THROUGH NATURAL RESOURCES CONSERVATION SERVICE					
EMERGENCY WATERSHED PROTECTION PROGRAM	10.923	NR204532	21,490	-	-
RURAL BUSINESS COOPERATIVE SERVICE					
PASSED THROUGH ENERGYUNITED ELECTRIC MEMBERSHIP CORP					
RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS - EGGER WOOD PRODUCTS LOAN	10.854	2014	1,740,000	-	-
TOTAL U.S. DEPT. OF AGRICULTURE			3,385,511	-	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Provided To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U.S. DEPT. OF HOMELAND SECURITY					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
PASSED THROUGH NC DEPT OF PUBLIC SAFETY					
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	EMA-2020-EP-00009	$ 53,753	$ -	$ -
PASSED THROUGH NC DEPT OF PUBLIC SAFETY					
DISASTER GRANTS- PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	97.036	FEMA-4167-DR-NC	16,680	-	-
TOTAL U.S. DEPT. OF HOMELAND SECURITY			70,433	-	-
U.S. DEPT. OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CLUSTER:					
PASSED THROUGH NC DEPT OF COMMERCE					
DIVISION OF EMPLOYMENT AND TRAINING:					
WIOA ADULT PROGRAM	17.258	20-4050	12,391	-	-
WIOA ADULT PROGRAM	17.258	18-4050	30,062	-	-
WIOA ADULT PROGRAM	17.258	19-4050	49,372	-	-
WIOA ADULT PROGRAM	17.258	19-2020	91,940	-	-
WIOA ADULT PROGRAM	17.258	20-2020	210,480	-	-
WIOA ADULT PROGRAM	17.258	19-2010	5,726	-	-
WIOA ADULT PROGRAM	17.258	20-2010	24,931	-	-
WIOA YOUTH ACTIVITIES	17.259	19-2040	56,694	-	-
WIOA YOUTH ACTIVITIES	17.259	20-2040	197,856	-	-
WIOA YOUTH ACTIVITIES	17.259	19-2010	5,577	-	-
WIOA YOUTH ACTIVITIES	17.259	20-2010	24,284	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	19-2030	17,194	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	20-2030	160,383	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	19-2010	4,508	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	20-2010	19,628	-	-
TOTAL WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER			911,026	-	-
WIA DISLOCATED WORKERS	17.260	19-2050	15,800	-	-
WIA DISLOCATED WORKERS	17.260	18-2050	2,322	-	-
WIA DISLOCATED WORKERS	17.260	20-2050	75,321	-	-
TOTAL U.S. DEPT. OF LABOR			1,004,469	-	-
U.S. DEPT. OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF SOCIAL SERVICES:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES - ADMINISTRATION	93.558	2001NCTANF	926,958	-	-
DIVISION OF PUBLIC HEALTH:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	13A1515	20,735	-	-
SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3):					
DIVISION OF SOCIAL SERVICES:					
MARYLEE ALLEN PROMOTING SAFE AND STABLE FAMILIES PROGRAM	93.556	2001NCFPSS	42,598	-	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	93.645	G2001NCCWSS	67,088	-	-
TOTAL SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3)			109,686	-	-
CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION	93.563	2004NC4005	974,489	952	-
LOW-INCOME HOME ENERGY ASSISTANCE - ADMINISTRATION	93.568	G20B1NCLIEA	119,557	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - HOME ENERGY ASSISTANCE ADMIN	93.568	G20B1NCLIEA	468,995	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - CRISIS INTERVENTION PAYMENTS	93.568	G20B1NCLIEA	53,643	-	-
COVID-19 LOW-INCOME HOME ENERGY ASSISTANCE	93.568	G20B1NCLIEA	308,179	-	
COVID-19 LOW-INCOME HOME ENERGY ASSISTANCE ADMIN	93.568	G20B1NCLIEA	29,823	-	
FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3):					
FOSTER CARE TITLE IV-E - CPS	93.658	2001NCFOST	207,770	399,526	-
FOSTER CARE TITLE IV-E - ADMIN	93.658	2001NCFOST	773,451	50,355	-
FOSTER CARE TITLE IV-E - DIRECT BENEFITS	93.658	2001NCFOST	553,672	114,247	-
ADOPTION ASSISTANCE - IV-E OPTIONAL TRAINING	93.659	2001NCFOST	7,242	-	-
ADOPTION ASSISTANCE - IV-E VENDOR PAYMENTS	93.659	2001NCFOST	5,328	-	-
ADOPTION ASSISTANCE - IV-B VENDOR PAYMENTS	93.659	2001NCFOST	-	17,244	-
TOTAL FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3)			1,547,463	581,372	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Provided To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U.S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
ADMINISTRATION FOR CHILDREN AND FAMILIES (CONTINUED)					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
DIVISION OF SOCIAL SERVICES (CONTINUED):					
SOCIAL SERVICES BLOCK GRANT- OTHER SVCS & TRNG	93.667	G2001NCSOSR	$ 460,849	$ -	$ -
SOCIAL SERVICES BLOCK GRANT- IN HOME SERVICES	93.667	G2001NCSOSR	60,910	-	-
SOCIAL SERVICES BLOCK GRANT- ADULT DAY CARE	93.667	G2001NCSOSR	56,526	51,514	-
JOHN H. CHAFEE FOSTER CARE PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD - ADMIN	93.674	G2001NCCILP	10,823	2,706	-
JOHN H. CHAFEE FOSTER CARE PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD - DIRECT BENEFITS	93.674	G2001NCCILP	33,858	-	-
CHILD CARE DEVELOPMENT FUND CLUSTER:					
SUBSIDIZED CHILD CARE PROGRAM CLUSTER (NOTE 3):					
DIVISION OF SOCIAL SERVICES:					
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND - ADMIN	93.596	G2001NCCCDF	225,611	-	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER / SUBSIDIZED CHILD CARE PROGRAM CLUSTER (NOTE 3)			225,611	-	-
CENTERS FOR DISEASE CONTROL AND PREVENTION					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069	1264268	42,887	-	-
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAM	93.116	1460272	50	-	-
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	1331631	541,483	-	-
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	98,972	-	-
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898	1320310	16,275	-	-
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	1261550	15,677	-	-
HEALTH RESOURCES AND SERVICES ADMINISTRATION					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	1271574	34,226	11,579	-
OFFICE OF ASSISTANT SECRETARY FOR HEALTH					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
FAMILY PLANNING SERVICES	93.217	13A1592	70,290	-	-
ADMINISTRATION FOR COMMUNITY LIVING					
AGING CLUSTER:					
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART B, GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044	GO35	96,225	5,660	20,432
COVID-19 SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART B, GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044	GO35	87,325	-	38,384
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES - CONGREGATE MEALS	93.045	GO35	43,106	-	-
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES - HOME DELIVERED MEALS	93.045	GO35	222,120	13,066	-
SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES - HOME DELIVERED MEALS - FAMILIES FIRST	93.045	GO35	86,212	-	-
COVID-19 SPECIAL PROGRAMS FOR THE AGING, TITLE III, PART C, NUTRITION SERVICES - HOME DELIVERED MEALS	93.045	GO35	179,416	-	-
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	GO35	50,166	-	-
TOTAL AGING CLUSTER			764,570	18,726	58,816
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
SOCIAL SERVICES BLOCK GRANT - IN HOME SERVICES	93.667	GO35	46,074	1,316	10,336
FOOD AND DRUG ADMINISTRATION					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
FOOD AND DRUG ADMINISTRATION RESEARCH	93.103	2020	13,670	-	-
HUMAN RESOURCES AND SERVICES ADMINISTRATION					
DIRECT PROGRAM:					
COVID-19 PROVIDER RELIEF FUND	93.498	2020	113,349	-	-

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Provided To Subrecipients
FEDERAL AWARDS (CONTINUED):					
U.S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)					
CENTERS OF MEDICARE AND MEDICAID SERVICES					
MEDICAID CLUSTER:					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF HEALTH BENEFITS:					
MEDICAL ASSISTANCE PROGRAM - ADMIN	93.778	XIX-MAP20	$ 2,466,679	$ -	$ -
MEDICAL ASSISTANCE PROGRAM - ADMIN	93.778	XIX-MAP20	23,618	-	-
MEDICAL ASSISTANCE PROGRAM	93.778	XIX-MAP20	26,114	-	-
MEDICAL ASSISTANCE PROGRAM - TRANSPORTATION ADMIN	93.778	XIX-MAP20	79,429	-	-
MEDICAL ASSISTANCE PROGRAM	93.778	XIX-MAP20	34,951	9,487	-
TOTAL MEDICAID CLUSTER			2,630,791	9,487	-
CHILDREN'S HEALTH INSURANCE PROGRAM - ADMIN	93.767	CHIP 20	74,228	3,844	-
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			9,870,647	681,496	69,152
U.S. DEPT. OF JUSTICE					
CRIMINAL DIVISION					
DIRECT PROGRAM:					
EQUITABLE SHARING PROGRAM	16.922	NC0290000	125,631	-	-
OFFICE OF JUSTICE PROGRAMS					
DIRECT PROGRAM:					
BODY WORN CAMERA POLICY AND IMPLEMENTATION	16.835	2019-BC-BX-0016	122,017	-	-
TOTAL U.S. DEPT. OF JUSTICE			247,648	-	-
U.S. DEPT. OF TREASURY					
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
COVID-19 CORONAVIRUS RELIEF FUND	21.019	NC0290000	203,445	-	-
PASSED THROUGH NC DEPT OF TRANSPORTATION					
COVID-19 CORONAVIRUS RELIEF FUND	21.019	49458.9.1.2	35,145	-	-
PASSED THROUGH THE OFFICE OF STATE BUDGET AND MANAGEMENT					
NC PANDEMIC RECOVERY OFFICE:					
COVID-19 CORONAVIRUS RELIEF FUND	21.019	NC0290000	5,829,900	-	1,434,103
TOTAL U.S. DEPT. OF TREASURY			6,068,490	-	1,434,103
U.S. ELECTION ASSISTANCE COMMISSION					
PASSED THROUGH NC STATE BOARD OF ELECTIONS					
2020 HAVA ELECTION SECURITY GRANTS	90.404	NC0290000	60,963	-	-
COVID-19 2020 HAVA ELECTION SECURITY GRANTS - CARES ACT	90.404	NC0290000	47,400	-	-
TOTAL U.S. ELECTION ASSISTANCE COMMISSION			108,363	-	-
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA					
COVID-19 GRANTS TO STATES - CARES	45.310	NC-20	73,954	-	-
GRANTS TO STATES - LSTA	45.310	NC-19	3,500	-	-
TOTAL THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES			77,454	-	-
TOTAL FEDERAL AWARDS			23,614,896	703,546	1,503,255
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				23,381	-
AID-TO-COUNTIES				147,535	-
SCHOOL NURSING FUNDING INTIATIVE				400,000	-
TUBERCULOSIS CONTROL				30,686	-
WOMEN HEALTH SERVICE FUND				12,901	-
CHILD HEALTH				3,122	-
MATERNAL HEALTH				81,741	-
HEALTHY COMMUNITY ACTIVITIES				3,628	-
STD DRUGS				1,738	-
BREAST AND CERVICAL CANCER CONTROL				20,475	-
HIV/STD STATE				12,500	-
FAMILY PLANNING - STATE				19,441	-
SPAY/NEUTER PROGRAM				6,865	6,865

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Provided To Subrecipients
DIVISION OF SOCIAL SERVICES:					
F/C AT RISK MAXIMIZATION				10,185	-
SFHF MAXIMIZATION				199,507	-
STATE FOSTER HOME				105,131	-
EXTENDED FOSTER CARE MAXIMIZATION NON IVE PROGRAMS				18,449	-
FOSTER CARE STIPEND				70,300	-
EXTENDED FOSTER CARE STIPEND				3,400	-
APS/CPS CARE COVID-19				97,960	-
ADMIN:					
ENERGY ASSIST PRIVATE GRANT - SHARE THE WARMTH				435	-
AFDC INCENT/PROGRAM INTEGRITY				188	-
DIVISION OF AGING AND ADULT SERVICES:					
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
IN-HOME SERVICES - STATE FUNDS 90%				601,598	99,746
FAN HEAT RELIEF				756	-
SENIOR CENTER GENERAL PURPOSE				21,030	-
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				1,896,758	106,611
N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES					
PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA					
STATE AID FOR PUBLIC LIBRARIES				188,947	-
N.C. DEPT. OF ENVIRONMENTAL QUALITY					
TECHNICAL ASSISTANCE GRANT				26,880	-
N.C. DEPT. OF MILITARY AND VETERAN AFFAIRS					
COMMUNITY GRANT PROGRAM				2,084	-
N.C. DEPT. OF AGRICULTURE AND CONSUMER SCIENCES					
WATERSHED RESTORATION PROJECT				1,730	-
N.C. DEPT. OF ADMINISTRATION					
STATE BOARD OF ELECTIONS ONE STOP BONUSES				18,778	-
N.C. DEPT. OF PUBLIC INSTRUCTION					
PUBLIC SCHOOL BUILDING CAPITAL FUND- LOTTERY FUND				1,525,376	26,056
N.C. OFFICE OF JUVENILE JUSTICE					
JUVENILE JUSTICE AND DELINQUENCY PREVENTION				576,914	561,914
TOTAL STATE AWARDS				4,237,467	694,581
TOTAL FEDERAL AND STATE AWARDS			$ 23,614,896	$ 4,941,013	$ 2,197,836

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, 2021. 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 financial position, changes in net position or cash flows of Davidson County.

2. Summary of Significant 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.

3. Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes - Special Children Adoption Fund, Subsidized Child Care Program, and Foster Care, Adoption, and Guardianship Assistance Program.

4. Loans Outstanding

Davidson County had the following loan balances outstanding at June 30, 2021 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, 2021 consist of:

Program Title	AL Number	Pass-through Grantor's Number	Amount Outstanding
Rural Economic Development Loans and Grants - EnergyUnited Electric Membership Corporation	10.854	2014	$ 1,500,000

5. Indirect Cost Rates

Davidson County has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.