

**DAVIDSON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2023

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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 (*Government Auditing Standards*), 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, 2023, 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 28, 2023. 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 the 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 noncompliance associated with the Davidson County ABC Board.

Report on 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 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 were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on 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 an instance of non-compliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2023-001.

Davidson County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Davidson County's response to the finding identified in our audit and described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Davidson County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
November 28, 2023

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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

Opinion on Each Major Federal Program

We have audited Davidson County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, Davidson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General in the United States (*Government Auditing Standards*); and 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Davidson County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Davidson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Davidson County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Davidson County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Davidson County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Davidson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Davidson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Davidson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 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, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated November 28, 2023, 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 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 basic financial statements. The information has been subjected to

the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 28, 2023

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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

Opinion on Each Major State Program

We have audited Davidson County, North Carolina's compliance with the types of compliance requirements identified as subject to audit 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 state programs for the year ended June 30, 2023. 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.

In our opinion, Davidson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Davidson County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Davidson County compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Davidson County's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Davidson County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Davidson County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Davidson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Davidson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Davidson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and the State Single Audit Implementation Act

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records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 28, 2023

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

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? Yes
- Significant deficiency identified? None reported

Non-compliance material to financial statements noted Yes

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- 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)?

No

Identification of major federal programs:

Federal Programs

AL

Medicaid Cluster
COVID-19 Coronavirus State and Local Fiscal
Recovery Funds

93.778

21.027

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

1. Summary of Auditor's Results (continued)

Federal Awards (continued)

Dollar threshold used to distinguish between
Type A and Type B programs \$1,586,407

Auditee qualified as low-risk auditee? Yes

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 – Lottery Fund
One North Carolina Fund Program

Auditee qualified as low-risk auditee? No

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

2. Financial Statement Findings

Material Weakness Non-Compliance

Finding 2023-001

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: The County expended \$1,967,204 more in expenditures within the General Fund, \$41,462 in the Fire Districts Fund, \$212,589 in the Transportation Fund, and \$40,195 in the Sewer Fund over the amount appropriated in the annual budget ordinance. The County failed to amend the budget to account for the increase in expenditures.

Effect: Monies that had not been appropriated were spent.

Cause: The County expended funds that were in excess of the budget and budget amendments were not adopted.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Name of Contact Person: Christy Stilwell, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.

3. Federal Award Findings, Responses, and Questioned Costs

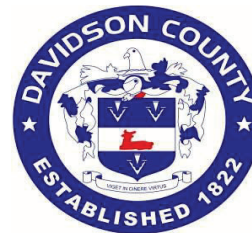
None reported.

4. State Award Findings, Responses, and Questioned Costs

None reported.

DAVIDSON COUNTY FINANCE

Davidson County Governmental Center
Post Office Box 1067
913 N. Greensboro Street
Lexington, NC 27292



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Finding: 2023-001

Name of Contact Person: Christy Stilwell

Corrective Action/Management's Response:

Over-expenditures that occurred various departments in the General Fund, as well as the Transportation Fund, and Sewer Fund were the result of the implementation of GASB-96 Subscription-Based Information Technology Arrangement as well as year-end accounting adjustments that resulted in additional expenditures being recorded. To prevent over expenditures in the future, Davidson County will carefully review the budget-to-actual reports for all units in May, in advance of fiscal year end, estimate expected year-end adjustments for payables and have the governing board adopt, before the fiscal year end, appropriate amendments to the budget. The Fire District Fund's over-expenditures occurred due to an error in an internal sheet that tracked expenditures versus budget and has since been corrected. Additional review of the budget-to-actual reports will be used to ensure this is prevented in the future.

These steps will help management of the County ensure proper pre-audit procedures and budget control procedures are in place to ensure future compliance with the general statutes.

Proposed Completion Date: June 30, 2024

DAVIDSON COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

Finding 2022-001:

Status: Corrected.

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2023**

Page 1 of 5

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>U.S. DEPT. OF TRANSPORTATION</u>					
FEDERAL HIGHWAY ADMINISTRATION					
<u>FEDERAL TRANSIT CLUSTER:</u>					
PASSED THROUGH NC DEPT OF TRANSPORTATION BUS AND BUS FACILITIES FORMULA & DISCRETIONARY PROGRAMS (BUS PROGRAM)	20.526	44637.18.5.3	\$ 60,756	\$ 7,594	\$ -
FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	36231.24.7.2	87,065	-	-
COVID-19 FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	49358.4.1.2	92,425	-	-
PASSED THROUGH CITY OF WINSTON SALEM COVID-19 - FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	NC-2018-071-00	32,783	-	-
COVID-19 - FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	WS 2022 ARP	550,084	-	-
TOTAL FEDERAL TRANSIT CLUSTER			823,113	7,594	-
PASSED THROUGH NC DEPT OF TRANSPORTATION COVID-19 - FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM - OPERATING	20.509	49233.22.1.2	35,418	-	-
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM - ADMIN	20.509	36233.34.24.1	247,338	15,458	-
TOTAL FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM			282,756	15,458	-
<u>TRANSIT SERVICES PROGRAMS CLUSTER:</u>					
PASSED THROUGH NC DEPT OF TRANSPORTATION ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.9.3	18,787	2,348	-
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.10.3	168,582	21,073	-
COVID-19 - ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	50371.7.1.2	75,000	-	-
PASSED THROUGH CITY OF WINSTON SALEM ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.8.3	3,588	-	-
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER			265,957	23,421	-
TOTAL U.S. DEPT. OF TRANSPORTATION			1,371,826	46,473	-
<u>U.S. DEPT. OF AGRICULTURE</u>					
FOOD AND NUTRITION SERVICE					
<u>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER:</u>					
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	215NC406S2514	988,790	-	-
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION	10.561	215NC406S2514	28,401	-	-
COVID-19 - STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561	215NC406S2514	280,937	-	-
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			1,298,128	-	-
DIVISION OF PUBLIC HEALTH: WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557	13A2540	737,847	-	-
RURAL BUSINESS COOPERATIVE SERVICE PASSED THROUGH ENERGYUNITED ELECTRIC MEMBERSHIP CORP RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS - EGGER WOOD PRODUCTS LOAN	10.854	2014	1,260,000	-	-
TOTAL U.S. DEPT. OF AGRICULTURE			3,295,975	-	-
<u>U.S. DEPT. OF HOMELAND SECURITY</u>					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
PASSED THROUGH NC DEPT OF PUBLIC SAFETY EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	EMA-2020-EP-00009	68,620	-	-
<u>U.S. DEPT. OF LABOR</u>					
EMPLOYMENT AND TRAINING ADMINISTRATION					
<u>WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) CLUSTER:</u>					
PASSED THROUGH NC DEPT OF COMMERCE DIVISION OF EMPLOYMENT AND TRAINING:					
WIOA ADULT PROGRAM	17.258	22-4050	24,695	-	-
WIOA ADULT PROGRAM	17.258	20-2020	34,771	-	-
WIOA ADULT PROGRAM	17.258	21-2020	149,190	-	-
WIOA ADULT PROGRAM	17.258	21-2010	22,661	-	-
WIOA YOUTH ACTIVITIES	17.259	20-2040	60,184	-	-
WIOA YOUTH ACTIVITIES	17.259	21-2040	142,563	-	-
WIOA YOUTH ACTIVITIES	17.259	20-2010	14,513	-	-
WIOA YOUTH ACTIVITIES	17.259	21-2010	9,930	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	19-2030	6,829	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	20-2030	97,639	-	-
WIOA DISLOCATED WORKERS FORMULA GRANTS	17.278	21-2010	14,404	-	-
TOTAL WORKFORCE INNOVATION AND OPPORTUNITY ACT CLUSTER			577,379	-	-
WIA DISLOCATED WORKERS	17.260	20-2050	28,982	-	-
TOTAL U.S. DEPT. OF LABOR			606,361	-	-

**DAVIDSON COUNTY, NORTH CAROLINA
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FEDERAL AND STATE AWARDS
Year Ended June 30, 2023**

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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
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	2301NCTANF	942,774	-	-
DIVISION OF PUBLIC HEALTH:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	13A1515	20,735	-	-
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES			<u>963,509</u>	<u>-</u>	<u>-</u>
SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3):					
DIVISION OF SOCIAL SERVICES:					
MARYLEE ALLEN PROMOTING SAFE AND STABLE FAMILIES PROGRAM	93.556	2301NCFPSS	35,900	-	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	93.645	G2301NCCWSS	138,683	-	-
TOTAL SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3)			<u>174,583</u>	<u>-</u>	<u>-</u>
CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION	93.563	2304NC4005	1,186,370	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - ADMINISTRATION	93.568	G23B1NCLIEA	99,433	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - ASSISTANCE PAYMENTS	93.568	G23B1NCLIEA	264,101	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - CRISIS INTERVENTION PAYMENTS	93.568	G23B1NCLIEA	154,723	-	-
COVID-19 - LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME ENERGY ASSISTANCE	93.568	G23B1NCLIEA	122,068	-	-
COVID-19 - LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE - ADMIN	93.568	G23B1NCLIEA	7,074	-	-
COVID-19 - LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE	93.568	G23B1NCLIEA	86,075	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE - ADMINISTRATION	93.568	G23B1NCLIEA	9,045	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE CAA	93.568	G23B1NCLIEA	43,803	-	-
TOTAL LOW-INCOME HOME ENERGY ASSISTANCE			<u>786,322</u>	<u>-</u>	<u>-</u>
FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3):					
FOSTER CARE TITLE IV-E - CPS	93.658	2301NCFOST	127,425	94,906	-
FOSTER CARE TITLE IV-E - ADMIN	93.658	2301NCFOST	498,613	54,343	-
FOSTER CARE TITLE IV-E - DIRECT BENEFITS	93.658	2301NCFOST	389,958	101,618	-
ADOPTION ASSISTANCE - IV-E OPTIONAL TRAINING	93.659	2301NCFOST	32,961	72	-
TOTAL FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3)			<u>1,048,957</u>	<u>250,939</u>	<u>-</u>
SOCIAL SERVICES BLOCK GRANT- OTHER SVCS & TRNG	93.667	G2301NCSOSR	467,588	-	-
SOCIAL SERVICES BLOCK GRANT- STATE IN HOME SERVICE FUND	93.667	G2301NCSOSR	60,546	-	-
SOCIAL SERVICES BLOCK GRANT - STATE ADULT DAY CARE	93.667	G2301NCSOSR	44,420	51,487	-
COVID-19 - SOCIAL SERVICES BLOCK GRANT - STATE ADULT DAY CARE	93.667	G2301NCSOSR	8,031	-	-
TOTAL SOCIAL SERVICES BLOCK GRANT			<u>580,585</u>	<u>51,487</u>	<u>-</u>
JOHN H. CHAFEE FOSTER CARE PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD - ADMIN	93.674	G2301NCCILP	225	56	-
JOHN H. CHAFEE FOSTER CARE PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD - DIRECT BENEFITS	93.674	G2301NCCILP	24,285	-	-
TOTAL JOHN H. CHAFEE FOSTER CARE PROGRAM FOR SUCCESSFUL TRANSITION TO ADULTHOOD			<u>24,510</u>	<u>56</u>	<u>-</u>
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	G2301NCCCDF	250,578	-	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER / SUBSIDIZED CHILD CARE PROGRAM CLUSTER (NOTE 3)			<u>250,578</u>	<u>-</u>	<u>-</u>
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	34,698	-	-
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAM	93.116	1460272	3,471	-	-
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	1173883	326,884	-	-
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	41,386	-	-
COVID-19 - IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	342,172	-	-
TOTAL IMMUNIZATION COOPERATIVE AGREEMENTS			<u>383,558</u>	<u>-</u>	<u>-</u>
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898	1320310	17,100	-	-
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	1261550	20,383	-	-
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	49,915	21,305	-
COVID-19 - PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	93.354	1332535	71,699	-	-

**DAVIDSON COUNTY, NORTH CAROLINA
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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
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	58,832	-	-
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, CARES ACT FOR SUPPORTIVE SERVICES UNDER TITLE III-B OF THE OLDER AMERICANS ACT, AND AMERICAN RESCUE PLAN FOR SUPPORTIVE SERVICES UNDER TITLE III-B OF THE OLDER AMERICANS ACT	93.044	DAAS-735	160,284	9,428	44,136
NUTRITION SERVICES AND CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, AND AMERICAN RESCUE PLAN FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT - CONGREGATE MEALS	93.045	DAAS-735	143,067	8,416	-
COVID-19 - NUTRITION SERVICES AND CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, AND AMERICAN RESCUE PLAN FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT - CONGREGATE MEALS	93.045	DAAS-735	11,423	2,016	-
NUTRITION SERVICES AND CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, AND AMERICAN RESCUE PLAN FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT - HOME DELIVERED MEALS	93.045	DAAS-735	176,655	10,391	-
COVID-19 - NUTRITION SERVICES AND CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, CARES ACT FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT, AND AMERICAN RESCUE PLAN FOR NUTRITION SERVICES UNDER TITLE III-C OF THE OLDER AMERICANS ACT - HOME DELIVERED MEALS	93.045	DAAS-735	27,360	4,828	-
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	DAAS-735	68,775	-	-
TOTAL AGING CLUSTER			587,564	35,079	44,136
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E SOCIAL SERVICES BLOCK GRANT - IN HOME SERVICES	93.052	DAAS-735	76,413	5,094	81,507
	93.667	DAAS-735	62,932	1,798	18,459
CENTERS OF MEDICARE AND MEDICAID SERVICES MEDICAID CLUSTER: PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES DIVISION OF HEALTH BENEFITS:					
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - ADMIN	93.778	XIX-MAP23	2,588,978	423,742	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - MEDICAID ADMINISTRATIVE	93.778	XIX-MAP23	51,666	-	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - TRANSPORTATION ADMIN	93.778	XIX-MAP23	8,090	-	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - ADULT HOME SPECIALIST	93.778	XIX-MAP23	8,815	4,407	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - STATE COUNTY SPECIAL	93.778	XIX-MAP23	45,539	6,413	-
TOTAL MEDICAID CLUSTER			2,703,088	434,562	-
CHILDREN'S HEALTH INSURANCE PROGRAM - ADMIN	93.767	CHIP 23	74,234	7,776	-
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			9,486,185	808,096	144,102
U.S. DEPT. OF JUSTICE OFFICE OF JUSTICE PROGRAMS DIRECT PROGRAM:					
CORRECTIONS TRAINING AND STAFF DEVELOPMENT	16.601	15PBJA-21-RR- 05218-SCAA , 15PBJA-20-RR-00102- SCAA	25,136	-	-
U.S. DEPT. OF TREASURY DIRECT PROGRAMS: LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND	21.032		99,500	-	-
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		32,546,083	-	-
PASSED THROUGH THE N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	SRP-W-ARP-0278	5,000,000	-	-
TOTAL CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			37,546,083	-	-
TOTAL U.S. DEPT. OF TREASURY			37,645,583	-	-
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA					
GRANTS TO STATES - LSTA EZ GRANTS	45.310	NC-21-22	3,041	-	-
GRANTS TO STATES - LSTA ARSL GRANTS	45.310	NC-22-23	748	-	-
GRANTS TO STATES - LSTA PROJECT GRANTS	45.310	NC-22-23	12,750	-	-
GRANTS TO STATES - LSTA TECH GRANTS	45.310	NC-21-22	34,435	-	-
TOTAL GRANTS TO STATES - LSTA			50,974	-	-
U.S. DEPT. OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION DIRECT PROGRAM: ECONOMIC DEVELOPMENT CLUSTER:					
INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	11.300	04-01-07452	211,530	-	-
ECONOMIC ADJUSTMENT ASSISTANCE	11.307	04-79-07704	118,064	-	-
TOTAL ECONOMIC DEVELOPMENT CLUSTER			329,594	-	-
TOTAL FEDERAL AWARDS			52,880,254	854,569	144,102

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
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<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State Pass-Through Grantor's Number</u>	<u>Federal (Direct & Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided To Subrecipients</u>
STATE AWARDS:					
<u>N.C. DEPT. OF HEALTH AND HUMAN SERVICES</u>					
DIVISION OF PUBLIC HEALTH:					
OTHER RECEIPTS / STATE SUPPORTED EXPENDITURES					
GENERAL COMMUNICABLE DISEASE CONTROL			\$ 3,806	\$ -	-
COVID-19 - EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES			192,079	-	-
FOOD AND LODGING FEES			22,303	-	-
AID-TO-COUNTIES			147,535	-	-
SCHOOL NURSING FUNDING INITIATIVE			400,000	-	400,000
TUBERCULOSIS CONTROL			30,686	-	-
WOMEN HEALTH SERVICE FUND			12,901	-	-
CHILD HEALTH			3,122	-	-
MATERNAL HEALTH			64,460	-	-
HEALTHY COMMUNITY ACTIVITIES			3,747	-	-
BREAST AND CERVICAL CANCER CONTROL			13,175	-	-
HIV/STD STATE			7,766	-	-
FAMILY PLANNING - STATE			19,441	-	-
SPAY/NEUTER PROGRAM			4,461	-	-
DIVISION OF SOCIAL SERVICES:					
F/C AT RISK MAXIMIZATION			36,328	-	-
SFHF MAXIMIZATION			96,016	-	-
STATE FOSTER HOME			155,844	-	-
EXTENDED FOSTER CARE MAXIMIZATION NON IV-E PROGRAMS			26,632	-	-
FOSTER CARE AT RISK			2,991	-	-
ST CHILD WELFARE/CPS/CS LD - STATE CHILD WELFARE - STATE PROTECTIVE			282,046	-	-
DIVISION OF AGING AND ADULT SERVICES:					
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
IN-HOME SERVICES - STATE FUNDS 90%			544,814	-	127,428
FAN HEAT RELIEF			756	-	-
SENIOR CENTER GENERAL PURPOSE			21,802	-	-
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES			<u>2,092,711</u>		<u>527,428</u>
<u>N.C. OFFICE OF STATE BUDGET AND MANAGEMENT</u>					
NC GRANT GF APPROPRIATION - SL 2022-74 SHERIFF'S DEPT			100,000	-	-
<u>N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES</u>					
PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA					
STATE AID FOR PUBLIC LIBRARIES			205,088	-	-
SFRF NONRECURRING AID TO LIBRARIES			116,353	-	-
N.C. PARKS AND RECREATION TRUST FUND (PARTF) PROJECT			90,654	-	-
TOTAL N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES			<u>412,095</u>		<u>-</u>
<u>N.C. DEPT. OF COMMERCE</u>					
ONE NORTH CAROLINA FUND GRANT			2,500,000	-	-
N.C. RURAL INFRASTRUCTURE AUTHORITY:					
RURAL ECONOMIC DEVELOPMENT GRANT - BUILDING REUSE GRANTS			412,300	-	-
TOTAL N.C. DEPT. OF COMMERCE			<u>2,912,300</u>		<u>-</u>
<u>N.C. DEPT. OF ENVIRONMENTAL QUALITY</u>					
TECHNICAL ASSISTANCE GRANT			24,002	-	-
<u>N.C. DEPT. OF MILITARY AND VETERAN AFFAIRS</u>					
COMMUNITY GRANT PROGRAM			2,083	-	-
<u>N.C. DEPT. OF AGRICULTURE AND CONSUMER SERVICES</u>					
STREAMFLOW REHABILITATION ASSISTANCE PROGRAM (SIRAP)			153,681	-	-
<u>N.C. DEPT. OF TRANSPORTATION</u>					
RURAL OPERATING ASSISTANCE PROGRAM - RURAL GENERAL PUBLIC PROGRAM			131,455	-	-
RURAL OPERATING ASSISTANCE PROGRAM - ELDERLY AND DISABLED			100,032	-	-
RURAL OPERATING ASSISTANCE PROGRAM - EMPLOYMENT			45,735	-	-
TOTAL N.C. DEPT. OF TRANSPORTATION			<u>277,222</u>		<u>-</u>
<u>N.C. DEPT. OF PUBLIC INSTRUCTION</u>					
PUBLIC SCHOOL BUILDING CAPITAL FUND- LOTTERY FUND			2,049,320	-	850,000
<u>N.C. OFFICE OF JUVENILE JUSTICE</u>					
JUVENILE JUSTICE AND DELINQUENCY PREVENTION			585,498	-	570,781
TOTAL STATE AWARDS				<u>8,608,912</u>	<u>1,948,209</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 52,880,254</u>	<u>\$ 9,463,481</u>	<u>\$ 2,092,311</u>

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2023

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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, 2023. 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, 2023 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, 2023 consist of:

<u>Program Title</u>	<u>AL Number</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Rural Economic Development Loans and Grants - EnergyUnited Electric Membership Corporation	10.854	2014	\$ 1,020,000

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.