DAVIDSON COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2024

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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, 2024, 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 December 12, 2024. 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 compliance and other matters associated with the Davidson County ABC Board or that are reported on separately by those auditors who audited the financial statements of 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.

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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 2024-001 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 2024-001.

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 Corrective Action Plan. 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
December 12, 2024

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

Independent Auditor's Report

To the Board of Commissioners
Davidson County
Lexington, North Carolina

Report on Compliance for Each Major Federal Program

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, 2024. 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, 2024.

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.

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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 contacts 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses and Questioned Costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

Governmental Auditing Standards requires the auditor to perform limited procedures on Davidson County's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses and Questioned Costs as item 2024-002, to be a significant deficiency.

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.

Governmental Auditing Standards requires the auditor to perform limited procedures on Davidson County's response to the internal control over compliance finding identified in our compliance audit 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 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 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, 2024, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated December 12, 2024, 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 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
December 12, 2024

MARTIN ♦ STARNES
& ASSOCIATES, CPAs, P.A.
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Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal and State Awards 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, 2024. 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, 2024.

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.

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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.

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 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 a 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 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, 2024, and the related notes to the financial statements, which collectively comprise Davidson County's basic financial statements. We issued our report thereon dated December 12, 2024, 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
December 12, 2024

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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?	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 Programs	AL #
Medicaid Cluster	93.778
Child Support Services	93.563
Temporary Assistance for Needy Families	93.558
Foster Care, Adoption, and Guardianship Assistance Program Cluster	93.658, 93.659, 93.090
Supplemental Nutrition Assistance Program Cluster	10.561
Aging Cluster	93.044, 93.045, 93.053

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

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

1. Summary of Auditor's Results (continued)

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
OSBM – State Directed Grant
State Capital Infrastructure Fund (SCIF)
Aging Cluster
Foster Care, Adoption, and Guardianship
Assistance Program Cluster

Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

Material Weakness
Non-Compliance

Finding 2024-001

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 $636,072 more in expenditures within the General Fund, and $4,063 Special School Districts 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.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2023-001.

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.

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

3. **Federal Award Findings, Responses, and Questioned Costs**

US Department of Health and Human Services
Passed Through NC Dept of Health and Human Services
Program Name: Temporary Assistance for Needy Families
AL # 93.558
Grant Number: 2301NCTANF

Significant Deficiency
Non-material, Non-Compliance

Finding 2024-002

Criteria: 42 USC 608(b)(1), 608(b)(2)(B)(ii); 45 CFR section 261.11 states that the County may make required assessments within 30 days of the date an individual becomes eligible for assistance. Counties are expected to complete the DSS-5298, North Carolina's Work First Family Assessment of Strengths and Needs, within six (6) weeks from the date of application and no less often than once every twelve (12) weeks of the case being opened for employment services. The ongoing assessment process as outlined in Section 117 will continue throughout the life of the employment case, and the DSS-5298 should be reviewed and/or updated at least every twelve (12) weeks in coordination with the quarterly update to the Mutual Responsibility Agreement / Outcome Plan.

Condition: The County did not perform Strengths and Needs Assessments on four participants. All participants were eligible for benefits.

Context: Of the 180 participant files, we examined thirty-six and determined that four did not have follow-up assessments.

Effect: The County did not appropriately assign Work Eligible indicators to the family.

Cause: The County had significant turnover in the DSS office. The worker assigned to TANF was new to the position and had not been properly trained to perform the assessments.

Questioned Costs: None. All participants were eligible for the benefits received.

Recommendation: We recommend that staff have a proper training course implemented and a secondary review be performed to ensure that assessments are being completed.

Name of Contact Person: Trish Baker, Department of Social Services 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.

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, 2024

Finding: 2024-001

Name of Contact Person: Christy Stilwell

Corrective Action/Management's Response:

Over-expenditures that occurred in three departments in the General Fund, as well as the Special School District Fund were related to missing appropriations of revenue collected in excess of the original budget. These amounts were collected and redistributed to recipients through departments where no formal department head oversees adherence to the budget. In the future, both the Finance Director and Budget Analyst will review these departments/funds in advance of fiscal year end and have the governing board adopt appropriate amendments to the budget for revenue collected in excess of the budget and the resulting expenditures for redistribution of this revenue.

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, 2025

Office 336-242-2020 / Fax (336) 243-7578

DAVIDSON COUNTY
DEPARTMENT OF SOCIAL SERVICES
Patricia Baker, Director

Lexington DSS	Thomasville DSS	Lexington Child Support	Thomasville Child Support
P.O. Box 788 913 Greensboro Street Lexington, NC 27293 336-242-2500 FAX: 336-249-7588	211 W. Colonial Drive Thomasville, NC 27360 P. O. Box 788 Lexington, NC 27293 336-242-2500 FAX: 336-472-6635	PO Box 788 208 Salem Street Lexington, NC 27293 336-242-2242 FAX: 336-242-1236	211 W. Colonial Drive Thomasville, NC 27360 P. O. Box 788 Lexington, NC 27293 336-242-2500 FAX: 336-474-2620

Corrective Action Plan

Finding: 2024-002
The County did not perform Strengths + Needs Assessments on four participants for the Work First Family Assistance (TANF) program. All participants were eligible for benefits.

Name of Contact Person: Patricia Baker

Policy
The County is responsible for completing the DSS-5298, Work First Family Assessment of Strengths and Needs, within six weeks from the date of application, and no less often than once every twelve weeks of the case being open for Employment Services. The DSS-5298 should be reviewed and updated at least every twelve weeks in coordination with the quarterly update to the Mutual Responsibility Agreement/Outcome Plan.

Cause
Due to inexperienced staff, the Strengths and Needs (DSS-5298) form was not completed accurately and timely for (4) Work First Family Assistance cases.

Corrective Action Plan
All Work First Family Assistance staff have reviewed the pending and active Work First Family Assistance cases to ensure the Strengths and Needs assessment has been completed. If it was not completed, staff will follow up at the next review/appointment time with the households to ensure compliance.

All Work First Family Assistance staff completed classroom training related to Work First Family Assistance policy, including required forms necessary to determine and continue eligibility for assistance. This training was completed between July and October 2024. There is currently (1) full time staff working the Work First Family Assistance caseload. There is (1) vacancy, and (1) additional staff who assists on a limited basis with reviews and child-only cases.

Leadership has reviewed the DSS-5298 requirement with applicable staff to ensure their knowledge and understanding of this required form to be present and reviewed with active case participants.

Timeframe

Policy + remedial training was completed upon discovery of this information being missing in June 2024. Training occurred in person, by the Family Support Services Supervisor, between July and October 2024.

Follow Up

Training and Quality Assurance staff will continue to monitor Work First Family Assessment cases by completing second party reviews for 25% of case actions completed. This includes applications, reviews, and changes for Work First Family Assistance cases.

Second Party Audit scores will be shared directly with staff and Leadership to determine additional training needs, as applicable.

Second Party Audit data will be stored in a Shared Folder, and reviewed by Leadership monthly.

Proposed Completion Date:

With continuous monitoring and implementation of policy and procedural training that was completed in July-October 2024, Davidson County will be in compliance with the Strengths and Needs Assessment requirement for Work First Family Assistance.

DAVIDSON COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Finding 2023-001:

Status: Repeated as 2024-001.

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

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					
PASSED THROUGH NC DEPT OF TRANSPORTATION					
HIGHWAY SAFETY CLUSTER:					
STATE AND COMMUNITY HIGHWAY SAFETY:	20.600	22024.6.7	$ 5,402	$ -	$ -
TOTAL HIGHWAY SAFETY CLUSTER			5,402	-	-
FEDERAL HIGHWAY ADMINISTRATION					
FEDERAL TRANSIT CLUSTER:					
DIRECT PROGRAM:					
FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507		101,316	-	-
COVID-19 FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507		33,848	-	-
PASSED THROUGH CITY OF WINSTON SALEM					
FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	NC-2018-071-00	7,303	-	-
COVID-19 - FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	WS 2022 ARP	130,991	-	-
FEDERAL TRANSIT - FORMULA GRANTS (URBANIZED AREA FORMULA PROGRAM)	20.507	WS 2024 ARP	194,983	-	-
TOTAL FEDERAL TRANSIT CLUSTER			468,441	-	-
PASSED THROUGH NC DEPT OF TRANSPORTATION					
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM - ADMIN	20.509	36233.34.24.1	38,914	2,432	-
FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM - ADMIN	20.509	36233.34.25.1	244,492	15,281	-
TOTAL FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM			283,406	17,713	-
TRANSIT SERVICES PROGRAMS CLUSTER:					
PASSED THROUGH NC DEPT OF TRANSPORTATION					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.10.3	31,418	3,927	-
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.11.3	220,578	27,572	-
PASSED THROUGH CITY OF WINSTON SALEM					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.8.3	4,894	-	-
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER			256,890	31,499	-
PASSED THROUGH CITY OF WINSTON SALEM					
HIGHWAY PLANNING, RESEARCH AND CONSTRUCTION CLUSTER (NOTE 3):					
HIGHWAY PLANNING AND CONSTRUCTION (FEDERAL-AID HIGHWAY PROGRAM)	20.205	35655	46,040	-	-
TOTAL HIGHWAY PLANNING, RESEARCH AND CONSTRUCTION CLUSTER (NOTE 3):			46,040	-	-
TOTAL U.S. DEPT. OF TRANSPORTATION			1,060,179	49,212	-
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	215NC406S2514	1,454,581	-	-
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION	10.561	215NC406S2514	86,551	-	-
COVID-19 - STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561	215NC406S2514	60,317	-	-
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			1,601,449	-	-
DIVISION OF PUBLIC HEALTH:					
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	10.557	13A2540	675,885	-	-
RURAL BUSINESS COOPERATIVE SERVICE					
PASSED THROUGH ENERGYUNITED ELECTRIC MEMBERSHIP CORP					
RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS - EGGER WOOD PRODUCTS LOAN	10.854	2014	1,020,000	-	-
TOTAL U.S. DEPT. OF AGRICULTURE			3,297,334	-	-
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	72,687	-	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

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	223,599	-	-
DIVISION OF PUBLIC HEALTH:					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	13A1515	20,735	-	-
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES			244,334	-	-
SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3):					
DIVISION OF SOCIAL SERVICES:					
MARYLEE ALLEN PROMOTING SAFE AND STABLE FAMILIES PROGRAM	93.556	2301NCFPSS	42,901	-	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	93.645	G2301NCCWSS	-	74,772	-
TOTAL SPECIAL CHILDREN ADOPTION FUND CLUSTER (NOTE 3)			42,901	74,772	-
CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION	93.563	2304NC4005	1,305,435	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - ADMINISTRATION	93.568	G23B1NCLIEA	173,991	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - ASSISTANCE PAYMENTS	93.568	G23B1NCLIEA	11,688	-	-
LOW-INCOME HOME ENERGY ASSISTANCE - CRISIS INTERVENTION PAYMENTS	93.568	G23B1NCLIEA	863	-	-
COVID-19 - LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE - ADMIN	93.568	G23B1NCLIEA	462	-	-
COVID-19 - LOW-INCOME HOME ENERGY ASSISTANCE - LOW-INCOME HOME WATER ASSISTANCE	93.568	G23B1NCLIEA	15,615	-	-
TOTAL LOW-INCOME HOME ENERGY ASSISTANCE			202,619	-	-
FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3):					
FOSTER CARE TITLE IV-E - CPS	93.658	2301NCFOST	113,956	100,293	-
FOSTER CARE TITLE IV-E - ADMIN	93.658	2301NCFOST	647,566	1,766	-
FOSTER CARE TITLE IV-E - DIRECT BENEFITS	93.658	2301NCFOST	424,718	137,703	-
ADOPTION ASSISTANCE - IV-E OPTIONAL TRAINING	93.659	2301NCFOST	41,172	-	-
TOTAL FOSTER CARE, ADOPTION, AND GUARDIANSHIP ASSISTANCE PROGRAM CLUSTER (NOTE 3)			1,227,412	239,762	-
SOCIAL SERVICES BLOCK GRANT- OTHER SVCS & TRNG	93.667	G2301NCSOSR	443,593	6,058	-
SOCIAL SERVICES BLOCK GRANT- STATE IN HOME SERVICE FUND	93.667	G2301NCSOSR	60,477	-	-
SOCIAL SERVICES BLOCK GRANT - STATE ADULT DAY CARE	93.667	G2301NCSOSR	98,739	9,900	-
COVID-19 - SOCIAL SERVICES BLOCK GRANT - STATE ADULT DAY CARE	93.667	G2301NCSOSR	2,224	8,172	-
TOTAL SOCIAL SERVICES BLOCK GRANT			605,033	24,130	-
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	246,653	-	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER / SUBSIDIZED CHILD CARE PROGRAM CLUSTER (NOTE 3)			246,653	-	-
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	26,711	-	-
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAM	93.116	1460272	1,836	-	-
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	1173883	289,526	-	-
HIV CARE FORMULA GRANTS - RYAN WHITE CARE ACT	93.917	2B04536,2B04601-20G0169002	14,700		
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	41,386	-	-
COVID-19 - IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1331631	122,250	-	-
TOTAL IMMUNIZATION COOPERATIVE AGREEMENTS			163,636	-	-
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898	1320310	23,370	-	-
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991	1261550	23,182	-	-
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	69,502	3,448	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

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	76,049	-	-
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	233,862	13,757	71,903
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	180,767	10,633	-
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	89,336	15,765	-
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	231,352	13,609	-
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	83,923	14,810	-
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	DAAS-735	82,497	-	-
TOTAL AGING CLUSTER			901,737	68,574	71,903
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	93.052	DAAS-735	71,853	4,790	76,643
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	2,578,416	266,445	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - MEDICAID ADMINISTRATIVE	93.778	XIX-MAP23	70,016	-	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - TRANSPORTATION ADMIN	93.778	XIX-MAP23	12,737	-	-
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - ADULT HOME SPECIALIST	93.778	XIX-MAP23	11,949	5,974	
MEDICAL ASSISTANCE PROGRAM (MEDICAID; TITLE XIX) - STATE COUNTY SPECIAL	93.778	XIX-MAP23	53,097	-	-
TOTAL MEDICAID CLUSTER			2,726,215	272,419	-
CHILDREN'S HEALTH INSURANCE PROGRAM - ADMIN	93.767	CHIP 23	300,661	6,350	-
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			8,563,365	694,245	148,546
U.S. DEPT. OF JUSTICE					
FEDERAL PRISON SYSTEM/BUREAU OF PRISONS					
DIRECT PROGRAM:					
CORRECTIONS TRAINING AND STAFF DEVELOPMENT	16.601	15PBJA-21-RR-05218-SCAA , 15PBJA-20-RR-00102-SCAA	3,429	-	-
U.S. DEPT. OF TREASURY					
DIRECT PROGRAMS:					
LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND	21.032		500	-	-
PASSED THROUGH NC DEPT OF HEALTH AND HUMAN SERVICES					
DIVISION OF PUBLIC HEALTH:					
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	2B0SF LT-200TT00000	2,069	-	-
COVID-19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	2B0SF LA-200TT00000	378		
TOTAL U.S. DEPT. OF TREASURY			2,947	-	-
U.S. DEPT. OF COMMERCE					
ECONOMIC DEVELOPMENT ADMINISTRATION					
DIRECT PROGRAM:					
ECONOMIC DEVELOPMENT CLUSTER:					
ECONOMIC ADJUSTMENT ASSISTANCE	11.307	04-79-07704	10,186	-	-
TOTAL ECONOMIC DEVELOPMENT CLUSTER			10,186	-	-
TOTAL FEDERAL AWARDS			13,010,127	743,457	148,546

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

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
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	$ -
COVID-19 - EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES				194,778	-
FOOD AND LODGING FEES				14,936	-
AID-TO-COUNTIES				147,535	-
SCHOOL NURSING FUNDING INTIATIVE				365,622	365,622
TUBERCULOSIS CONTROL				30,686	-
WOMEN HEALTH SERVICE FUND				9,033	-
CHILD HEALTH				983	-
HEALTHY COMMUNITY ACTIVITIES				3,747	-
HIGH RISK MATERNITY CLINICS				82,603	-
BREAST AND CERVICAL CANCER CONTROL				18,930	-
STATE FISCAL RECOVERY FUNDS				179,572	-
FAMILY PLANNING - STATE				19,441	-
SPAY/NEUTER PROGRAM				1,655	-
DIVISION OF SOCIAL SERVICES:					
F/C AT RISK MAXIMIZATION				16,267	-
SFHF MAXIMIZATION				86,662	-
STATE FOSTER HOME				145,223	-
EXTENDED FOSTER CARE MAXIMIZATION NON IV-E PROGRAMS				25,110	-
FOSTER CARE AT RISK				2,639	-
ST CHILD WELFARE/CPS/CS LD - STATE CHILD WELFARE - STATE PROTECTIVE				239,390	-
FOSTER CARE KINSHIP				21,110	-
AFDC PAYMENTS AND PENALTIES				1,332	-
DIVISION OF AGING AND ADULT SERVICES:					
PASSED THROUGH PIEDMONT TRIAD REGIONAL COUNCIL					
IN-HOME SERVICES - STATE FUNDS 90%				466,795	127,219
FAN HEAT RELIEF				756	-
SENIOR CENTER GENERAL PURPOSE				22,169	-
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				2,100,780	492,841
N.C. OFFICE OF STATE BUDGET AND MANAGEMENT					
STATE CAPITAL INFRASTRUCTURE FUND (SCIF)				500,000	-
STATE SPECIAL APPROPRIATION				2,290,000	-
STATE SPECIAL APPROPRIATION				131,073	-
TOTAL N.C. OFFICE OF STATE BUDGET AND MANAGEMENT				2,921,073	-
N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES					
PASSED THROUGH STATE LIBRARY OF NORTH CAROLINA					
STATE AID FOR PUBLIC LIBRARIES				243,156	-
N.C. PARKS AND RECREATION TRUST FUND (PARTF) PROJECT				436,374	-
N.C. PARKS AND RECREATION TRUST FUND ACCESSIBILILTY FOR PARKS PROJECT				273,369	-
TOTAL N.C. DEPT. OF NATURAL AND CULTURAL RESOURCES				952,899	-
N.C. DEPT. OF COMMERCE					
ONE NORTH CAROLINA FUND GRANT				-	-
N.C. RURAL INFRASTRUCTURE AUTHORITY:					
RURAL ECONOMIC DEVELOPMENT GRANT - BUILDING REUSE GRANTS				575,803	-
TOTAL N.C. DEPT. OF COMMERCE				575,803	-
N.C. DEPT. OF ENVIRONMENTAL QUALITY					
TECHNICAL ASSISTANCE GRANT				24,002	-
N.C. DEPT. OF MILITARY AND VETERAN AFFAIRS					
COMMUNITY GRANT PROGRAM				2,174	-
N.C. DEPT. OF AGRICULTURE AND CONSUMER SERVICES					
STREAMFLOW REHABILITATION ASSISTANCE PROGRAM (StRAP)				183,561	-
ANIMAL WELFARE				12,000	
TOTAL N.C. DEPT. OF AGRICULTURE AND CONSUMER SERVICES				195,561	-
N.C. DEPT. OF TRANSPORTATION					
RIDESHARE				57,047	-
RURAL OPERATING ASSISTANCE PROGRAM - RURAL GENERAL PUBLIC PROGRAM				130,579	-
RURAL OPERATING ASSISTANCE PROGRAM - ELDERLY AND DISABLED				102,084	-
RURAL OPERATING ASSISTANCE PROGRAM - EMPLOYMENT				44,690	-
TOTAL N.C. DEPT. OF TRANSPORTATION				334,400	-

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2024

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
N.C. DEPT. OF PUBLIC INSTRUCTION					
PUBLIC SCHOOL BUILDING CAPITAL FUND- LOTTERY FUND				1,079,388	-
N.C. OFFICE OF JUVENILE JUSTICE					
JUVENILE JUSTICE AND DELINQUENCY PREVENTION				581,835	566,335
TOTAL STATE AWARDS				8,767,915	1,059,176
OTHER FINANCIAL ASSISTANCE					
N.C. DEPARTMENT OF JUSTICE					
OPIOID SETTLEMENT FUNDS		XXXXX	-	20,039	-
TOTAL FEDERAL AND STATE AWARDS			$ 13,010,127	$ 9,531,411	$ 1,207,722

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
June 30, 2024

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, 2024. 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, Highway Planning, Research, and Construction Cluster.

4. Loans Outstanding

Davidson County had the following loan balances outstanding at June 30, 2024 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, 2024 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	$ 780,000

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.