

**DAVIDSON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

DAVIDSON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal And State Awards Required By OMB Circular A-133 And The State Single Audit Implementation Act	3-5
Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule Of Expenditures Of Federal And State Awards As Required By OMB Circular A-133 And The State Single Audit Implementation Act	6-8
Schedule of Findings and Questioned Costs	9-10
Summary Schedule of Prior Year's Audit Findings	11
Schedule of Expenditures of Federal and State Awards	12-17

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

To the Board of County Commissioners
Davidson County
Lexington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, not presented here, which collectively comprises the County's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Davidson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Davidson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Davidson County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Davidson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit; and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 30, 2015

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures Of Federal And State Awards Required By OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Davidson County
Lexington, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Davidson County, North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on each of Davidson County's major federal programs for the year ended June 30, 2015. Davidson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davidson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Davidson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Davidson County's compliance.

Opinion on Each Major Federal Program

In our opinion, Davidson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Davidson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Davidson County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Davidson County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 And The State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County, as of and for the year ended June 30, 2015, 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 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Davidson County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 30, 2015

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule Of Expenditures Of Federal And State Awards As Required By OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Davidson County
Lexington, North Carolina

Report On Compliance for Each Major State Program

We have audited Davidson County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on each of Davidson County's major State programs for the year ended June 30, 2015. Davidson County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Davidson County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Davidson County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of Davidson County's compliance.

Opinion On Each Major State Program

In our opinion, Davidson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2015.

Report On Internal Control Over Compliance

Management of Davidson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Davidson County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Davidson County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Davidson County as of and for the year ended June 30, 2015, and the related Notes to the Financial Statements, which collectively comprise Davidson County's basic financial statements. We have issued our report thereon dated November 30, 2015, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Davidson County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 30, 2015

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.775, 93.777, 93.778
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Child Care Development Fund Cluster	93.575, 93.596
State Children's Insurance Program (Health Choice)	93.767

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

DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weakness identified? No
- Significant deficiency(ies) identified not considered to be material weakness(es)? No

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

- Medicaid Cluster
- Children's Health Insurance Program (Health Choice)
- Foster Care and Adoption Cluster
- Subsidized Child Care Cluster

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

None

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

None

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

None

DAVIDSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

Not applicable - no findings in prior year.

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2015**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPT. OF TRANSPORTATION</u>				
<u>FEDERAL AVIATION ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.13.1	\$ 135,090	\$ -
AIRPORT IMPROVEMENT PROGRAM	20.106	36237.19.14.1	3,787	-
<u>FEDERAL HIGHWAY ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER:				
HIGHWAY PLANNING AND CONSTRUCTION	20.205	N/A	39,174	-
<u>FEDERAL TRANSIT ADMINISTRATION</u>				
FEDERAL TRANSIT CLUSTER				
PASSED THROUGH CITY OF HIGH POINT:				
FEDERAL TRANSIT FORMULA GRANT	20.507	N/A	164,952	-
PASSED THROUGH PIEDMONT AUTHORITY FOR REGIONAL TRANSPORTATION:				
FEDERAL TRANSIT FORMULA GRANT	20.507	N/A	210,000	-
TOTAL FEDERAL TRANSIT CLUSTER			374,952	-
PASSED THROUGH N.C. DEPT. OF TRANSPORTATION:				
FORMULA GRANTS FOR RURAL AREAS	20.509	36233.34.16.1	151,312	9,514
TRANSIT SERVICES PROGRAMS CLUSTER				
ENHANCED MOBILITY FOR SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	51001.58.2.3	54,104	6,743
TOTAL U.S. DEPT. OF TRANSPORTATION			758,419	16,257
<u>U.S. DEPT. OF AGRICULTURE</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES				
DIVISION OF SOCIAL SERVICES:				
SNAP CLUSTER				
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - ADMIN	10.561	N/A	853,890	-
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - FRAUD ADMINISTRATION	10.561	N/A	84,866	-
FS COUNTY INCENTIVE	10.561	N/A	-	2,512
TOTAL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM CLUSTER			938,756	2,512
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
ADMINISTRATION:				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	N/A	753,527	-
DIRECT BENEFIT PAYMENTS:				
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS AND CHILDREN	10.557	N/A	3,192,298	-
CHILD NUTRITION CLUSTER:				
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSPC)	10.559	N/A	666	-
TOTAL U.S. DEPT. OF AGRICULTURE			4,885,247	2,512
<u>U.S. DEPT. OF COMMERCE</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE:				
DIVISION OF COMMUNITY DEVELOPMENT:				
COMMUNITY DEVELOPMENT BLOCK GRANTS/ ENTITLEMENT GRANTS - SURFACE SOURCE PROJ	14.218	14-E-2650	293,372	-
<u>U.S. DEPT. OF HOMELAND SECURITY</u>				
PASSED THROUGH N.C. DEPT. OF CRIME CONTROL AND PUBLIC SAFETY:				
DISASTER GRANTS - PUBLIC ASSISTANCE	97.036	N/A	57,042	-
EMERGENCY MANAGEMENT PERFORMANCE GRANT	97.042	N/A	53,699	-
TOTAL U.S. DEPT. OF HOMELAND SECURITY			110,741	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2015**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS (CONTINUED):				
<u>U. S. DEPT. OF LABOR</u>				
<u>EMPLOYMENT AND TRAINING ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT. OF COMMERCE:				
DIVISION OF EMPLOYMENT AND TRAINING:				
WORKFORCE INVESTMENT ACT CLUSTER:				
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	13-2020	19,508	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	14-2020	405,362	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	13-2040	116,909	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	14-2040	155,412	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	13-2050	2,749	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	13-2050	2,673	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	14-2010	21,194	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	14-2010	20,551	-
WORKFORCE INVESTMENT ACT ADULT PROGRAM	17.258	13-2010	17,731	-
WORKFORCE INVESTMENT ACT YOUTH ACTIVITIES	17.259	13-2010	17,239	-
TOTAL WORKFORCE INVESTMENT ACT CLUSTER			779,328	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	13-2030	92,664	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	14-2030	232,540	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	13-2050	2,215	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	14-2010	22,478	-
WORKFORCE INVESTMENT ACT DISLOCATED WORKERS	17.260	13-2010	14,283	-
TOTAL U.S. DEPT. OF LABOR			1,143,508	-
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES</u>				
<u>ADMINISTRATION FOR CHILDREN AND FAMILIES</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF SOCIAL SERVICES:				
TANF CLUSTER:				
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) STATE PROGRAMS:				
ADMINISTRATION - WORK FIRST	93.558	N/A	1,080,071	-
DIRECT BENEFIT PAYMENTS	93.558	N/A	736,528	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	12,809	-
TOTAL TANF CLUSTER			1,829,408	-
PROMOTING SAFE AND STABLE FAMILIES	93.556	N/A	26,321	-
CHILD SUPPORT ENFORCEMENT - IV-D ADMINISTRATION	93.563	N/A	807,793	-
LOW INCOME ENERGY ASSISTANCE:				
ADMINISTRATION	93.568	N/A	112,903	-
HOME ENERGY ASSISTANCE ADMIN	93.568	N/A	836,100	-
CRISIS INTERVENTION PAYMENTS	93.568	N/A	539,347	-
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM - PERM PLANNING	93.645	N/A	50,005	-
DIRECT BENEFITS:				
FAMILY SUPPORT PAYMENTS TO STATE ASSISTANCE PAYMENTS	93.560	N/A	(122)	(33)
FOSTER CARE AND ADOPTION CLUSTER (NOTE 4):				
IV-E FOSTER CARE DIRECT BENEFIT	93.658	N/A	514,834	172,254
IV-E FOSTER CARE TRN/OFF TRN	93.658	N/A	230,340	-
IV-E CPS	93.658	N/A	74,106	472,424
FOSTER CARE - ADMIN	93.658	N/A	284,244	52,414
IV-E OPTIONAL ADOPTION ASSISTANCE TRAINING	93.659	N/A	24,514	-
ADOPTION ASSISTANCE - DIRECT BENEFIT	93.659	N/A	550,161	140,065
ADOPTION ASSISTANCE IV-E- VENDOR PAYMENTS DIRECT BENEFIT	93.659	N/A	5,541	5,415
ADOPTION ASSISTANCE IV-B- VENDOR PAYMENTS		N/A	-	6,255
TOTAL FOSTER CARE AND ADOPTION CLUSTER (NOTE 4)			1,683,740	848,827
SOCIAL SERVICES BLOCK GRANT - OTHER SVCS & TRNG	93.667	N/A	332,522	41,713
SOCIAL SERVICES BLOCK GRANT-IN HOME SERVICES	93.667	N/A	57,777	-
SOCIAL SERVICES BLOCK GRANT-ADULT DAY CARE	93.667	N/A	46,143	41,961
CHAFEE FOSTER CARE LINKS - ADMIN	93.674	N/A	16,359	4,090
CHAFEE FOSTER CARE INDEPENDENCE LIVING TRANSITIONAL DIRECT BENEFIT	93.674	N/A	13,330	-

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2015**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS (CONTINUED):				
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>				
<u>ADMINISTRATION FOR CHILDREN AND FAMILIES (CONTINUED)</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED):				
SUBSIDIZED CHILD CARE (NOTE 4):				
CHILD CARE DEVELOPMENT FUND CLUSTER:				
DIVISION OF SOCIAL SERVICES:				
CHILD CARE DEVELOPMENT FUND - ADMINISTRATION	93.596	N/A	187,644	-
DIVISION OF CHILD DEVELOPMENT:				
CHILD CARE AND DEVELOPMENT FUND - DISCRETIONARY	93.575	N/A	2,769,511	-
CHILD CARE AND DEVELOPMENT FUND - MANDATORY	93.596	N/A	979,840	-
CHILD CARE AND DEVELOPMENT FUND - MATCH	93.596	N/A	297,225	-
TOTAL CHILD CARE DEVELOPMENT FUND CLUSTER			4,234,220	-
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	769,638	-
FOSTER CARE TITLE IV-E	93.658	N/A	61,474	31,838
STATE APPROPRIATIONS		N/A	-	311,040
TANF-MOE		N/A	-	48,134
TOTAL SUBSIDIZED CHILD CARE CLUSTER (NOTE 4)			5,065,332	391,012
<u>CENTERS FOR DISEASE CONTROL AND PREVENTION</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS				
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	93.074	N/A	42,887	-
IMMUNIZATION COOPERATIVE AGREEMENTS	93.116	N/A	28	-
COOPERATIVE AGREEMENTS FOR STATE-BASED COMPREHENSIVE BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAMS	93.268	N/A	40,015	-
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	93.919	N/A	28,539	12,240
PREVENTATIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.945	N/A	79,739	-
HIV PREVENTION ACTIVITIES - HEALTH DEPARTMENT BASED	93.991	N/A	3,026	-
STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE, AND STROKE (PPHF)	93.940	N/A	1,000	-
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.757	N/A	20,268	-
PREVENTIVE HEALTH SERVICES - SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.758	N/A	17,520	-
	93.977	N/A	192	-
<u>HEALTH RESOURCES AND SERVICE ADMINISTRATION</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
DIVISION OF PUBLIC HEALTH:				
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	N/A	330,286	247,744
<u>OFFICE OF POPULATION AFFAIRS</u>				
PASSED THROUGH N.C. DEPT OF HEALTH AND HUMAN SERVICES:				
OFFICE OF POPULATION AFFAIRS:				
FAMILY PLANNING SERVICES	93.217	N/A	74,698	-
<u>ADMINISTRATION ON AGING</u>				
PASSED THROUGH PIEDMONT TRIAD COUNCIL OF GOVERNMENTS:				
AGING CLUSTER:				
SPECIAL PROGRAMS FOR AGING, TITLE III-B				
GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044	N/A	151,899	48,113
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES				
CONGREGATE MEALS	93.045	N/A	140,377	8,264
SPECIAL PROGRAMS FOR AGING, TITLE III, PART C, NUTRITION SERVICES				
HOME DELIVERED MEALS	93.045	N/A	94,071	78,759
NUTRITION SERVICES INCENTIVE PROGRAM SUPPLEMENT	93.053	N/A	69,166	-
TOTAL AGING CLUSTER			455,513	135,136
SPECIAL PROGRAMS FOR AGING, TITLE III-D				
DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	93.043	N/A	369	22

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2015**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
FEDERAL AWARDS (CONTINUED):				
<u>U. S. DEPT. OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>				
<u>CENTERS OF MEDICARE AND MEDICAID SERVICES</u>				
PASSED THROUGH N.C. DEPT. OF HEALTH AND HUMAN SERVICES:				
DIVISION OF MEDICAL ASSISTANCE:				
MEDICAID CLUSTER:				
DIRECT BENEFIT PAYMENTS:				
MEDICAL ASSISTANCE PROGRAM	93.778	N/A	132,879,907	71,700,354
ADMINISTRATION:				
MEDICAL ASSISTANCE ADMIN	93.778	N/A	1,998,433	-
MA EXPANSION - ADMIN	93.778	N/A	36,526	(1,646)
STATE/COUNTY SPEC. ASSISTANCE	93.778	N/A	36,966	-
ADULT CARE HOME CASE MANAGEMENT	93.778	N/A	16,477	6,051
TOTAL MEDICAID CLUSTER			<u>134,968,309</u>	<u>71,704,759</u>
STATE CHILDREN'S INSURANCE PROGRAM NC HEALTH CHOICE - ADMIN	93.767	N/A	27,285	8,567
STATE CHILDREN'S INSURANCE PROGRAM - DIRECT BENEFIT	93.767	N/A	3,008,924	958,997
TOTAL U.S. DEPT. OF HEALTH AND HUMAN SERVICES			<u>150,515,556</u>	<u>74,395,035</u>
<u>U.S. DEPT. OF JUSTICE</u>				
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2014-DJ-BX-0253	11,055	-
<u>INSTITUTE OF MUSEUM AND LIBRARY SCIENCES</u>				
PASSED THROUGH N.C. DEPTOPF CULTURAL RESOURCES				
GRANTS TO STATES	45.310	N/A	6,497	-
TOTAL FEDERAL AWARDS			<u>157,724,395</u>	<u>74,413,804</u>
STATE AWARDS:				
<u>N.C. DEPT. OF HEALTH AND HUMAN SERVICES</u>				
DIVISION OF PUBLIC HEALTH:				
OTHER RECEIPTS / STATE SUPPORTED EXPENDITURES				
PUBLIC HEALTH NURSING	N/A	N/A		1,400
GENERAL COMMUNICABLE DISEASE CONTROL	N/A	N/A		3,806
FOOD AND LODGING FEES	N/A	N/A		31,268
GENERAL AID TO COUNTIES	N/A	N/A		147,485
WOMEN'S HEALTH SERVICE FUND	N/A	N/A		30,503
RISK REDUCTION/HEALTH PROMOTION	N/A	N/A		6,285
SPAY/NEUTER PROGRAM	N/A	N/A		3,254
TUBERCULOSIS	N/A	N/A		29,899
TB MEDICAL SERVICE	N/A	N/A		787
CHILD HEALTH	N/A	N/A		872
HMHC - FAMILY PLANNING	N/A	N/A		2,675
MATERNAL HEALTH (HMHC)	N/A	N/A		11,959
HIV/STD STATE	N/A	N/A		10,000
HIV/STD SSBG AID	N/A	N/A		2,500
SEXUALLY TRANSMITTED DISEASES	N/A	N/A		2,707
DIVISION OF SOCIAL SERVICES:				
DIRECT BENEFIT PAYMENTS:				
SC/SA DOMICILIARY CARE	N/A	N/A		925,629
CWS ADOPT SUBSIDY	N/A	N/A		623,210
SFHF MAXIMIZATION	N/A	N/A		220,335
STATE FOSTER HOME	N/A	N/A		102,345
ADMIN:				
ENERGY ASSIST PRIVATE GRANT - SHARE THE WARMTH	N/A	N/A		10,144
AFDC INCENT/PROGRAM INTEGRITY	N/A	N/A		878
FS DOR INCENTIVE	N/A	N/A		177
DIVISION OF AGING AND ADULT SERVICES:				
PASSED THROUGH PIEDMONT TRIAD				
COUNCIL OF GOVERNMENTS:				
IN-HOME SERVICES - STATE FUNDS 90%	N/A	N/A		268,814
IN-HOME SERVICES - CAREGIVER MATCH	N/A	N/A		18,311
SENIOR CENTER GENERAL PURPOSE	N/A	N/A		<u>23,357</u>
TOTAL N.C. DEPT. OF HEALTH AND HUMAN SERVICES				<u>2,478,600</u>

**DAVIDSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
Year Ended June 30, 2015**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
STATE AWARDS (CONTINUED):				
<u>N.C. DEPT. OF CULTURAL RESOURCES</u>				
DIVISION OF STATE LIBRARY:				
AID TO PUBLIC LIBRARIES	N/A	N/A		179,000
<u>N.C. DEPT. OF ENVIRONMENT AND NATURAL RESOURCES</u>				
TECHNICAL ASSISTANCE				
CWRAR GRANT	N/A	N/A		26,760
				30,000
TOTAL N.C. DEPT. OF ENVIRONMENT AND NATURAL SERVICES				56,760
<u>N.C. DEPT. OF TRANSPORTATION</u>				
PUBLIC TRANSPORTATION DIVISION:				
RURAL OPERATING ASSISTANCE PROGRAM (ROAP) CLUSTER:				
ROAP ELDERLY AND DISABLED TRANSPORTATION	N/A	36220.10.5.1		101,895
ROAP RURAL GENERAL PUBLIC TRANSPORTATION	N/A	36228.22.5.1		123,074
ROAP WORKFIRST	N/A	36236.11.3.1		39,646
TOTAL N.C. DEPT. OF TRANSPORTATION				264,615
<u>N.C. DEPT. OF PUBLIC INSTRUCTION</u>				
PUBLIC SCHOOL BUILDING CAPITAL FUND	N/A	N/A		1,649,460
<u>N.C. OFFICE OF JUVENILE JUSTICE</u>				
JUVENILE JUSTICE AND DELINQUENCY PREVENTION (NOTE 3)	N/A	N/A		470,242
TOTAL STATE AWARDS				5,098,677
TOTAL FEDERAL AND STATE AWARDS			\$ 157,724,395	\$ 79,512,481

DAVIDSON COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
June 30, 2015

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, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Because the SEFSA 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 OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

3. Subrecipients

Of the federal and state expenditures presented in the schedule, Davidson County provided federal and state awards to subrecipients as follows:

<u>Subrecipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Family Services of Davidson County	Juvenile Justice and Delinquency Prevention	N/A	\$ 312,552
Davidson County Schools	Juvenile Justice and Delinquency Prevention	N/A	41,075
The Life Center	Special Programs for Aging	N/A	117,720
Barium Springs	Juvenile Justice and Delinquency Prevention	N/A	39,265
Project Challenge, Inc.	Juvenile Justice and Delinquency Prevention	N/A	61,850

4. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes - Subsidized Child Care and Foster Care and Adoption.