

**DAVIE COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2015**

# DAVIE COUNTY, NORTH CAROLINA

## COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2015

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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 County Commissioners  
Davie County, 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 Davie County, North Carolina, as of and for the year ended June 30, 2015, not presented here, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 4, 2015. The financial statements of the Davie County Watershed Improvement Commission were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Davie 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 Davie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Davie County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control over financial reporting described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

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

## **Davie County's Response to Finding**

Davie County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity'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  
December 4, 2015

# 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 OMB Circular A-133; and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Davie County, North Carolina

#### **Report on Compliance for Each Major Federal Program**

We have audited Davie 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 that could have a direct and material effect on each of Davie County's major federal programs for the year ended June 30, 2015. Davie 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 Davie 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*, 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 Davie 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 Davie County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Davie 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.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

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

## **Report on Internal Control Over Compliance**

The management of Davie 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 Davie 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 our 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 Davie County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-003 to be a material weakness.

*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 and Questioned Costs as item 2015-002 to be a significant deficiency.

Davie County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Davie County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Davie County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Davie County's basic financial statements. We issued our report thereon dated December 4, 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 Davie 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 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 additional 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure 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  
December 4, 2015

# 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 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**

Board of County Commissioners  
Davie County, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited Davie County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Davie County's major State programs for the year ended June 30, 2015. Davie 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 Davie County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; applicable sections of 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 Davie 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 Davie County's compliance.

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## **Opinion on Each Major State Program**

In our opinion, Davie 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.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of section OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 2015-002. Our opinion on each major state program is not modified with respect to this matter.

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

## **Report on Internal Control Over Compliance**

The management of Davie 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 Davie County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the 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 Davie County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2015-003 to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002 to be a significant deficiency.

Davie County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Davie County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Davie County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Davie County's basic financial statements. We issued our report thereon dated December 4, 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 Davie 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 additional 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 Expenditure 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  
December 4, 2015

# DAVIE 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(es) identified?	Yes
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Non-compliance material to financial statements noted?	No

#### Federal Awards

Internal control over major federal programs:	
• Material weakness (es) identified?	Yes
• Significant deficiency(s) identified that are not considered to be material weaknesses?	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 Section 510(a) of OMB Circular A-133?	Yes
Identification of major federal programs:	

<u>Federal Program</u>	<u>CFDA Number</u>
Medicaid Cluster	93.775, 93.777, 93.778
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$991,813</u>
Auditee qualified as low-risk auditee?	No

# DAVIE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

### State Awards

Internal control over major State programs:

- Material weakness (es) identified? Yes
- Significant deficiency(s) identified that are not considered to be material weaknesses? Yes

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes

Identification of major State programs:

Medicaid Cluster  
Subsidized Child Care Cluster  
Public School Building Capital Fund

# DAVIE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

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

#### 2015-001

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

**Condition:** A prior period adjustment is required to correct material errors that occurred in periods prior to the current fiscal year under audit. The necessity of a prior period adjustment indicates that the County's system of controls did not detect and prevent a material error in financial reporting.

**Context:** The County's capital asset tracking system in prior years was not calculating depreciation properly and led to the reporting of inaccurate information. Capital asset balances for governmental and business-type activities required a prior period adjustment to correct beginning balances.

**Effect:** Material errors in financial reporting occurred with regard to the government-wide Statement of Net Position and the individual proprietary funds Statement of Net Position for the Water and Sewer Fund and Solid Waste Fund.

**Cause:** The unreliable capital asset tracking system used in prior years

**Recommendation:** The County should exercise due care in reviewing the financial statements. Capital asset records should be reviewed for accuracy periodically by Management.

**Name of Contact Person:** Robin West, Finance Director

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with the finding and will continue to review financial statements to detect misstatements prior to their issuance, thus preventing prior period adjustments.

# DAVIE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

### 3. Federal Awards Findings and Questioned Costs

#### 2015-002

**Criteria:** In accordance with the North Carolina Department of Health and Human Services Division of Medical Assistance Family and Children's Medicaid Manual, Section 3515, automated inquiry and match procedures must be performed at the time of participant redetermination.

**Condition:** Documentation of automated match procedures was not available for 1 participant selected for eligibility testing.

**Context:** While performing testing of eligibility related to the Medicaid program, we noted the above condition.

**Effect:** Participant budget calculations did not include income verified by the automated matches.

**Cause:** Lack of adherence to requirements in the Medical Assistance Family and Children's Medicaid Manual.

**Questioned Costs:** Subsequent to redetermination the income reported on automated matches was verified, the budget was recalculated, and it was determined that the participant was eligible for the applicable Medical Assistance program; therefore, no questioned costs are applicable.

**Contact Person:** Tracie Murphy, DSS Director

#### DSS Programs Affected:

<u>Federal Grantor</u>	<u>Pass-Through Agency</u>	<u>Program Name</u>	<u>CFDA #</u>
U.S. Health and Human Services	N.C. Health and Human Services	Medicaid Cluster	93.775, 93.777, 73.778

**Management Response and Plan of Corrective Action:** The Economic Services Supervisor has reviewed with the Medicaid Caseworkers, policy in MA-3515. Eligibility requirements were discussed with regard to income verification, in addition to electronic matches and the Reasonable Compatibility Standard in Administrative letter 06-13 addendum 2. Caseworkers indicate they are confident with their understanding of this policy. The caseworkers have been instructed to seek the guidance of the Supervisor if they have questions or concerns with the interpretation or execution of this policy.

**DAVIE COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**3. Federal Awards Findings and Questioned Costs (continued)**

**2015-003**

**Criteria:** The County should have an adequate system of internal control procedures in place that management properly reviews and assesses the eligibility of individuals to ensure the accuracy of the benefits being provided.

**Condition:** The Division of Social Services did not have adequate review controls in place to ensure the proper eligibility determination requirements were being met for the following program:

<u>Federal Grantor</u>	<u>Pass-Through Agency</u>	<u>Program Name</u>	<u>CFDA #</u>
U.S. Health and Human Services	N.C. Health and Human Services	Child Care Development Fund Cluster	93.575, 93.596

**Context:** While performing testing of internal control over compliance related to the Child Care program, we noted the above condition.

**Effect:** Participant files could contain incorrect documentation where funding could be provided to individuals who are not eligible or not provided to eligible individuals.

**Cause:** The Child Care Supervisor left in December of 2014 and a new review process was not established due to staffing limitations of the Child Care program workers.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should implement proper review procedures over the Child Care eligibility determination process to ensure that records contain current, reliable and appropriate documentation in each participant file.

**Contact Person:** Tracie Murphy, DSS Director

**Management Response and Plan of Corrective Action:** Management concurs and will ensure proper review procedures over eligibility determination. Supervisor has developed a second party review process to monitor eligibility over Child Care. Management intends to establish a lead worker position to ensure adherence to monitoring policies.

**DAVIE COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**4. State Awards Findings and Questioned Costs**

**2015-002** as described above:

<u>Agency</u>	<u>Program Name</u>
N.C. Health and Human Services	Medicaid Cluster

**2015-003** as described above:

<u>Agency</u>	<u>Program Name</u>
N.C. Health and Human Services	Subsidized Child Care

**DAVIE COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

None

**DAVIE 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>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<b>FEDERAL AWARDS:</b>			
<b><u>U. S. Department of Agriculture</u></b>			
Passed through the N. C. Department of Health and Human Services			
<u>Division of Social Services:</u>			
Administration:			
WIC Grants to States (WGS)	10.578	\$ 1,387	\$ -
<u>Supplemental Nutrition Assistance Program Cluster:</u>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	204,518	-
<u>Total Supplemental Nutrition Assistance Program Cluster</u>		<u>204,518</u>	<u>-</u>
 <u>Division of Public Health:</u>			
Administration:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	169,873	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	638,190	-
<b>Total U. S. Department of Agriculture</b>		<u>1,013,968</u>	<u>-</u>
 <b><u>U. S. Department of Justice</u></b>			
Passed through the N. C. Department of Crime Control and Public Safety			
Equitable Sharing Program	16.922	13,478	
State Criminal Alien Assistance Program	16.606	2,484	-
<b>Total U.S. Department of Justice</b>		<u>15,962</u>	<u>-</u>
 <b><u>U. S. Department of Health and Human Services</u></b>			
<u>Administration on Aging</u>			
Passed through the N.C. Department of Health and Human Services			
Division of Aging and Piedmont Triad Regional Council			
<u>Aging Cluster:</u>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	104,135	50,818
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	76,698	43,629
Nutrition Services Incentive Program	93.053	42,154	-
<u>Total Aging Cluster</u>		<u>222,987</u>	<u>94,447</u>
Title III-E - National Family Caregiver Support	93.052	12,305	820
Total Administration on Aging		<u>235,292</u>	<u>95,267</u>

**DAVIE 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>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>Administration for Children and Families</u>			
Passed through the N. C. Department of Health and Human Services			
<u>Division of Social Services:</u>			
Administration:			
Family Preservation	93.556	12,423	-
Child Support Enforcement	93.563	253,101	-
Low-Income Home Energy Assistance Block Grant	93.568	257,027	-
Refugee Assistance	93.566	23	-
Permanency Planning - Child Welfare Services	93.645	9,681	-
Social Services Block Grant	93.667	102,347	10,023
Family Violence Prevention Services Act Grant	93.671	19,768	-
Independent Living Grant	93.674	7,442	1,861
State Children's Insurance Program - North Carolina Health Choice	93.767	9,979	2,052
Direct Benefit Payments:			
Aid for Dependent Children Payments & Penalties	93.560	(87)	(24)
Child Support Enforcement IV-D Offset fees	93.563	1,329	-
Total Division of Social Services		<u>673,033</u>	<u>13,912</u>
<u>Division of Medical Assistance:</u>			
Direct Benefit Payments:			
State Children's Insurance Program - North Carolina Health Choice	93.767	690,876	218,449
<u>Foster Care and Adoption Cluster (Note 4):</u>			
<u>Division of Social Services:</u>			
Administration:			
Title IV-E Foster Care - Administration	93.658	120,853	23,664
Title IV-E Adoption Assistance - Administration	93.659	1,626	-
Direct Benefit Payments:			
Foster Care - Direct Benefit Payments	93.658	109,083	30,391
Adoption Assistance - Direct Benefit Payments	93.659	232,726	60,715
<u>Total Foster Care and Adoption Cluster</u>		<u>464,288</u>	<u>114,770</u>
<u>Temporary Assistance for Needy Families Cluster:</u>			
<u>Division of Public Health:</u>			
Administration:			
Temporary Assistance for Needy Families	93.558	1,788	-
<u>Division of Social Services:</u>			
Administration:			
Work First	93.558	286,858	-
Direct Benefit Payments:			
Temporary Assistance for Needy Families	93.558	187,784	-
<u>Total Temporary Assistance for Needy Families Cluster</u>		<u>476,430</u>	<u>-</u>

**DAVIE 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>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>Subsidized Child Care Cluster (Note 4):</u>			
<u>Child Care and Development Fund Cluster:</u>			
<u>Division of Social Services:</u>			
Child Care and Development Fund - Administration	93.596	84,265	-
<u>Division of Child Development:</u>			
Child Care and Development Fund - Discretionary	93.575	265,981	-
Child Care and Development Fund - Mandatory	93.596	79,104	-
Child Care and Development Fund - Match	93.596	246,292	116,603
<u>Total Child Care Development Fund Cluster</u>		<u>675,642</u>	<u>116,603</u>
Temporary Assistance for Needy Families	93.558	67,018	-
Title IV-E Foster Care	93.658	5,743	2,975
State Appropriations		-	161,536
TANF - MOE		-	52,392
<u>Total Subsidized Child Care Cluster</u>		<u>748,403</u>	<u>333,506</u>
<u>Centers for Medicare and Medicaid Services</u>			
Passed through the N. C. Department of Health and Human Services			
<u>Medicaid Cluster:</u>			
<u>Division of Social Services:</u>			
<u>Administration:</u>			
Medical Assistance Program	93.778	553,308	2,765
<u>Division of Medical Assistance:</u>			
<u>Direct Benefit Payments:</u>			
Medical Assistance Program	93.778	28,028,199	14,967,341
<u>Total Medicaid Cluster</u>		<u>28,581,507</u>	<u>14,970,106</u>
<u>Centers For Disease Control And Prevention</u>			
Passed through the N. C. Department of Health and Human Services			
<u>Division of Public Health:</u>			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	30,211	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	28	-
Immunization Grants	93.268	15,174	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	13,757	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	13,358	-
HIV Prevention Activities_Health Department Based	93.940	1,000	-
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	217	-
Statewide Health Promotion Program	93.991	16,705	-
<u>Health Resources and Service Administration</u>			
Passed through the N.C. Department of Health and Human Services			
<u>Division of Public Health:</u>			
Maternal and Child Health Services Block Grant	93.994	48,060	36,050

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

<u>Grantor/Pass-Through Grantor/Program Title</u>	<b>Federal CFDA Number</b>	<b>Federal (Direct and Pass-Through) Expenditures</b>	<b>State Expenditures</b>
<u>Office of Population Affairs</u>			
Passed through the N. C. Department of Health and Human Services			
<u>Office of Population Affairs</u>			
Family Planning Services	93.217	22,175	-
<b>Total U.S. Department of Health and Human Services</b>		<u>32,030,514</u>	<u>15,782,060</u>
<b>Total federal assistance</b>		<u>\$ 33,060,444</u>	<u>\$ 15,782,060</u>
<b>STATE AWARDS:</b>			
<u>N. C. Department of Health and Human Services</u>			
<u>Division of Social Services:</u>			
Direct Benefit Payments:			
Aid to Families with Dependent Children (AFDC) Program Integrity		-	668
State Foster Home		-	66,067
F/C At Risk Maximization		-	893
SFHF Maximization		-	190,659
CWS Adoption Subsidy		-	169,153
State/County Special Assistance for Adults Domiciliary Care		-	238,826
Total Division of Social Services		<u>-</u>	<u>666,266</u>
<u>Division of Public Health:</u>			
Food and Lodging Fees		-	7,193
General Aid to Counties		-	80,920
General Communicable Disease Control		-	927
Risk Reduction/Health Promotion		-	6,285
Breast and Cervical Cancer Program		-	6,885
Child Health		-	341
HMHC-Family Planning		-	2,244
Maternal Health (HMHC)		-	4,442
Women's Health Service Fund		-	4,790
HIV/STD State		-	400
HIV/STD SSBG Aid		-	100
Sexually Transmitted Diseases		-	476
Tuberculosis		-	1,542
TB Medical Service		-	540
School Nurse Funding Initiative		-	50,000
Total Division of Public Health		<u>-</u>	<u>167,085</u>
<u>Division of Aging and Adult Services:</u>			
Passed-through the Piedmont Triad Regional Council			
In-Home Services - State Funds		-	66,651
In-Home Services - Caregiver Match		-	4,540
Senior Center General Purpose		-	11,680
Total Division of Aging and Adult Services		<u>-</u>	<u>82,871</u>
<b>Total N.C. Department of Health and Human Services</b>		<u>-</u>	<u>916,222</u>

**DAVIE 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>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<b><u>N. C. Department of Cultural Resources</u></b>			
State Library EZ Grant		-	4,300
State Aid to Libraries		-	86,193
		-	86,193
<b>Total N.C. Department of Cultural Resources</b>		-	90,493
<b><u>N. C. Department of Public Safety</u></b>			
Victims of Crime Act Grant		-	54,137
<b><u>Division of Emergency Management:</u></b>			
Emergency Management Grant		-	57,547
<b><u>Division of Juvenile Justice and Delinquency Prevention:</u></b>			
Juvenile Crime Prevention Programs		-	109,880
		-	109,880
<b>Total N.C. Department of Public Safety</b>		-	221,564
<b><u>N. C. Department of Administration</u></b>			
<b><u>N. C. Council for Women:</u></b>			
Domestic Violence Program		-	44,133
Marriage License Grant		-	14,100
Sexual Assault Program		-	23,864
Divorce Filing Fee Grant		-	21,235
		-	21,235
<b>Total N. C. Department of Administration</b>		-	103,332
<b><u>N. C. Department of Transportation</u></b>			
<b>Rural Operating Assistance Program (ROAP) Cluster</b>			
ROAP Elderly and Disabled Transportation Assistance Program		-	54,404
ROAP Rural General Public Program		-	58,581
ROAP Work First Transitional - Employment		-	13,863
		-	13,863
<b>Total N.C. Department of Transportation</b>		-	126,848
<b><u>N. C. Department of Environment and Natural Resources</u></b>			
<b><u>Division of Environmental Health</u></b>			
Scrap Tire Program		-	52,453
Solid Waste Disposal Tax		-	26,060
White Goods Management Program		-	13,211
State Superfund Cleanup Trust		-	45,841
		-	45,841
<b>Total N.C. Department of Environment and Natural Resources</b>		-	137,565
<b><u>N. C. Department of Public Instruction</u></b>			
Public School Building Capital Fund		-	780,309
		-	780,309
<b>Total State assistance</b>		-	2,376,333
<b>Total Federal and State assistance</b>		<b>\$ 33,060,444</b>	<b>\$ 18,158,393</b>

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Davie 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 Davie County, it is not intended to and does not present the financial position, changes in net position or cash flows of Davie 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, Davie County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Public School Building Capital Fund	N/A	\$ -	\$ 780,309
Aging Cluster funds	93.044, 93.045, 93.053	222,987	94,447

**4. Clustered Programs**

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 Assistance.