

**DAVIE COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2025

DAVIE COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2025

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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
Mocksville, 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 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, 2025, 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 February 9, 2026. Our report includes a reference to other auditors who audited the financial statements of the Davie County Watershed Improvement Commission, as described in our report on Davie County's financial statements. The financial statements of the Davie County Watershed Improvement Commission 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 Davie County Watershed Improvement Commission or that are reported on separately by those auditors who audited the financial statements of the Davie County Watershed Improvement Commission.

Report on 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) 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 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. 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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, North Carolina
February 9, 2026

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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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 the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Davie County
Mocksville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Davie 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 Davie County's major federal programs for the year ended June 30, 2025. Davie 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, Davie 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, 2025.

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 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 Davie 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 Davie County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Davie 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 Davie 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 Davie 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 Davie 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 Davie 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 Davie 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 non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2025-001. Our opinion on each major program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Davie County's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Davie 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 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 2025-001 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.

Government Auditing Standards requires the auditor to perform limited procedures Davie 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. Davie 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 Schedule of Expenditures of Federal Awards 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Davie County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Davie County's basic financial statements. We issued our report thereon, dated February 9, 2026, 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 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
February 9, 2026

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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 the Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

Board of County Commissioners
Davie County
Mocksville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Davie 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 Davie County’s major state programs for the year ended June 30, 2025. Davie 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, Davie 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, 2025.

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 Davie 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 state program. Our audit does not provide a legal determination of Davie County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Davie 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 Davie 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 Davie 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 Davie 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 Davie 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 Davie 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 non-compliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2025-001. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Davie County's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Davie 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.

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

Government Auditing Standards requires the auditor to perform limited procedures Davie 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. Davie 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 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Davie County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Davie County's basic financial statements. We issued our report thereon, dated February 9, 2026, 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
February 9, 2026

DAVIE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I – 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(es) identified?	No
• Significant deficiency(s) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	Yes
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

<u>Federal Program</u>	<u>AL Number</u>
Medicaid Cluster	93.778
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Supplemental Nutrition Assistance Program Cluster	10.561
Economic Development Cluster	11.300
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	No

DAVIE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified? Yes

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

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

Identification of major state programs:

Program Name

Medicaid Cluster
State Special Appropriation

Auditee qualified as low-risk auditee? No

DAVIE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services, Division of Social Services

Program Name:

DSS Crosscutting (State)

Supplemental Nutrition Assistance Program AL#10.561

Finding 2025-001

Significant Deficiency

Non-material Non-compliance

Criteria: Per the North Carolina DSS Crosscutting Requirements, Counties must acquire adequate case documentation to substantiate the claim entry into the NC Fast Enterprise Program Integrity (“EPI”) system. This information includes, but is not limited to, the dates of the overpayment period, documentary evidence to substantiate that an overpayment occurred, such as wage stubs or verification from an employer, other income verification and household composition verification, and the budgets used to compute the amount of the overpayment.

Condition: We noted four instances of a Food and Nutrition Services claim entered in EPI where adequate case documentation to substantiate the claim entry were not maintained. Two of those instances were due to the form 1682 not being located, one instance was due to the form 1682 not being signed, and the other instance was due to the calculation of form 1682 being incorrect. The claims were determined to still be valid. No questioned costs resulted from these cases.

Context: We sampled a total of 40 claims (21 while testing DSS Crosscutting and 19 while testing the Supplemental Nutrition Assistance Program (SNAP)) that were current in the EPI system and noted the above condition in six (15%) of the claims tested. To date, the County has reviewed the claims found above and placed the correct form 1682 in the casefile.

Effect: The County may not have accurate supporting documentation for claims entered in EPI system. There is a risk that claims may not be valid as a result.

Cause: Documentation to support a claim entered into EPI was not located, signed, or accurate.

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

Recommendation: County DSS staff should implement controls to ensure that all documentation is maintained, reviewed, and accurate.

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

DAVIE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Section IV – State Award Findings and Questioned Costs

Finding 2025-001 – Per the North Carolina DSS Crosscutting Requirements, Counties must acquire adequate case documentation to substantiate the claim entry into the NC Fast Enterprise Program Integrity (“EPI”) system. This information includes, but is not limited to, the dates of the overpayment period, documentary evidence to substantiate that an overpayment occurred, such as wage stubs or verification from an employer, other income verification and household composition verification, and the budgets used to compute the amount of the overpayment. See more at finding 2025-001 in Section III – Federal Award Findings and Questioned Costs.



**Corrective Action Plan
For the Year Ended June 30, 2025**

Finding 2025-001

Name of Contact Person: Robin M. West, Assistant County Manager/Chief Financial Officer

Corrective Action/Management Response: Davie County Health and Human Services staff will review documentation supporting claims entered into the NC Fast Enterprise Program Integrity (“EPI”) system for accuracy and completeness. The supervisor reviews all 1682 forms for accuracy and quality control prior to entering the claim into NCFAST.

The cases identified in error were the result of training and processing issues related to a former employee. DSS will properly train employees and address any future processing issues immediately through quality control procedures.

Proposed Completion Date: Immediately and ongoing.

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Finding 2024-001

Status: Modified and repeated as 2025-001

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>FEDERAL AWARDS</u>					
<u>U. S. Department of Agriculture</u>					
Passed through the N. C. Department of Health and Human Services					
<u>Division of Social Services:</u>					
<u>Supplemental Nutrition Assistance Program Cluster:</u>					
Administration:					
State Administrative Matching Grants for					
Supplemental Nutrition Assistance Program	10.561	205NC406S2514	\$ 507,056	\$ 5,560	\$ -
Total Supplemental Nutrition Assistance Program Cluster			507,056	5,560	-
<u>Division of Public Health:</u>					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2D15403; 2D15404; 2D15405; 2D15409; 2D1570G; 2D1570H; 2D1570J	173,058	-	-
Total U. S. Department of Agriculture			680,114	5,560	-
<u>U. S. Department of Commerce</u>					
Economic Development Administration (EDA)					
<u>Economic Development Cluster:</u>					
Direct Program:					
Investments for Public Works and Economic Development Facilities	11.300	04-01-07243	1,422,514	-	-
Total Economic Development Cluster:			1,422,514	-	-
Total U.S. Department of Commerce			1,422,514	-	-
<u>U. S. Department of Justice</u>					
Direct Program:					
Bulletproof Vest Partnership Program	16.607	N/A	14,947	-	-
Passed through the N.C. Department of Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03000- JAGX	24,131	-	-
Total U.S. Department of Justice			39,078	-	-
<u>U. S. Department of Transportation</u>					
Passed through the N.C. Department of Public Safety					
Hazardous Materials Emergency Preparedness (HMEP)	20.705	MOA#2460005	10,000	-	-
Total U.S. Department of Transportation			10,000	-	-
<u>U.S. Department of Treasury</u>					
Direct Program					
Equitable Sharing Program	21.016		34,575	-	-
Passed through the N.C. Department of Health and Human Services					
<u>Division of Aging and Piedmont Triad Regional Council</u>					
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	PTRC - HCCBG	1,200	-	-
Passed through the N.C. Department of Natural and Cultural Resources					
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LS-256834-OLS-24	4,166	-	-
Passed through the N.C. Department of Environmental Quality					
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		572,480	-	572,480
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		860,249	-	860,249
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		1,800,000	-	1,800,000
Total U.S. Department of Treasury			3,272,670	-	3,232,729

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>The Institute of Museum and Library Services</u>					
Grants to States	45.310	LS-256834-OLS-24	2,092	-	-
Total Institute of Museum and Library Services			2,092	-	-
<u>U. S. Department of Health and Human Services</u>					
<u>Administration on Aging</u>					
Passed through the N.C. Department of Health and Human Services					
<u>Division of Aging and Piedmont Triad Regional Council</u>					
Aging Cluster:					
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	93.044	PTRC - HCCBG	43,160	5,538	-
Special Programs for the Aging, Title III, Part C, Nutrition Services and 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	93.045	PTRC - HCCBG	169,219	9,954	-
Nutrition Services Incentive Program	93.053	PTRC - HCCBG	40,130	-	-
Total Aging Cluster			252,509	15,492	-
National Family Caregiver Support, Title 3 Part E	93.052	PTRC - HCCBG	19,661	1,311	-
<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:					
Child Support Services	93.563	2001NCCES	458,967	-	-
Low-Income Home Energy Assistance - Energy Assistance Payments	93.568		17,979	-	-
Total Low-Income Home Energy Assistance			17,979	-	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	56-6000295	17,644	-	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services/Sexual Assault Supportive Services	93.671	56-6000295	47,424	-	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services - COVID 19 Advocacy Grant	93.671		3,426	-	-
Total Family Violence Prevention and Services			68,494	-	-
Social Services Block Grant - Other Service and Training	93.667	G2001NCSOSR	108,130	-	-
<u>Division of Aging and Adult Services</u>					
<u>Division of Social Services:</u>					
Social Services Block Grant - Adult Protective Services	93.667	G2001NCCWSS	4,660	-	-
Social Services Block Grant - State in Home Service Fund	93.667	G2001NCFPCV	5,655	-	-
Total Social Services Block Grant			118,445	-	-
<u>Division of Social Services:</u>					
Special Children Adoption Fund Cluster (Note 3):					
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2001NCCWSS	13,407	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G2001NCFPCV	9,790	-	-
Total Special Children Adoption Fund Cluster (Note 3)			23,197	-	-

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>Division of Social Services:</u>					
Foster Care, Adoption and Guardianship Assistance Program Cluster (Note 3)					
Foster Care Title IV-E	93.658	2001NCFOST	308,208	11,771	-
Adoption Assistance	93.659	2001NCADPT	21,935	-	-
Direct Benefit Payments:					
Foster Care Title IV-E	93.658	20001NCFOST	194,834	62,901	-
Total Foster Care, Adoption and Guardianship Assistance Program Cluster (Note 3)			<u>524,977</u>	<u>74,672</u>	<u>-</u>
<u>Division of Social Services:</u>					
Temporary Assistance for Needs Families - Work First	93.558	2001NCTANF	234,934	-	-
<u>Division of Public Health:</u>					
Temporary Assistance for Needy Families - Work First	93.558	2B25151	2,894	-	-
Total Temporary Assistance for Needy Families			<u>237,828</u>	<u>-</u>	<u>-</u>
<u>Division of Social Services:</u>					
Subsidized Child Care Program Cluster/Child Care and Development Fund Cluster (Note 3)					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration	93.596	G2001NCCCDF	81,277	-	-
Total Subsidized Child Care Program Cluster/Child Care and Development Fund Cluster (Note 3)			<u>81,277</u>	<u>-</u>	<u>-</u>
<u>Centers for Medicare and Medicaid Services</u>					
<u>Division of Health Benefits:</u>					
<u>Division of Social Services:</u>					
Administration:					
Medicaid Cluster:					
Grants to States for Medicaid	93.778	XIX-MAP21	1,201,863	139,634	-
Total Medicaid Cluster:			<u>1,201,863</u>	<u>139,634</u>	<u>-</u>
<u>Division of Social Services:</u>					
Administration:					
Children's Health Insurance Program - NC Health Choice	93.767	CHIP21	121,855	39,102	-
<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>					
Public Health Emergency Preparedness	93.069	2B32680	29,172	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2B22720	50	-	-
Immunization Cooperative Agreements	93.268	2B06310; 2B0HHBR	61,348	-	-
Covis-19 Immunization Cooperative Agreements	93.268	2B06315	66,598	-	-
Total Immunization Cooperative Agreements			<u>127,946</u>	<u>-</u>	<u>-</u>
Preventive Health and Health Services Block Grant	93.991	2B04536; 2B15503	40,657	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	2B03100	11,375	-	-
<u>Health Resources and Services Administration</u>					
HIV Care Formula Grants - Ryan White Care Act	93.917	2B04601	598	-	-
Maternal and Child Health Services Block Grant to the States	93.994	2B15740; 2B25735; 2D25318; 2D25745	22,635	10,602	-
<u>Centers for Disease Control and Prevention</u>					
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	2B0SG23; 2B0SGLH	33,765	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	2B04631	100	-	-

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>Office of Assistant Secretary for Health</u>					
Family Planning Services	93.217	2B25900	40,001	-	-
Total U.S. Department of Health and Human Services			<u>3,433,351</u>	<u>280,813</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety					
<u>Division of Emergency Management</u>					
Emergency Management Performance Grants	97.042	EMA-2024-EP00009	-	25,388	-
Homeland Security Grant Program	97.067	MOA#24HSGP037	-	4,000	-
State & Local Cybersecurity Grant Program (SLCGP) Trival Cybersecurity Grant Program (FY23)	97.137	MOA# SLCGP660	189,084	-	-
Total U.S. Department of Homeland Security			<u>189,084</u>	<u>29,388</u>	<u>-</u>
Total Federal Assistance			<u>9,048,903</u>	<u>315,761</u>	<u>3,232,729</u>
<u>STATE AWARDS</u>					
<u>N. C. Department of Health and Human Services</u>					
<u>Division of Social Services:</u>					
State Child Welfare/CPS			-	68,523	-
Aid to Families with Dependent Children (AFDC)			-	344	-
Direct Benefit Payments:					
State Foster Home			-	34,227	-
Kinship Foster Care and Guardianship Assistance Program (KinGAP)			-	9,856	-
Extended Foster Care/ Max Non IV-E			-	2,012	-
Emergency Placement Foster Care			-	6,127	-
F/C At Risk Maximization			-	12,358	-
SFHF Maximization			-	40,966	-
Total Division of Social Services			<u>-</u>	<u>174,413</u>	<u>-</u>
<u>Division of Public Health:</u>					
Other Receipts/State Supported Expenditures:					
Food and Lodging Fees			-	14,590	-
General Aid to Counties - Public Health Capacity Building			-	80,948	-
Healthy Communities Activities			-	3,785	-
General Communicable Disease Control			-	927	-
ARPA TS Public Health Services			-	50,000	-
Breast and Cervical Cancer Program			-	8,275	-
Child Fatality Case Report			-	966	-
Child Health			-	1,134	-
CLAS Standards Advancing Health Equity			-	35,000	-
Family Planning State			-	19,488	-
High Risk Maternity Clinics			-	32,329	-
TB Control			-	2,082	-
School Health Center			-	50,000	-
Total Division of Public Health			<u>-</u>	<u>299,524</u>	<u>-</u>
<u>Division of Mental Health, Developmental Disabilities and Substance Abuse Services:</u>					
EMS Bridge MAT Program		536200	-	197,994	-
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services			<u>-</u>	<u>197,994</u>	<u>-</u>

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>Division of Aging and Adult Services:</u>					
Passed-through from Piedmont Triad Regional Council					
Senior Center General Purpose		NC007(24)	-	11,100	-
Fan Heat Relief		NC007(24)	-	256	-
State Funds-ACCESS		NC007(24)	-	1,148	-
State Funds-HOME DELIVERED MEALS		NC007(24)	-	16,393	-
State Funds-IN HOME SUPPORT SERVICES		NC007(24)	-	48,796	-
State Funds-IN HOME SUPPLEMENTAL STATE APPROPRIATION		NC007(24)	-	550	-
Total Division of Aging and Adult Services			-	78,243	-
<u>Division of SHIP:</u>					
Passed-through N.C. Department of Insurance: Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations:					
Seniors' Health Insurance Information Program (SHIIP)		2001NCMISH-00	-	14,868	-
Total N.C. Department of Health and Human Services			-	765,042	-
<u>N. C. Department of Natural and Cultural Resources</u>					
State Aid to Libraries					
			-	115,584	-
Total N.C. Department of Natural and Cultural Resources			-	115,584	-
<u>N. C. Department of Public Safety</u>					
Victims of Crime Grant					
		VOCA PROJ014099	-	66,739	-
<u>Division of Juvenile Justice:</u>					
Juvenile Crime Prevention Council Program					
		430-22508; 430-11420; 430-11878	-	141,059	-
Total N.C. Department of Public Safety			-	207,798	-
<u>N. C. Department of Administration</u>					
<u>N. C. Council for Women:</u>					
Domestic Violence Program			-	49,744	-
Marriage License Grant			-	16,068	-
Sexual Assault Program			-	27,548	-
Divorce Filing Fee			-	19,051	-
SASP Grant			-	18,660	-
Human Trafficking - Domestic Violence			-	21,635	-
Human Trafficking - Sexual Assault			-	17,982	-
State Special Appropriation - Sheriff's Equipment					
		OSBM Contract #20204	-	282,309	-
State Special Appropriation - Courthouse					
		OSBM Contract #20205	-	1,910,590	-
State Special Appropriation - Davie Community Park					
		OSBM Contract #20206	-	341,495	-
Total State Appropriation			-	2,534,394	-
<u>Division of Veterans Affairs:</u>					
County Veterans Service Program					
			-	2,273	-
Total N. C. Department of Administration			-	2,707,355	-
<u>N. C. Department of Agriculture</u>					
Spay / Neuter Services Reimbursement					
			-	9,100	9,100
Total N. C. Department of Agriculture			-	9,100	9,100

DAVIE COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>N. C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.13.1	-	54,236	-
ROAP Rural General Public Program		36228.22.13.1	-	79,761	-
ROAP Work First Transitional - Employment		36236.11.12.1	-	12,196	-
Total Rural Operating Assistance Program (ROAP) Cluster:			-	146,193	-
Total N.C. Department of Transportation			-	146,193	-
<u>N. C. Department of Environmental Quality</u>					
Division of Environmental Health					
Video Programming / PEG Channel			-	6,121	-
Sewer Infrastructure Mapping Grant (AIA Project)			-	165,500	-
Total N.C. Department of Environmental Quality			-	171,621	-
<u>N. C. Department of Public Instruction</u>					
Public School Building Capital Fund			-	200,000	-
Total Department of Public Instruction			-	200,000	-
<u>Other Financial Assistance</u>					
<u>NC Dept. of Justice</u>					
Opioid Settlement Fund (Note 5)			-	137,712	-
Total State assistance			-	4,460,405	9,100
Total Federal and State assistance			\$ 9,048,903	\$ 4,776,166	\$ 3,241,829

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, 2025. The information in this SEFSA is presented in accordance with the requirements of *Title 2 US 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 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 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: Subsidized Child Care Program, Supplemental Nutrition Assistance, Special Children Adoption Fund, and Foster Care, Adoption and Guardianship Assistance Program.

4. Indirect Cost Rate

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

5. Loans Outstanding

Davie County had the following loan balances outstanding a June 30, 2025 for a loan 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, 2025 consist of:

<u>Program Title</u>	<u>AL #</u>	<u>Pass-through Grantor's number</u>	<u>Amount Outstanding</u>
Drinking Water State Revolving Loan	66.458	WIF 2018	\$ 23,126,085

6. Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.