

**CATAWBA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2013

CATAWBA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

Independent Auditor's Report

To the Board of Commissioners
Catawba County
Newton, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2013, 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 November 18, 2013. Our report includes a reference to other auditors who audited the financial statements of Catawba Valley Medical Center, as described in our report on Catawba County's financial statements. The financial statements of Catawba Valley Medical Center and Catawba County ABC Board 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 Catawba 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 Catawba County's internal control. Accordingly, we do not express an opinion on the effectiveness of Catawba 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Catawba County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit; and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described as 2013-001 in the accompanying Schedule of Findings, Responses, and Questioned Costs.

Catawba County's Response to Finding

Catawba County's response to the finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Catawba 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 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
November 18, 2013

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 OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Catawba County
Newton, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Catawba 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 Catawba County's major Federal programs for the year ended June 30, 2013. Catawba 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.

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 Catawba 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Catawba 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 Catawba County's compliance.

Opinion On Each Major Federal Program

In our opinion, Catawba 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, 2013.

Report On Internal Control Over Compliance

Management of Catawba 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 Catawba County's internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program in order 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 Catawba County's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 18, 2013, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Catawba Valley Medical Center. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and; our opinion, insofar as it relates to the amounts included for Catawba Valley Medical Center, is based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Catawba County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133, and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 18, 2013

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

Independent Auditor's Report

To the Board of Commissioners
Catawba County
Newton, North Carolina

Report On Compliance for Each Major State Program

We have audited Catawba 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 Catawba County's major State programs for the year ended June 30, 2013. Catawba 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.

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

Opinion On Each Major State Program

In our opinion, Catawba County complied, in all material respects, with the 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with applicable sections of 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, Responses, and Questioned Costs as item 2013-002. Our opinion on each major State program is not modified with respect to this matter.

Catawba County's response to the non-compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Catawba 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

Management of Catawba 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 Catawba County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Catawba County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2013-002 that we consider to be a significant deficiency.

Catawba County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Catawba 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.

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 applicable sections 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise Catawba County's basic financial statements. We issued our report thereon dated November 18, 2013, which contained unmodified opinions on those financial statements. We did not audit the financial statements of Catawba Valley Medical Center. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and; our opinion, insofar as it relates to the amounts included for Catawba Valley Medical Center, is based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Catawba 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 18, 2013

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

1. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major Federal programs:

Program Name	CFDA #
Medicaid Cluster	93.778, 93.777, 93.775, 93.720
Childcare Development Fund Cluster	93.575, 93.596
WIC	10.557
Foster Care	93.658
TANF	93.558, 93.714, 93.716
Adoption Assistance	93.659

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

CATAWBA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State programs:

- Material weakness identified? No
- Significant deficiency identified 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:

Program Name

Medicaid Cluster
Subsidized Child Care Cluster
Foster Care and Adoption Cluster
Child's Foster Home
Public School Building Capital Fund
High Unit Cost Grant

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

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

2013-001

Criteria: Local governments in North Carolina may only invest funds in eligible investments under North Carolina General Statute 159.30.

Condition: During the current year, the County invested in four Certificates of Deposit that were not eligible investments under North Carolina General Statute 159.30.

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County purchased four Certificates of Deposit from a bank. The Certificates were brokered CDs and were not eligible investments.

Context: The investments were discovered upon review of the Form LGC 203 submitted to the Local Government Commission.

Recommendation: Management should analyze all potential investments for eligibility under North Carolina General Statutes.

Contact Person: Rodney N. Miller, Finance Director

Views of Responsible Officials and Planned Corrective Actions:

County Response:

The County purchased four certificates of deposit for \$250,000 each in 2012, with maturities of less than a year. These amounts were within the FDIC coverage limits, so the County believed that these were eligible investments. After discussing the situation with Local Government Commission staff, it was decided to allow one of the securities to mature in May 2013 (with the stated interest) and to sell the others back to First Tennessee Bank, where they were purchased. The remaining securities were sold prior to the end of the fiscal year, at no loss to the County.

Corrective Action Plan

The County will take extra precautions to insure that its investments meet the eligibility standards under the North Carolina General Statutes.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

3. State Award Findings and Questioned Costs

2013-002

NC Department of Public Instruction Public School Building Capital Fund

Criteria: Management should have a system in place to ensure that State program reports are submitted timely and in accordance with program requirements.

Condition: Public School Building Capital Fund is a State program administered by the Finance Department of the County. The Finance Department failed to submit final reports for seven projects within 60 days of the project completion dates.

Effect: Data was submitted to the grantor in an untimely manner. This finding is a significant deficiency in internal control over compliance and non-compliance with the reporting requirements as outlined in the grant.

Cause: Procedures are in place for approval of reporting but the reports were not filed timely.

Context: A sample of two reports was selected for audit from a population of four reports. The test found that out of the eight projects reported on these reports, seven were completed more than 60 days prior to report submission.

Questioned Cost: None

Recommendation: Management should adopt policies and procedures requiring supervisors to review reports and submission requirements.

Contact Person: Rodney N. Miller, Finance Director

Views of Responsible Officials and Planned Corrective Actions:

County Response:

The County agrees that final reports were not filed within 60 days of the completion of a capital project.

The County budgets NC Education Lottery funds for various public school capital projects in three different school systems. Some of these projects are small renovations and the costs are relatively minor. Rather than submitting requests for allocation of lottery funds at the beginning of the project, the County typically requests lottery funds on a reimbursement basis. The County may request funding for various projects at one time and only after sufficient lottery funds are available. Lottery funding is only allocated to counties on a quarterly basis, with no set schedule of distribution. So, in many cases, these applications are submitted after the project has been completed by over 60 days.

CATAWBA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

3. State Award Findings and Questioned Costs (continued)

2013-002 (continued)

The County also budgets a portion of lottery funds to fund debt service obligations for various school capital projects. These ongoing debt obligations may be associated with completed projects or projects not yet complete. Again, applications are not submitted until sufficient lottery funds are available to the County.

Corrective Action:

The County agrees to work with the Department of Public Instruction and submit final reports on a timely basis after requested lottery funds are distributed and available in the County's bank accounts.

4. Federal Award Findings and Questioned Costs

None reported.

CATAWBA COUNTY, NORTH CAROLINA

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

CATAWBA COUNTY, NORTH CAROLINA

**Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
Federal Awards:				
<u>U.S. Department of Agriculture</u>				
Passed through N.C. Department of Health and Human Services				
<u>Division of Public Health</u>				
Women, Infants, and Children Program				
Special Supplemental Nutrition Program	10.557	XXXX	\$ 811,750	\$ -
Direct Benefit Payments	10.557	XXXX	3,363,973	-
AGRI - Sustainable Food Program (SFP) Meal	10.559	XXXX	497	-
Total Division of Public Health			<u>4,176,220</u>	<u>-</u>
<u>Division of Social Services</u>				
SNAP Cluster				
Administration: Food stamps	10.561	XXXX	1,086,117	-
Total Division of Social Services			<u>1,086,117</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
Administration of Children and Families				
Passed through N.C. Department of Health and Human Services				
Subsidized Child Care (Note 2)				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596	XXXX	218,478	-
Division of Child Development				
Child Care and Development Fund - Discretionary	93.575	XXXX	1,839,087	-
Child Care and Development Fund - Mandatory	93.596	XXXX	793,528	-
Child Care and Development Fund - Match	93.596	XXXX	1,250,413	520,253
Total Child Care Development Fund Cluster			<u>4,101,506</u>	<u>520,253</u>
Temporary Assistance for Needy Families - TANF	93.558	XXXX	1,042,332	-
Social Services Block Grant	93.667	XXXX	10,636	-
Title IV-E Foster Care	93.658	XXXX	47,358	23,278
Smart Start		XXXX	-	85,316
State Appropriations		XXXX	-	345,501
TANF - Maintenance of Effort		XXXX	-	476,526
Total Subsidized Child Care Cluster			<u>5,201,832</u>	<u>1,450,874</u>
<u>Foster Care and Adoption Cluster</u>				
Title IV-E Administration	93.658	XXXX	904,395	-
Title IV-E Foster Care	93.658	XXXX	1,003,336	-
Title IV-E Child Protective Services	93.658	XXXX	485,176	-
<u>Adoption Assistance</u>				
Title IV-E Vendor Payments	93.659	XXXX	19,237	-
Direct benefit payments	93.659	XXXX	-	1,065,963
Total Foster Care and Adoption Cluster			<u>2,412,144</u>	<u>1,065,963</u>
<u>Administration</u>				
Independent Living	93.674	XXXX	56,926	-
Other Social Services Block Grant	93.667	XXXX	452,414	58,246
Work First Block Grant	93.558	XXXX	2,342,901	-
Aid to Families with Dependent Children (AFDC)	93.560	XXXX	136	-
TANF Foster Care	93.558	XXXX	53,352	-
TANF Direct Benefits Payments	93.558	XXXX	434,094	(150)
Child Support Enforcement Title IV-D	93.563	XXXX	948,579	-
Child Support Enforcement Title IV-D incentives	93.563	XXXX	221,139	-
Permanency planning	93.645	XXXX	-	93,141
Social Services Block Grant	93.667	XXXX	170,038	-
Low Income Home Energy Assistance				
Administration	93.568	XXXX	88,412	-
Crisis Intervention Payments	93.568	XXXX	897,792	-
Allocation	93.568	XXXX	307,898	-
Total Administration			<u>5,973,681</u>	<u>151,237</u>

CATAWBA COUNTY, NORTH CAROLINA

**Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>Division of Aging</u>				
Social Services Block Grant In-home aid	93.667	XXXX	21,615	40,149
Social Services Block Grant Federal Guardianship	93.667	XXXX	-	88,513
Links - Independent Living Trust Fund	93.674	XXXX	7,370	-
Total Division of Aging			<u>28,985</u>	<u>128,662</u>
<u>Division of Social Services</u>				
Social Service Block Grant	93.667	XXXX	-	12,500
Temporary Assistance for Needy Families	93.558	XXXX	12,218	-
Total Division of Social Services			<u>12,218</u>	<u>12,500</u>
Centers for Medicare and Medicaid Services				
Passed through N.C. Department of Health and Human Services				
<u>Division of Medical Assistance</u>				
Administration				
Medical Assistance Program	93.778	XXXX	583,970	227,100
Medical Assistance Administration	93.778	XXXX	1,573,438	-
Medical Assistance Expansion	93.778	XXXX	24,004	-
Medical Transportation	93.778	XXXX	1,203,802	-
Medical Special Assistance	93.778	XXXX	5,346	-
Direct benefit payments				
Title XIX - Medicaid	93.778	XXXX	107,869,893	59,583,352
Community Alternatives Program				
Medical Equipment and Supplies	93.778	XXXX	8,047	-
High Risk Intervention	93.778	XXXX	429,174	-
Case Management Medicaid Waiver	93.778	XXXX	386,270	-
Case Management At Risk	93.778	XXXX	347,586	-
Adult Care Home Case/State Adult Specialist Fund	93.778	XXXX	64,278	-
North Carolina Health Choice	93.767	XXXX	96,413	-
Home Delivered Meals	93.044	XXXX	12,411	-
Total Centers for Medicare and Medicaid Services			<u>112,604,632</u>	<u>59,810,452</u>
Centers for Disease Control and Prevention				
Passed through N.C. Department of Health and Human Services				
<u>Division of Public Health</u>				
Emergency Preparedness	93.069	XXXX	57,052	-
Tuberculosis Control Programs	93.116	XXXX	5,026	-
Immunization Grants	93.268	XXXX	34,458	-
Center for Disease Control and Prevention Investigations and Technical Assistance	93.283	XXXX	27,442	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	XXXX	40,701	12,750
Statewide Health Promotion Program	93.991	XXXX	9,640	-
Child Health - Fatality Prevention	93.994	XXXX	1,282	-
Total Division of Public Health			<u>175,601</u>	<u>12,750</u>
Health Resources and Service Administration				
Passed through N.C. Department of Health and Human Services				
<u>Division of Public Health</u>				
Maternal and Child Health Services Block Grant	93.994	XXXX	84,295	63,229
State Health Access Program	93.256	XXXX	19,808	-
Total Division of Public Health			<u>104,103</u>	<u>63,229</u>
Office of Population Affairs				
Passed through N.C. Department of Health and Human Services				
<u>Office of Population Affairs</u>				
Family Planning Services	93.217	XXXX	43,650	-
Total Office of Population Affairs			<u>43,650</u>	<u>-</u>

CATAWBA COUNTY, NORTH CAROLINA

**Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Homeland Security</u>				
Passed through N.C. Department of Health and Human Services				
<u>Division of Public Health</u>				
Assistance to Firefighters Grant	97.044	XXXX	9,980	-
Total Division of Public Health			9,980	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through N.C. Department of Commerce				
<u>Division of Community Assistance</u>				
Community Development Block Grants:				
Individual Development Account (IDA) 1st Time Homebuyer	14.228	09-C-2042	2,728	-
CDBG - NC Tomorrow Initiative		11-C-2273	50,000	-
CDBG - Infrastructure Water Hookup		09-C-2018	166,841	-
Total Division of Community Assistance			219,569	-
<u>U.S. Department of Justice</u>				
<u>Office of Justice Programs</u>				
Direct Program				
Local Law Enforcement Block Grant	16.592	XXXX	15,706	-
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0919	21,452	-
Bullet Proof Vest Grant	16.607	XXXX	2,555	-
Total Office of Justice Programs			39,713	-
<u>Office Of Homeland Security</u>				
<u>Federal Emergency Management Agency</u>				
Passed through N.C. Department of Public Safety				
Division of Crime Control and Public Safety				
Emergency Management Planning Grant	97.042	EMPG 2009-37035	49,878	-
Homeland Security Transfer Switches	97.067	XXXX	122,237	-
Incident Management Team (IMT) Training Grant	97.067	XXXX	33,043	-
Total Office of Homeland Security			205,158	-
<u>Administration on Aging</u>				
<u>Division of Social Services</u>				
Passed through Western Piedmont Council of Governments				
<u>Aging Cluster</u>				
Title III B				
Chore Level II	93.044	XXXX	12,393	-
Chore Level III	93.044	XXXX	281,709	-
Home Delivered Meals Coordination	93.044	XXXX	174,854	-
Home Delivered Meals	93.044	XXXX	33,150	-
Supplemental Meals	93.044	XXXX	15,586	-
Adult Day Health	93.044	XXXX	9,879	-
Adult Day Care	93.044	XXXX	100,885	-
Nutrition - Title III	93.045	XXXX	145,436	-
Nutrition - USDA	93.045	XXXX	21,770	-
Total Aging cluster			795,662	-
<u>Office of Economic Opportunity</u>				
Community Services Block Grant	93.569	XXXX	216,627	-
Total Office of Economic Opportunity			216,627	-
<u>U.S. Election Assistance Commission</u>				
Passed through N.C. State Board of Elections				
Help American Vote (HAVA) Grant	90.401	XXXX	7,585	-
Total U.S. Election Assistance Commission			7,585	-
Total Federal Awards and State Matches			133,313,477	62,695,667

CATAWBA COUNTY, NORTH CAROLINA

**Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
State Awards:				
<u>N.C. Department of Health and Human Services</u>				
Division of Public Health				
Other Receipts/State Supported Expenditures				
Food and Lodging Fees		XXXX	-	21,483
Environmental Health		XXXX	-	4,000
General Aid to Counties		XXXX	-	102,710
General Communicable Disease Control		XXXX	-	8,197
Risk Reduction/Health Promotion		XXXX	-	6,827
High Risk Maternity Clinic		XXXX	-	75,869
HIV Testing		XXXX	-	375
Women's Health Service Fund		XXXX	-	15,289
Tuberculosis		XXXX	-	24,139
Tuberculosis Medical Services		XXXX	-	787
School Nursing Funding Imitative		XXXX	-	200,000
Health Partners Grant		XXXX	-	56,383
NC Health and Wellness Trust		XXXX	-	(1,092)
Healthy Communities		XXXX	-	2,839
Women's Preventative Health		XXXX	-	16,000
Division of Social Services				
Adult Services (State Contract)		XXXX	-	70,866
Adult Day Care		XXXX	-	138,042
Children's Foster Home		XXXX	-	305,313
Child Protective Services		XXXX	-	215,130
Children's Trust Grant		XXXX	-	67,608
Special Children Adoption Fund		XXXX	-	86,400
Finger Printing/Criminal History		XXXX	-	20
Share the Warmth		XXXX	-	9,310
Restoring Families		XXXX	-	70,200
Direct benefit payments				
State-County Special Assistance Domiciliary Payments		XXXX	-	1,185,108
NC Partnership for Children				
Smart Start - public health	1711174040		-	156,645
Smart Start - early childhood development	1711174040		-	32,462
Smart Start - early childhood support team	1711174040		-	348,226
Smart Start - day care	1711174040		-	162,070
Total N.C. Department of Health and Human Services			-	3,381,206
Office of Emergency Medical Services				
Passed through Carolinas Medical Center				
Disaster Preparedness Grant (Federal ASPR)		XXXX	-	4,839
Total Office of Emergency Medical Services			-	4,839
<u>N.C. Department of Public Safety</u>				
Division of Juvenile Justice				
Peace Pipeline Conflict Resolution		XXXX	-	58,475
Project Challenge		XXXX	-	60,851
Family Net		XXXX	-	122,825
Planning		XXXX	-	15,018
Catawba Parenting Network		XXXX	-	45,122
Alexander Youth Network		XXXX	-	9,281
Total Division of Juvenile Justice			-	311,572
Division of Crime Control and Public Safety				
		018-1-08-2VC-AW-479	-	4,300
Governor's Crime Commission			-	4,300
Total Division of Crime Control and Public Safety			-	4,300
Total N.C. Department of Public Safety			-	315,872

CATAWBA COUNTY, NORTH CAROLINA

**Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Water Quality				
High Unit Cost Grant		XXXX	-	425,031
Division of Water Resources				
Water Resources Development Project Grant		XXXX	-	31,972
Department of Soil and Water Conservation				
N.C. Agriculture Cost Share Program		XXXX	-	26,675
Soil and Water Conservation		XXXX	-	3,600
N.C. Agricultural Development & Farmland Preservation		XXXX	-	3,747
Division of Pollution Prevention & Environmental Assistance				
Community Waste Reduction & Recycling Grant		DEH-06036	-	30,000
Total N.C. Department of Environment and Natural Resources			<u>-</u>	<u>521,025</u>
<u>N.C. Department of Cultural Resources</u>				
Library Department				
Library State Aid Grant		XXXX	-	143,253
Library Services & Technology Act (LSTA) Grant		XXXX	-	19,840
Library Summer Reading Grant		XXXX	-	500
Total N.C. Department of Cultural Resources			<u>-</u>	<u>163,593</u>
<u>N.C. Department of Administration</u>				
Division of Veterans Affairs				
Veterans Service		177177212	-	1,452
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund - Average Daily Balance		LEA 180	-	
Public School Building Capital Fund - Lottery Funds		LEA 180,181,182	-	1,859,741
Total N.C. Department of Public Instruction			<u>-</u>	<u>1,859,741</u>
<u>N.C. Department of Transportation</u>				
Safe Roads Act		XXXX	-	9,469
Total N.C. Department of Transportation			<u>-</u>	<u>9,469</u>
<u>Biofuels Center of North Carolina</u>				
NC Biofuels Grant		2012-229	-	40,894
Total Biofuels Center of North Carolina			<u>-</u>	<u>40,894</u>
Total State Awards			<u>-</u>	<u>6,298,091</u>
Total Federal and State Awards			<u>\$ 133,313,477</u>	<u>\$ 68,993,758</u>

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2013

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 includes the Federal and State grant activity of Catawba County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included on this schedule.

2. 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, Foster Care and Adoption, Developmental Disability Waiting List Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.

3. Subrecipients

Of the Federal and State expenditures presented in the schedule, Catawba County provided Federal and State awards to subrecipients as follows:

<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>State Number</u>	<u>Federal</u>	<u>State</u>
Child Care and Development Block Grant	93.575	XXXX	\$ 1,839,087	\$ -
JJDP Project Challenge		XXXX	-	60,851
Peace Pipeline Conflict Resolution		XXXX	-	58,475
Public School Building Capital Fund - Lottery		LEA 180,181,182	-	1,859,741

4. The County received proceeds from the North Carolina Department of Commerce for a Community Development Block Grant in the amount of \$2.6 million to provide funds for an industrial site development project. As of June 30, 2013, none of the loan proceeds has been expended.

<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>State Number</u>	<u>Federal</u>	<u>State</u>
CDBG - Industrial Site Development Loan (NC Data Campus)	none	12-L-2401	\$ 2,600,000	\$ -