

**YADKIN COUNTY
NORTH CAROLINA**

**COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2016**

YADKIN COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2016

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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
Yadkin County
Yadkinville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Yadkin County, North Carolina, as of and for the year ended June 30, 2016, 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, 2016. The financial statements of the Yadkin County Tourism Development Authority 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 Yadkin 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 Yadkin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Yadkin 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 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, NC

November 18, 2016

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

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Report On Compliance With Requirements Applicable To Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By OMB Uniform Guidance; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Yadkin County
Yadkinville, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Yadkin County, North Carolina's, compliance with the types of compliance requirements described 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 Yadkin County's major federal programs for the year ended June 30, 2016. Yadkin County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yadkin County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Those standards, OMB Uniform Guidance, 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 Yadkin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 Yadkin County's compliance.

Opinion on Each Major Federal Programs

In our opinion, Yadkin 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, 2016.

Report On Internal Control Over Compliance

Management of Yadkin 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 Yadkin County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, 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 Yadkin County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Yadkin County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Yadkin County's basic financial statements. We issued our report thereon dated November 18, 2016, 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 Yadkin 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 18, 2016

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Report On Compliance With Requirements Applicable To Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By OMB Uniform Guidance; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Yadkin County
Yadkinville, North Carolina

Report On Compliance for Each Major State Program

We have audited Yadkin 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 Yadkin County's major State programs for the year ended June 30, 2016. Yadkin County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yadkin County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, 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 Yadkin 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 Yadkin County's compliance.

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Opinion on Each Major State Programs

In our opinion, Yadkin County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2016.

Report On Internal Control Over Compliance

Management of Yadkin 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 Yadkin County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, 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 Yadkin County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 Yadkin County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Yadkin County's basic financial statements. We issued our report thereon dated November 18, 2016, 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 Yadkin 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.

Hickory, NC

November 18, 2016

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

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 to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes
- Significant deficiency 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>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.777, 93.775

Dollar threshold used to distinguish between Type A and Type B programs \$1,114,513

Auditee qualified as low-risk auditee? No

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

State Awards

Internal control over major State programs:

- Material weakness identified? Yes
- Significant deficiency 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
Public School Building Capital Fund

YADKIN COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

None reported

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

Section III – Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778
Grant Number: DMA 2016

Finding: 2016-001

Significant Deficiency

Criteria: In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe.

Condition: Upon surprise inspection, one unattended work station of a DSS employee was logged onto the State network without anyone attending to the work station.

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

Context: While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

Effect: Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2015-002.

Cause: Lack of proper internal controls over data security.

Recommendation: Require the County Data Processing Department to implement procedures to require logout of workstations where access to the State DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. Please refer to the corrective action plan.

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: DMA 2016

Finding: 2016-002

Material Weakness

Eligibility

Criteria: The County should have an adequate system of internal control procedures in place that management properly reviews and assess the eligibility of individuals to ensure the accuracy of the benefits being provided. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures.

Condition: The Division of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being met throughout the fiscal year. The County did not implement a second party review policy until January 2016.

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

Context: While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2015-004.

Cause: Lack of sufficient quality review procedures by management.

Recommendation: Management should adhere to the County's policy in implementing second party reviews. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. Please refer to the corrective action plan.

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

Section IV – State Award Findings and Questioned Costs

N.C. Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

Finding: 2016-001 - In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe. See more details at Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs.

Finding: 2016-002 - The County should have an adequate system of internal control procedures in place that management properly reviews and assess the eligibility of individuals to ensure the accuracy of the benefits being provided. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures. See more details at Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs.

YADKIN COUNTY, NORTH CAROLINA

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

Section III – Federal Award Findings and Questioned Costs

Finding: 2016-001

Name of Contact Person: Kim Harrell, Human Services Agency Director

Corrective Action: Management consistently advises staff to lock their workstations. Computers are set to go to a screen saver after 5 minutes of non-use and require the user to type their password to unlock.

Proposed Completion Date: Immediately

Finding: 2016-002

Name of Contact Person: Kim Harrell, Human Services Agency Director

Corrective Action: Management has put proper review procedures in place. These procedures have been in place since January of 2016, at which time the agency was notified of this finding in the prior year audit. Eligibility supervisors have a second party review log and complete approximately 40 reviews per month.

Proposed Completion Date: Immediately

Section IV – State Award Findings and Questioned Costs

Finding: 2016-001

See Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

Finding: 2016-002

See Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

YADKIN COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2016

Finding: 2015-001

Status: Corrected

Finding: 2015-002

Status: Finding was modified and repeated as 2016-001.

Corrective Action: Management consistently advises staff to lock their workstations. Computers are set to go to a screen saver after 5 minutes of non-use and require the user to type their password to unlock.

Finding: 2015-003

Status: Corrected

Finding: 2015-004

Status: Finding was modified and repeated as 2016-002.

Corrective Action: Management has put proper review procedures in place. These procedures have been in place since January of 2016, at which time the agency was notified of this finding in the prior year audit. Eligibility supervisors have a second party review log and complete approximately 40 reviews per month.

YADKIN COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Sub-recipients</u>
Federal Awards					
U.S. Department of Agriculture					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Social Services:					
SNAP Cluster:					
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	WC302	\$ 238,158	\$ -	\$ -
Total SNAP Cluster			<u>238,158</u>	<u>-</u>	<u>-</u>
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A2 XXXX XX	172,840	-	-
Special Supplemental Nutrition Program for Women, Infants, and Children - Direct Benefit Payments	10.557	13A2 XXXX XX	<u>538,718</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Agriculture Food and Nutrition Service			<u>949,716</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services					
Division of Aging and Adult Services:					
Passed through Piedmont Triad Council of Governments:					
Aging Cluster:					
Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers	93.044	93.044	4,985	6,171	11,156
In-Home Services:					
Special Programs for the Aging--Title III, Part B--Grants for Supportive Services and Senior Centers	93.044	93.044	17,773	1,043	18,816
Special Programs for the Aging--Title III, Part C--Nutrition Services (Congregate Nutrition)	93.045	93.045	56,222	3,310	59,532
Special Programs for the Aging--Title III, Part C--Nutrition Services (Home Delivered Nutrition)	93.045	93.045	41,840	74,610	116,450
Nutrition Services Incentive Program	93.053	93.053	<u>23,403</u>	<u>-</u>	<u>23,403</u>
Total Aging Cluster			<u>144,223</u>	<u>85,134</u>	<u>229,357</u>
Social Services Block Grant	93,667	93,667	8,594	241	8,835
Total Division of Aging and Adult Services			<u>152,817</u>	<u>85,375</u>	<u>238,192</u>
Administration for Children and Families:					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Social Services:					
Foster Care & Adoption Cluster (Note 3):					
Administration:					
Foster Care--Title IV-E	93,658	WC 302	167,762	18,023	-
Adoption Assistance	93,659	WC 302	<u>771</u>	<u>-</u>	<u>-</u>
Direct Benefit Payments:					
Adoption Assistance	93,659	WC 302	313,843	80,739	-
Foster Care--Title IV-E	93,658	WC 302	<u>229,597</u>	<u>62,107</u>	<u>-</u>
Total Foster and Adoption Cluster (Note 3)			<u>711,973</u>	<u>160,869</u>	<u>-</u>
Temporary Assistance for Needy Families Cluster:					
Administration:					
Temporary Assistance for Needy Families State Program	93,558	WC 302	183,170	-	-
Direct Benefit Payments:					
Temporary Assistance for Needy Families State Program	93,558	WC 302	116,793	-	-
Temporary Assistance for Needy Families State Program	93,558	13A1 5151 T2	<u>4,025</u>	<u>-</u>	<u>-</u>
Total TANF Cluster			<u>303,988</u>	<u>-</u>	<u>-</u>

YADKIN COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Sub-recipients</u>
Division of Child Development and Early Education:					
Subsidized Child Care (Note 3)					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the					
Child Care Development Fund - Administration	93.596	WC302	102,103	-	-
Division of Child Development:					
Child Care Development Block Grant, Discretionary	93.575	536147, 536151	123,546	-	-
Child Care Mandatory and Matching Funds of the					
Child Care Development Fund, Mandatory	93.596	536145	33,821	-	-
Child Care Mandatory and Matching Funds of the					
Child Care Development Fund, Match	93.596	536148	149,350	67,237	-
Total Child Care Development Fund Cluster			408,820	67,237	-
Temporary Assistance for Needy Families State Program					
Foster Care--Title IV-E	93.558	536150	37,055	-	-
State Appropriations	93.658	536153, 536154	1,700	871	-
TANF - MOE	N/A	536142	-	23,652	-
Total Subsidized Child Care Cluster (Note 3)			447,575	173,214	-
Administration for Children and Families:					
Low Income Home Energy Assistance/Crisis Intervention	93.568	WC 302	167,949	-	-
Child Support Enforcement	93.563	WC 302	262,109	(4)	-
Promoting Safe and Stable Families	93.556	WC 302	26,716	-	-
Chafee Foster Care Independence Program	93.674	WC 302	3,711	928	-
Refugee and Entrant Assistance--State Administered Programs	93.566	WC 302	784	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WC 302	10,062	-	-
Social Services Block Grant	93.667	536141	124,792	11,016	-
Direct Benefit Payments:					
Chafee Foster Care Independence Program	93.674	WC 302	3,946	-	-
Subtotal			600,069	11,940	-
Centers for Disease Control and Prevention					
Passed-Through the N.C. Department of Health and Human Services					
Division of Public Health					
Public Health Emergency Preparedness	93.069	1264 2680 EW	29,209	-	-
Hospital Preparedness Program (HPP) and Public Health					
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1264 2680 M8	20,000	-	-
Project Grants and Cooperative Agreements for Tuberculosis					
Control Programs	93.116	1460 272A NF, 1460 272B NF	43	-	-
Injury Prevention and Control Research and State and					
Community Based Programs	93.136	1175 83CD KD	3,284	-	-
		1331 631C EJ, 1331 623C VJ,			
Immunization Cooperative Agreements	93.268	1331 625C VL	5,074	-	-
Preventative Health and Health Services Block Grant funded					
solely with Prevention and Public Health Funds (PPHF)	93.758	126C 5503 PF	30,991	-	-
HIV Prevention Activities_Health Department Based	93.940	1311 981D HV	1,163	-	-
Preventative Health Services_Sexually Transmitted Diseases Control Grants	93.977	1311 462C NB	241	-	-
Cooperative Agreements for State-Based Comprehensive					
Breast and Cervical Cancer Early Detection Programs	93.919	1320 310C EK, 1320 310D JS	9,690	-	-
Subtotal			99,695	-	-
Health Resources and Service Administration					
Passed-Through the N.C. Department of Health and Human Services					
Division of Public Health					
Maternal and Child Health Services Block Grant to the States	93.994	1271 5351 AP, 1271 5745 AP, 13A1AP, 13A1 5740 AP	40,173	30,133	-
Total Division of Public Health			139,868	30,133	-
Office of Population Affairs					
Passed-Through the N.C. Department of Health and Human Services					
Office of Population Affairs					
Family Planning Services	93.217	13A1 592A FP, 13A1 592D FP	22,343	-	-

YADKIN COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Sub-recipients</u>
Division of Medical Assistance:					
Medicaid Cluster:					
Administration:					
Medical Assistance Program - Administration	93.778	WC 302	692,816	4,042	-
Direct Benefit Payments:					
Medical Assistance Program - Direct Benefit Payments	93.778	DMA 2016	32,414,804	17,482,589	-
Total Medicaid Cluster			33,107,620	17,486,631	-
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	WC 302	24,170	538	-
Direct Benefit Payments:					
Children's Health Insurance Program - N.C. Health Choice	93.767	DMA 2016	651,779	36,129	-
Total Division of Medical Assistance			33,783,569	17,523,298	-
Total U.S. Department of Health and Human Services			36,162,202	17,984,829	238,192
U.S. Department of Homeland Security					
Passed through the N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMPG 2015 37197	38,542	-	-
Total U.S. Department of Homeland Security			38,542	-	-
Total Federal Assistance			37,150,460	17,984,829	238,192
State Grants					
N.C. Department of Health and Human Services					
Division of Social Services:					
Administrative:					
State Child Welfare/CPS/CS LD		274	-	16,659	-
AFDC Incent/Prog Integrity		454	-	735	-
Direct Benefits:					
State Foster Home		482	-	38,117	-
SC/SA Domiciliary Care		WC 302	-	227,031	-
CWS Adopt Subsidy and Vendor		117	-	199,745	-
State Foster Home Funds Maximization		274	-	92,876	-
Total Division of Social Services			-	575,163	-
Division of Public Health:					
Food and Lodging Fees		1153 4752 SZ	-	3,988	-
General Aid to Counties		1161 4110 00	-	79,086	-
General Communicable Disease Control		1175 4510 00	-	11,307	-
Maternal Health (HMHC)		13A1 5740 00	-	6,286	-
Women's Health Service Fund		13A1 1306 FR	-	10,127	-
HIV/STD SSBG Aid		1311 4536 RQ, RR	-	500	-
Sexually Transmitted Diseases		1311 4601 RQ, RR	-	164	-
HMHC-Family Planning		13A1 5735 00	-	2,115	-
Child Health		1271 5745 00	-	1,815	-
Breast and Cervical Cancer Control		1320 5599 00	-	2,295	-
Healthy Carolinas Partnership Support		886	-	17,459	-
Tuberculosis		1460 4551 00	-	1,102	-
TB Medical Service		1460 4554 00	-	540	-
School Nurse Funding Initiative		1332 5358 AV, 00	-	50,000	-
Total Division of Public Health			-	186,784	-
Division of Aging and Adult Services:					
Passed-Through the Piedmont Triad Regional Council					
In Home Services:					
State Funds		NC007 (16)	-	82,000	82,000
Caregiver Match		NC007 (16)	-	4,939	4,939
Total Division of Aging and Adult Services			-	86,939	86,939
Total N.C. Department of Health and Human Services			-	848,886	86,939

YADKIN COUNTY, NORTH CAROLINA**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through)</u>	<u>State Expenditures</u>	<u>Pass-through to Sub-recipients</u>
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP - WorkFirst Transitional - Employment		DOT-16CL	-	53,782	-
ROAP - Rural General Public Program		DOT-16CL	-	63,892	-
ROAP - Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	10,593	10,593
Total Rural Operating Assistance Program (ROAP) Cluster			-	128,267	10,593
<u>N.C. Department of Commerce</u>					
Building Reuse Grant - MVP	2013 043 60501 107		-	10,305	10,305
<u>N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Programs		YADKIN	-	114,105	-
<u>N.C. Dept. of Administration</u>					
DMVA Community County Grant		XXXX	-	1,907	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund- Lottery proceeds		Lottery	-	750,000	750,000
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay Neuter Program		Reimbursement Program	-	4,145	-
ASCP - Cost Share		YADKIN16	-	26,629	-
NC DENR Matching Funds		G40100296315SWC	-	3,600	-
Total N.C. Department of Agriculture and Consumer Services			-	34,374	-
Total State Assistance			-	1,887,844	857,837
Total Federal and State Assistance				<u>\$ 37,150,460</u>	<u>\$ 19,872,673</u>
				<u>\$ 1,096,029</u>	

Notes to the Schedule of Expenditures of Federal and State Awards:**1 Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Yadkin County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. 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 Schedule presents only a selected portion of the operations of Yadkin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Yadkin 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. Yadkin County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3 Clusters

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