

**YADKIN COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2017

YADKIN COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2017

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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, 2017, 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 October 23, 2017. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Responses to Findings

Yadkin County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Yadkin County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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, North Carolina
October 23, 2017

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

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures Of Federal And State Awards Required By OMB 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, 2017. 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, the 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.

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 Program

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, 2017.

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 the 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.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 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, 2017, and the related notes to the financial statements, which collectively comprise Yadkin County's basic financials statements. We issued our report thereon dated October 23, 2017, 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 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, North Carolina
October 23, 2017

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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 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, 2017. 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.

Opinion on Each Major State Program

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, 2017.

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 the 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.

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 a 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 State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2017, and the related notes to the financial statements, which collectively comprise Yadkin County's basic financial statements. We issued our report thereon dated October 23, 2017, 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 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, North Carolina
October 23, 2017

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

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? Yes

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? No
- Significant deficiency identified? 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 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.777, 93.775
Foster Care	93.658
Adoption Assistance	93.659
Drinking Water State Revolving Fund Cluster	66.468
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,204,240</u>
Auditee qualified as low-risk auditee?	No

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

State Awards

Internal control over major State programs:

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

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

Unmodified

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

No

Identification of major State programs:

Program Name

Medicaid Cluster

Foster Care and Adoption Cluster

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2017-001

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

Condition: While performing a walkthrough of the payroll system records to personnel records, we noted that an employee's hire date did not agree in both systems. The County's controls for reviewing employee data to payroll records did not catch this keying error.

Effect: The payroll system employee data is uploaded into the State's Orbit system. The hire date in the State's Orbit system was incorrect.

Cause: Personnel who reviewed the data entry into the payroll system overlooked the incorrect hire date.

Recommendation: Management should put controls in place to compare and review data more frequently than just the initial entry into the payroll system. Complete review of the information input should be completed by someone other than the person responsible for the submission of the information into the payroll or retirement system.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SIGNIFICANT DEFICIENCY

2017-002

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

Condition: While performing a walkthrough of the payroll system, we noted that the sheriff's department uses a manual time-entry system (timesheets). Employees turn in approved timesheets, payroll personnel keys time in to be paid, and payroll is then processed by payroll personnel. There is no secondary review of time entered into the payroll system for accuracy.

Effect: Errors could occur in payroll. In addition, there is a potential for overriding of controls within payroll processing.

Cause: Manual time entry into the payroll system without a review process.

Recommendation: The County currently has an automated time-entry system. Management should put in place the automated control at the department. If that is not feasible, controls over the manual time-entry system should be put in place to ensure time entry is accurate.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

*Kevin Austin, Chairman of Board
David Moxley, Vice Chairman
Gilbert Hemric, Commissioner
Frank Zachary, Commissioner
Marion Welborn, Commissioner*

*Ed Powell, County Attorney
Lisa Hughes, County Manager
Tanya Gentry, Clerk to the Board*



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

Finding: 2017-001

Name of Contact Person: Lindsey Cearlock, Finance Officer

Corrective Action/
Management's Response: Finance Specialist will review the employees hired and compare MUNIS and Orbit each month. Finance Officer will complete random quarterly employee selections to verify employee hire dates.

Proposed Completion Date: Immediately

Finding: 2017-002

Name of Contact Person: Lindsey Cearlock, Finance Officer

Corrective Action/
Management's Response: Options will be presented to the Sheriff: 1) to implement Employee Self Service (ESS) for time entry; or 2) designate an employee in his Office to enter the time worked by his employees so that Payroll reviews it once it is entered into ESS; or lastly 3) Payroll will enter the time reported on the timesheet into the payroll system and initial the timesheet once it is entered and the Finance Specialist will review time entered and the timesheet for accuracy and initial the timesheet. The Finance Officer conducts the final payroll review.

Proposed Completion Date: Finance will provide the Sheriff's Office a deadline of December 31, 2018 to transition to ESS for time entry.

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YADKIN COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Finding: 2016-001

Status: Corrected

Finding: 2016-002

Status: Corrected

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Sub-recipients
Federal Awards					
<u>U.S. Department of Agriculture</u>					
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	175NC406S2514	\$ 240,240	\$ -	\$ -
Total SNAP Cluster			240,240	-	-
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	13A2 XXXX XX	193,947	-	-
Special Supplemental Nutrition Program for Women, Infants, and Children - Direct Benefit Payments	10.557	13A2 XXXX XX	507,411	-	-
Natural Resources Conservation Service					
Watershed Rehabilitation Program	10.916	68-4532-15-001	140,000	-	-
Total U.S. Department of Agriculture			1,081,598	-	-
<u>U.S. Department of Health and Human Services</u>					
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	NC007 (17)	6,773	5,968	12,741
In-Home Services:					
Special Programs for the Aging--Title III, Part C--Nutrition Services (Congregate Nutrition)	93.045	NC007 (17)	56,223	3,310	59,533
Special Programs for the Aging--Title III, Part C--Nutrition Services (Home Delivered Nutrition)	93.045	NC007 (17)	83,047	35,287	118,334
Nutrition Services Incentive Program	93.053	NC007 (17)	28,198	-	28,198
Total Aging Cluster			174,241	44,565	218,806
Social Services Block Grant	93.667	NC007 (17)	8,615	245	8,860
Total Division of Aging and Adult Services			182,856	44,810	227,666
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	17021NCFOST	136,047	13,504	-
Adoption Assistance	93.659	1701NCADPT	1,036	-	-
Direct Benefit Payments:					
Adoption Assistance	93.659	1701NCADPT	351,668	85,764	-
Foster Care--Title IV-E	93.658	17021NCFOST	185,058	46,666	-
Total Foster and Adoption Cluster (Note 3)			673,809	145,934	-
Temporary Assistance for Needy Families Cluster:					
Administration:					
Temporary Assistance for Needy Families State Programs	93.558	G1601NCTANF/G1701NCTANF	230,159	-	-
Direct Benefit Payments:					
Temporary Assistance for Needy Families State Programs	93.558	G1601NCTANF/G1701NCTANF	89,776	81,600	-
Temporary Assistance for Needy Families State Programs	93.558	13A1 5151 T2	4,025	-	-
Total TANF Cluster			323,960	81,600	-
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 and Development Fund - Administration	93.596	DSS 2017	76,967	-	-
Division of Child Development:					
Child Care and Development Block Grant	93.575	536147, 536151	82,116	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund -- Mandatory	93.596	536145	26,579	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund -- Match	93.596	536148	125,312	56,067	-
Total Child Care Development Fund Cluster			310,974	56,067	-
Temporary Assistance for Needy Families	93.558	536150	22,164	-	-
Foster Care--Title IV-E	93.658	536153, 536154	863	440	-
Smart Start	N/A	XXXX	-	459	-

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Sub-recipients
Administration for Children and Families:					
Low Income Home Energy Assistance	93.568	G16B1NCLIEA/G17B1NCLIEA	143,759	-	-
Child Support Enforcement	93.563	1704NC4005	255,681	-	-
Promoting Safe and Stable Families	93.556	G1501NCFPSS/G1601NCFPSS	20,803	-	-
Chafee Foster Care Independence Program	93.674	G1501NC1420/G1601NC1420	8,708	2,177	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	23,309	-	-
Social Services Block Grant	93.667	536141	119,130	8,033	-
Direct Benefit Payments:					
Chafee Foster Care Independence Program	93.674	G1501NC1420/G1601NC1420	1,305	-	-
Subtotal			572,695	10,210	-
Centers for Disease Control and Prevention					
Passed-Through the N.C. Department of Health and Human Services					
Division of Public Health					
Hospital Preparedness Program (HPP) and Public Health					
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1264 2680 M8	29,471	-	-
Injury Prevention and Control Research and State and					
Community Based Programs	93.136	1175 83CD KD	756	-	-
		1331 631C EJ, 1331 623C VJ, 1331			
	93.268	625C VL	5,448	-	-
Immunization Cooperative Agreements					
PPHF Capacity Building Assistance to Strengthen Public					
Health Immunization Infrastructure and Performance financed					
in part by Prevention and Public Health Funds	93.539	1331672C(DE)VP02	7,716	-	-
Cancer Prevention and Control Programs for State, Territorial and					
Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	1320310DJS, 1320310EJS	8,160	-	-
Preventative Health and Health Services Block Grant funded					
solely with Prevention and Public Health Funds (PPHF)	93.758	126C 5503 PF	26,641	-	-
HIV Prevention Activities_Health Department Based	93.940	1311 981D HV	1,645	-	-
Preventative Health Services_Sexually Transmitted Diseases Control Grants	93.977	1311 462C NB	42	-	-
Subtotal			79,879	-	-
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	41,682	31,266	-
Total Division of Public Health			121,561	31,266	-
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	20,792	-	-
Division of Medical Assistance:					
Medicaid Cluster:					
Administration:					
Medical Assistance Program	93.778	XIX-MAP17	819,313	3,468	-
Direct Benefit Payments:					
Medical Assistance Program	93.778	DMA 2017	32,876,277	17,361,095	-
Total Medicaid Cluster			33,695,590	17,364,563	-
Administration:					
Children's Health Insurance Program	93.767	CHIP17	30,568	41	-
Direct Benefit Payments:					
Children's Health Insurance Program	93.767	DMA 2017	824,791	4,630	-
Total Division of Medical Assistance			34,550,949	17,369,234	-
Total U.S. Department of Health and Human Services			36,780,623	17,831,390	227,666
U.S. Department of Homeland Security					
Passed through the Agency N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMPG 2016 37197	38,584	-	-
Total U.S. Department of Homeland Security			38,584	-	-

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Sub-recipients
<u>U.S. Environmental Protection Agency</u>					
Passed through the N.C. Department of Environmental Quality					
Division of Water Infrastructure:					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WIF-1853, H-LRX-F-16-1853	2,240,552	-	-
Total Drinking Water State Revolving Fund Cluster			2,240,552	-	-
Total Federal Assistance			40,141,357	17,831,390	227,666
State Grants					
<u>N.C. Department of Health and Human Services</u>					
Division of Social Services:					
Administrative:					
State Child Welfare/CPS/CS LD		274	-	19,541	-
AFDC Incent/Prog Integrity		454	-	386	-
Direct Benefits:					
State Foster Home		482	-	36,951	-
SC/SA Domiciliary Care		XXXX	-	209,627	-
CWS Adopt Subsidy and Vendor		117	-	178,448	-
State Foster Home Funds Maximization		274	-	86,791	-
SAA/SAD HB 1030		XXXX	-	14,263	-
Total Division of Social Services			-	546,007	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		1153 4752 SZ	-	7,406	-
General Aid to Counties		1161 4110 00	-	196,844	-
General Communicable Disease Control		1175 4510 00	-	11,307	-
Child Health		1271 5745 00	-	1,815	-
HMHC-Family Planning		13A1 5735 00	-	1,809	-
Maternal Health (HMHC)		13A1 5740 00	-	5,483	-
Women's Health Service Fund		13A1 1306 FR	-	10,595	-
HIV/STD SSBG Aid		1311 4536 RQ, RR	-	400	-
Sexually Transmitted Diseases		1311 4601 RQ, RR	-	22	-
Breast and Cervical Cancer Program		1320 5599 00	-	2,550	-
Healthy Carolinas Partnership Support		886	-	20,855	-
Tuberculosis		1460 4551 00	-	69	-
TB Medical Service		1460 4554 00	-	20	-
School Nurse Funding Initiative		1332 5358 AV, 00	-	50,000	-
Total Division of Public Health			-	309,175	-
Division of Aging and Adult Services:					
Passed-Through the Piedmont Triad Regional Council					
In Home Services:					
State Funds		NC007 (17)	-	105,277	105,277
Caregiver Match		NC007 (17)	-	2,436	2,436
Total Division of Aging			-	107,713	107,713
Total N.C. Department of Health and Human Services			-	962,895	107,713
<u>N.C. Department of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster:					
ROAP - WorkFirst Transitional - Employment		DOT-16CL	-	10,115	10,115
ROAP - Rural General Public Program		DOT-16CL	-	71,913	71,913
ROAP - Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	60,413	60,413
Total Rural Operating Assistance Program (ROAP) Cluster			-	142,441	142,441
<u>N.C. Tobacco Trust Fund Commission</u>					
Tobacco Trust Fund		2012-040-18	-	100,000	-
Total N.C. Tobacco Trust Fund Commission			-	100,000	-
<u>Agency N.C. Department of Public Safety</u>					
Juvenile Crime Prevention Programs		YADKIN	-	124,840	-
Emergency Management Aid Grant		2016-37179	-	1,000	-
Total Agency N.C. Department of Public Safety			-	125,840	-
<u>N.C. Dept. of Administration</u>					
Division of Veterans Affairs					
DMVA Community County Grant		143B-1211C4	-	2,130	-
Total N.C. Department of Administration			-	2,130	-

YADKIN COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Sub-recipients
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund- Lottery proceeds		Lottery	-	650,000	-
Total N.C. Department of Public Instruction			-	650,000	-
<u>N.C. Department of Environmental Quality</u>					
Community Waste Reduction and Recycling		6872	-	20,000	-
Total N.C. Department of Environmental Quality			-	20,000	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Spay Neuter Program		Reimbursement Program	-	3,585	-
ASCP - Cost Share		YADKIN17	-	26,730	-
NC DENR Matching Funds		G40100296315SWC	-	3,600	-
Total N.C. Department of Agriculture and Consumer Services			-	33,915	-
<u>N.C. Rural Economic Development</u>					
Building Reuse Program (Unifi/Project F2 Expansion)		2016-067-3201-2587	-	190,000	-
Total N.C. Rural Economic Development			-	190,000	-
Total State Assistance			-	2,227,221	250,154
Total Federal and State Assistance			\$ 40,141,357	\$ 20,058,611	\$ 477,820

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, 2017. 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

4 Loans Outstanding

Yadkin County had the following loan balance outstanding at June 30, 2017 for a loan that the grantor has still imposed continuing compliance requirements. The County drew a portion of proceeds from the loan before year end. The balance of the loan outstanding at June 30, 2017 consist of:

Program Title	CFDA #	Amount Outstanding
Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 1,282,609