



**MECKLENBURG COUNTY, NORTH
CAROLINA**

REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2014

And Reports on Compliance and Internal Control

MECKLENBURG COUNTY, NORTH CAROLINA

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**Report of Independent Auditor 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***

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County"), as of and for the year ended June 30, 2014, 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 20, 2014. Our report includes a reference to another auditor, who audited the financial statements of the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by the other auditor. The financial statements of the Mecklenburg Emergency Medical Services Agency (the "Agency") and the 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 the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2014-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance 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*.

Mecklenburg County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekasert LLP

Raleigh, North Carolina
November 20, 2014

**Report of Independent Auditor on Compliance with Requirements Applicable to
Each Major Federal Program and Internal Control over Compliance in
Accordance with OMB Circular A-133 and the
State Single Audit Implementation Act**

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Mecklenburg County, North Carolina (the "County"), 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 the County's major federal programs for the year ended June 30, 2014. The 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 the 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 noncompliance 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 the 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 the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-02 and 2014-03. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and 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.

Report on Internal Control over Compliance

Management of the 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, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the 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, noncompliance 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 noncompliance 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 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 significant deficiencies or material weaknesses 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 certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2014-03 that we consider to be a significant deficiency.

The County's responses to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The 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 Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

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 the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated November 20, 2014, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the “Board”). 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 for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Purpose of this Report

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.



Raleigh, North Carolina
November 20, 2014

**Report of Independent Auditor On Compliance With Requirements
Applicable To Each Major State Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133 and the
State Single Audit Implementation Act**

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

Report on Compliance for Each Major State Program

We have audited Mecklenburg County, North Carolina (the "County"), 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 the County's major State programs for the year ended June 30, 2014. The 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 the County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 the 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 the County's compliance.

Opinion on Each Major State Program

In our opinion, the 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, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are 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 are described in the accompanying schedule of findings and questioned costs as item 2014-05, 2014-06, 2014-07, 2014-08 and 2014-09. Our opinion on each major State program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and 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.

Report on Internal Control over Compliance

Management of the 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, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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, noncompliance 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 a reasonable possibility that material noncompliance 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 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 the 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-04 and 2014-10 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and 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.

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 the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 20, 2014, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the "Board"). 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 for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Purpose of this Report

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.

Cherry Bekavort LLP

Raleigh, North Carolina
November 20, 2014

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no

- Significant deficiency identified that is not considered to be material weakness yes none reported

Noncompliance material to financial statements noted

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? yes no

- Significant deficiency identified that is not considered to be material weakness yes no

Noncompliance material to federal awards

yes no

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 Circular A-133

yes no

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Medical Assistance
93.778	Administration
93.778	Expansion
93.778	Medical Transportation Administration
93.778	Medical Transportation Service
93.778	Adult Home Care
93.778	Adult Protective Services
93.778	Medicaid Direct Benefit Payments
93.778	Medical Assistance Program
93.767	North Carolina Health Choice
	Foster Care and Adoption Cluster
93.658	Title IV-E Child Protective Services
93.658	Title IV-E Optional Administration
93.658	Title IV-E State Adoption/Foster Care
93.659	IV-E Adoption Subsidy
93.556	Family Finding
93.658	IV-E Foster Care
93.658	IV-E Foster Care HIV
93.658	IV-E Maximization
93.659	IV-E Adoption Subsidy
	Temporary Assistance For Needy Families
93.558	Foster Care Administration
93.558	Work First Administration
93.558	Work First Services
93.558	JOB Boost-SVC
93.558	JOB Boost-ADM
93.558	Temporary Assistance for Needy Families
93.560	County Issued Checks
93.558	Direct Benefit Payments
	Aging Cluster
93.044	Special Programs for the Aging- Title III, Part B
93.045	Special Programs for the Aging- Title III, Part C
93.053	Nutrition Services Incentive Program

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Substance Abuse Services Cluster
93.959	Perinatal and Maternal Substance Abuse Initiative
93.959	Treatment Alternatives for Women
93.959	Treatment Alternatives to Street Crimes
93.959	Services to IV Drug Users
93.959	Substance Abuse Block Grant
	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
10.557	Supplemental Food Program – WIC
10.557	Special Supplemental Nutrition Program – WIC
93.667	Social Services Block Grant
93.563	Child Support Enforcement
93.914	HIV Emergency Relief Project
20.205	Highway Planning and Construction

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section I. Summary of Auditor's Results (continued)

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

Dollar threshold used to distinguish between
 Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major State programs:

- Material weakness identified? yes X no
- Significant deficiency identified that is not considered to be material weakness X yes no

Noncompliance material to State awards yes X no

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 X yes no

Identification of major State programs:

Program Name

State Foster Care Direct Benefits Program
 North Carolina Department of Transportation Cluster
 Work First Employment Transportation
 Rural General Program
 Community Transportation Administration
 Elderly and Disabled Transportation Program
 Mental Health – General Program Services
 Mental Health – Systems Management Transition
 Mental Health – Crisis Services

Other major State programs for Mecklenburg County are Medical Assistance, Temporary Assistance for Needy Families, Foster Care and Adoption Assistance Cluster, North Carolina Health Choice, Social Services Block Grant and the Aging Cluster are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section II. Financial Statement Findings

Material Weakness
Finding 2014-01

Criteria: The finance department is responsible for accurately recording and reporting all liabilities.

Condition: During the current year, the County discovered that it had not recorded accrued interest on debt outstanding in the prior year.

Context: Accrued interest should be reported in the government wide financial statements since the implementation of GASB Statement No. 34. At the time of implementation this entry was overlooked and was recently detected during the financial reporting and close process. The County made the necessary adjustments and informed its auditors of the issue and the additional measures put into place to ensure accrued interest is properly recorded and reported in the government wide financial statements going forward.

Effect: Liabilities were understated in FY2013 and beginning Net Position was overstated in FY 2014.

Cause: Failure to ensure that all expenses related to prior year were properly accrued.

Recommendation: The County should review their preparation and review process to ensure it includes processes that ensure all expenses are properly reported to the period in which they are related.

Views of responsible officials: Financial Services Department agrees that processes should be in place to ensure that expenses are properly recorded in the appropriate period.

Corrective Action Plan: Financial Services Department will review current financial statement preparation processes and make updates as needed in the future for new pronouncements to ensure the statements appropriately reflect the complete financial position of the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section III. Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Program Name: Foster Care and Adoption Program
CFDA#: 93.658 and 93.659
Nonmaterial Noncompliance – Eligibility
Finding 2014-02

Criteria or specific requirement: In accordance with Chapter XIII: Child Welfare Funding Manual Section 1500 Foster Care Funding Section II, Family Services Agreement the DSS form 5241 Family Services Agreement must be completed within 30 days of placement and reviewed and updated at least every 6 months until the child returns home or permanency is achieved, or until the agency is relieved of this requirement by the juvenile court.

Condition: One DSS Form 5241 Family Services Agreement was not updated within the 6 month time frame.

Questioned Costs: None. We were able to determine that the child was still eligible, even though the agreement was not updated timely.

Context: Selected 40 files for review of which 20 were related to the Foster Care program.

Effect: The DSS Form 5241 was not updated timely potentially causing a child to receive benefits when eligibility could have changed.

Cause: Appropriate review was not completed to ensure agreement was updated timely.

Recommendation: Mecklenburg County should review their review process to ensure it includes processes that ensure all DSS Form 5241 Family Services Agreements are updated timely.

Views of responsible officials: Department of Economic Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section III. Federal Awards Findings and Questioned Costs (continued)

U.S. Department of Agriculture

Program Name: Women, Infants, and Children (WIC)

CFDA#: 10.557

Significant Deficiency and Nonmaterial Noncompliance – Eligibility

Finding 2014-03

Criteria or specific requirement: In accordance with CFR 7 Section 246.7 (d, e, g, and I): WIC applicants must present proof of identity, residency and income at certification. Documentation of these determinations may consist of descriptions of documents evidencing the applicants' identities, residency, and income, copies of the documents themselves, and/or the applicants' written statements of identity, residency, and income when no other documentation exists.

Condition: Out of the 40 eligibility case files selected for testing, we noted proof of the verification of the identity, residency, and income of the applicants was not provided for two participants.

Questioned Costs: None. We were able to determine that the two participants were still eligible, even though the certification cards could not be located.

Context: Selected 40 files for testing.

Effect: The two participants of the WIC Program could potentially be receiving benefits when they were ineligible.

Cause: Certification cards could not be located.

Recommendation: Mecklenburg County should implement a review process that ensures all certification cards are maintained in the case file.

Views of responsible officials: It is mostly likely that the income cards were missing due to incorrect filing. While searching for the 40 cards, several instances of incorrect filing were noted. Also, the participants in question had switched WIC sites for service, triggering movement of their income signature cards to a different location, increasing the opportunity for misfiling. We also noted during this search, cards of child participants had been moved to off-site storage more quickly than desired to coincide with current auditing periods.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs

Department of Health and Human Services
DSS Crosscutting
Significant Deficiency – Special tests and provisions
Finding 2014-04

Criteria or specific requirement: Mecklenburg County DSS performs a random sampling of FNS, TANF, Medicaid, and State Children's Insurance Program cases, by the Compliance and Quality Assurance Unit (CQA). These cases are pulled from those processed by case managers and results in each of the case managers having 1-2 cases reviewed each month.

Condition: Mecklenburg County completed the CQA reviews for all DSS programs for only first half of FY14 and for only TANF for the second half of the year.

Context: Mecklenburg County did not complete the compliance reviews for the FNS, Medicaid, and State Children's Insurance Program the second half of the year.

Effect: By not enforcing the CQA program for all of FY14 the FNS, Medicaid, and State Children's Health Insurance Programs could be servicing ineligible recipients. Mecklenburg County relies on this program to serve as an internal audit or checks and balances for their programs and without the CQA program there is minimal monitoring of their programs in place.

Cause: The CQA program was reestablished in the beginning of FY14 but ceased with the exception of TANF for the last 6 months of FY14.

Recommendation: CB recommends that Mecklenburg County reinstate the CQA program for the entire FY15.

Views of responsible officials: Department of Social Services management agrees that the monitoring of the compliance with policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately. Effective February 2014, the Business Affairs Division was dissolved and program monitoring responsibilities transferred to the other various divisions. During the period January 2014 – March 2014, the State of North Carolina received a Warning from the United States Department of Agriculture (USDA) concerning Food and Nutrition Service (FNS) timeliness for applications and recertifications. Failure to meet established state-wide performance criteria by March 31, 2014, would result in suspension of all Federal funding for State Administrative expenses. Upon receipt of this letter, the NC Department of Health and Human Services (NC DHHS) directed all 100 County Department of Social Services to redirect all available staff to process FNS applications and recertifications to avert suspension of administrative funding. In response to this directive, although case and worker-specific monitoring of FNS and Medicaid casework continued, DSS redirected all eligibility staff to focus on meeting this deadline, which resulted in suspension of high-level program monitoring for FNS and Medicaid. After satisfying the USDA requirement for FNS, State DHHS redirected its focus to the backlog of Medical Assistance applications received from implementation of the Affordable Care Act, thereby requiring counties to shift existing resources to address this problem by August 31, 2014. This requirement thereby required an extension of the suspension of high-level program review for FNS and Medicaid for the remainder of the fiscal year.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
DSS Crosscutting
Nonmaterial Noncompliance – Special Tests & Provisions
Finding 2014-05

Criteria or specific requirement: In accordance with the DSS Fiscal Manual Section II: Mecklenburg County must file a Computer Equipment Acquisition Plan with the Division of Social Services prior to acquisitions of computer equipment and/or services.

Condition: A Computer Equipment Acquisition Plan was not filed and approved by the Division of Social Services prior to acquisitions of computer equipment during fiscal year 2014.

Questioned Costs: None. We were able to determine that all equipment purchases were ultimately approved.

Context: Mecklenburg County DSS is required to file and obtain approval with the Division of Social Services of their Computer Equipment Acquisition Plan prior to acquisitions of computer equipment. The plan was completed subsequent to computer equipment purchases during fiscal year 2014.

Effect: The County did not have prior approval from the Division of Social Services for acquisitions of computer equipment purchased during fiscal year 2014.

Cause: Mecklenburg County failed to submit a Computer Equipment Acquisition Plan prior to purchasing computer equipment during FY14 as there is no formal process established to ensure it is submitted timely.

Recommendation: CB recommends that Mecklenburg County implement a formal process to ensure a Computer Equipment Acquisition Plan is submitted in a timely manner and prior to purchases of computer equipment.

Views of responsible officials: Department of Social Services management agrees with this finding.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services

DSS Crosscutting

Nonmaterial Noncompliance – Allowable Costs/Costs Principles and Reporting

Finding 2014-06

Criteria or specific requirement: In accordance with the DSS Fiscal Manual Section II: Mecklenburg County DSS employees should enter all time for each month.

Condition: Out of the 60 employees selected for testing, we noted one instance in which time was not entered correctly for the month of August 2013.

Questioned Costs: None. All of the employee's time was still reimbursable under Part I one of the DSS-1571. There is a risk that the employee time was not accurately transferred to the correct funding source.

Context: Selected 60 employees' salaries being charged to the DSS 1571 Part 1 for testing.

Effect: By not having all time entered correctly during the month, the employee does not meet the minimum required minutes for the month.

Cause: Lack of employee documentation on their day sheet and supervisor oversight during review of the day sheet documentation.

Recommendation: Mecklenburg County should have policies in place to ensure that all time is entered by an employee during the month and that supervisors monitor time entry totals by employees for the month.

Views of responsible officials: The Department of Social Services and the Community Resources Division agree that only appropriate allowable expenditures should be identified for submission on the Form 1571 Report for reimbursement.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
DSS Crosscutting
Nonmaterial Noncompliance – Allowable Costs/Costs Principles and Reporting
Finding 2014-07

Criteria or specific requirement: The DSS Services Information System User's Manual requires that Day sheets account for 100% of employee time and that program codes and activity codes are summarized correctly, that day sheet entries are supported by documentation in case record files and that day sheet summaries are transferred to the DSS-1571 accurately to an eligible fund source.

Condition: Out of the 60 employees selected for testing, we noted three instances in which supporting documentation for the employee's time worked was not provided.

Questioned costs: None. All of the employee's time was still reimbursable under Part I of the DSS-1571. There is a risk that the employee time was not accurately transferred to the correct funding source.

Context: Selected 60 case files for testing. We noted three instances in which supporting documentation for the employee's time worked was not provided as follows:

Three instances in which we were not able to obtain documentation supporting the work performed by the sampled employee for the selected case file. We selected a case from each employee's day sheet and were unable to locate a narrative in the case file supporting the work performed on the date selected. Additionally, County staff attempted to pull supporting documentation from the ISSI system, but was unable to verify the work performed.

Effect: Program codes and activity codes of DSS employees are not allocated accurately to an eligible fund source.

Cause: Appropriate documentation was not included in the respective files.

Recommendation: CB recommends that the Department checks day sheets as they are entered and follows up with supervisors of employees whose day sheets have not been received. Additionally, the County should continue to train employees on the proper procedures to ensure that documentation is obtained and included/supported in the files.

Views of responsible officials: The Youth and Family Services and Services for Adults Divisions agree that only appropriate allowable expenditures should be identified for submission on the Form 1571 Report for reimbursement.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health Crosscutting- Single Stream Funding
Non Material Non Compliance – Special Tests and Provisions
Finding 2014-08

Criteria or specific requirement: In accordance with Records Management and Documentation Manual APSM 45-2 local documentation should exist in individual client service records to verify that services were delivered to the client as reported.

Condition: One provider was unable to provide correct documentation for the day of service billed for the client.

Questioned costs: \$55
One claim for \$55 could not be supported by proper documentation by the provider.

Context: Selected 75 IPRS paid claims of which 25 related to single stream UCR paid claims.

Effect: There was no documentation that the provider provided services to the client for the day they were paid for.

Cause: Mecklenburg County's current monitoring of its provider claims in FY14 failed to catch these errors.

Recommendation: As of March 31, 2014 Mecklenburg County Mental Health (MeckLINK) is no longer processing IPRS claims related to this funding source, therefore no recommendation is made for this finding.

Views of responsible officials: Mecklenburg County agrees with the finding. The provider was unable to produce the appropriate documentation to support this billed services. As a result, the provider issued a check to refund Mecklenburg County in August 2014 for this service. In return, Mecklenburg County plans to refund the State October, 2014.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health Substance Abuse Block Grant
Non Material Non Compliance – Special Tests and Provisions
Finding 2014-09

Criteria or specific requirement: In accordance with Records Management and Documentation Manual APSM 45-2 local documentation should exist in individual client service records to verify that services were delivered to the client as reported.

Condition: One provider was unable to provide correct documentation for the day of service billed for a client.

Questioned costs: \$132

One claim for \$132 could not be supported by proper documentation by the provider.

Context: Selected 75 IPRS paid claims of which 25 related to substance abuse block grant UCR paid claims.

Effect: There was no documentation that the provider provided services to the client for the day they were paid for.

Cause: Mecklenburg County's current monitoring of its provider claims in FY14 failed to catch these errors.

Recommendation: As of March 31, 2014 Mecklenburg County Mental Health (MeckLINK) is no longer processing IPRS claims related to this funding source, therefore no recommendation is made for this finding.

Views of responsible officials: Mecklenburg County agrees with the finding. The provider was unable to produce the appropriate documentation to support this billed service. As a result, Mecklenburg County requested a refund. The provider refunded the payment for this service September 2014. In return, Mecklenburg County plans to refund the State in October, 2014.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health LME Systems Performance
Significant Deficiency – Reporting
Finding 2014-10

Criteria or specific requirement: Mecklenburg County Mental Health (MeckLINK's) LME reports are to be reviewed by a reviewer who is not responsible for compiling the report. Reports should have supporting documentation to support numbers or figures on the report.

Condition: Several reports were not approved by a reviewer and supporting documentation for the data was unable to be obtained.

Context: Selected all reports required by the LME Systems Performance Compliance Supplement. Selected two reports for all quarterly submitted reports and 1 for all semi-annual or year-end reports. In total, 46 reports were selected.

Effect: No evidence that the reports submitted agreed to financial data or were reviewed by a reviewer.

Cause: Mecklenburg County Mental Health (MeckLINK's) reports were not reviewed or supported by appropriate documentation.

Recommendation: As of April 1, 2014 Mecklenburg County Mental Health (MeckLINK) is no longer an LME and these reports are no longer required, therefore no recommendation is made for this finding.

Views of responsible officials: Mecklenburg County agrees with the findings in this review. Data existed at one time to support all reports created, however since MeckLINK officially closed March 31, 2013, staff who managed this process was no longer available to retrieve this data.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA

SUMMARY OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2013

For prior year finding No. 2013-01, case files held by the County did not include proper documentation to verify disability of recipients of Medical Assistance. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-02, the County did not properly perform a search of the Online Verification System (OLV) for child support to remain eligible for assistance through the Temporary Assistance for Needy Families program. Search documentation should be retained in the case file. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-03, the County did not ensure that DSS Form 5013 Adoption Assistance Agreement was signed by all parties to the agreement. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-04, the County's social worker did not have face to face contact with a child in foster care at least monthly. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-05, the County's DSS Compliance and Quality Assurance Unit (CQA) was not monitoring programs for eligibility during FY14. This finding has not been cleared in the current year. See finding no. 2014-03.

For prior year finding No. 2013-06, the County overpaid foster care payments. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-07, the County could not provide supporting documentation for one DSS employee's time. This finding has not been cleared in the current year. See finding no. 2014-06.

For prior year finding No. 2013-08, one County DSS employee did not enter their time during the month of July 2012. This finding has not been cleared in the current year. See finding no. 2014-05.

For prior year finding No. 2013-09, three County DSS employee's daysheets for a month did not agree to the monthly Percentage of Time Report. We audited this program in 2014 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2013-10, two providers were unable to provide correct documentation for the day of service billed for a client. This finding has not been cleared in the current year. See finding no. 2014-07.

For prior year finding No. 2013-11, one provider was unable to provide correct documentation for the day of service billed for a client. This finding has not been cleared in the current year. See finding no. 2014-08.

For prior year finding No. 2013-12, MeckLINK was unable to provide evidence that five sample authorizations were approved by licensed clinicians. One provider was unable to provide documentation for the date of service paid for two sample items. One sample item was overpaid. This is no longer a requirement within the FY14 compliance supplements for this program. This finding has been cleared in the current year.

For prior year finding No. 2013-13, LME reports were not reviewed or supported. This finding has not been cleared in the current year. See finding no. 2014-09.

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards:						
U.S. Department of Health and Human Services:						
Passed through N.C. Duke						
SAMHSA	93.243	13-SAMHSA-1060	\$ 162,253	\$ -	\$ -	\$ 162,253
Passed through Centralina Council of Governments:						
Aging Cluster:						
Nutrition Project for the Elderly Title III-B	93.044		1,596,976	382,879	157,564	2,137,419
Nutrition Project for the Elderly Title III-C	93.045		642,703	177,918	73,217	893,838
Nutrition Project for the Elderly Title III-E	93.052		-	139,144	-	139,144
SSBG	93.667		514,965	140,765	57,928	713,658
Total Aging Cluster			<u>2,754,644</u>	<u>840,706</u>	<u>288,709</u>	<u>3,884,059</u>
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
Child Support Enforcement	95.563		5,713,092	-	2,943,108	8,656,200
Permanency Planning - Regular	93.645		23,214	-	934,855	958,069
Permanency Planning Special	93.645		733,604	-	244,535	978,139
Permanency Planning FC Admin	93.645		105,859	-	35,286	141,145
IV D BLOOD TEST	93.563		36,794	-	18,954	55,748
Family Violence Prev Svc	93.671		7,100	-	2,367	9,467
Total Division of Social Services			<u>6,619,663</u>	<u>-</u>	<u>4,179,105</u>	<u>10,798,768</u>
Temporary Assistance for Needy Families:						
Foster Care Administration	93.558		1,282,257	-	21,654	1,303,911
Work First Administration	93.558		699,950	-	8,999,935	9,699,885
Work First Services	93.558		1,775,416	-	4,920,975	6,696,391
TANF Svc /Admin Child Protective	93.558		4,043,554	-	-	4,043,554
TANF Admin Foster Care	93.558		2,402,786	-	-	2,402,786
TANF Other	93.558		42,280	-	-	42,280
JOB Boost II- Private	93.714		-	259,163	38,554	297,717
Direct Benefit Payments:						
County Issued Checks	93.560		(13,881)	(3,805)	(3,805)	(21,491)
Direct Benefit Payments	93.558		7,864,665	(228)	624	7,865,061
Total Temporary Assistance for Needy Families			<u>18,097,027</u>	<u>255,130</u>	<u>13,977,937</u>	<u>32,330,094</u>
Refugee Assistance Program:						
Administration	93.566		64,333	-	-	64,333
Direct Benefit Payments	93.566		259,958	-	-	259,958
Total Refugee Assistance Program			<u>324,291</u>	<u>-</u>	<u>-</u>	<u>324,291</u>
Low Income Home Energy Block Grant:						
Administration	93.568		820,188	-	-	820,188
Crisis Intervention	93.568		3,073,493	-	-	3,073,493
Total Low Income Home Energy Block Grant			<u>3,893,681</u>	<u>-</u>	<u>-</u>	<u>3,893,681</u>
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
LINKS	93.674		168,230	42,057	176,727	387,014
LINKS - Independent Living	93.674		45,604	-	-	45,604
In-Home Services	93.667		89,817	-	494,581	584,398
Temporary Assistance for Needy Families	93.558		70,055	-	-	70,055
Refugee Health	93.576		23,561	-	-	23,561

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards (continued)						
Social Services Block Grant	93.667		-	32,211	-	32,211
Adult Day Care	93.667		-	307,956	43,994	351,950
Adult Pro SVC	93.667		130,058	-	43,353	173,411
Adult Day Care Over 60	93.667		398,330	132,830	75,880	607,040
SSBG Adoption/Child Protective Svc	93.667		47,360	-	15,787	63,147
TNF to SSBG Adopt	93.667		86,156	-	28,719	114,875
House & Hme Imp SSBG	93.667		189	-	27	216
TRNS Adlt S/M HM 18	93.667		8,163	-	2,721	10,884
SSBG Other Services and Training	93.667		1,156,278	-	407,044	1,563,322
Medical Assistance:						
Administration	93.778		7,256,118	-	7,256,118	14,512,236
Expansion	93.778		102,045	102,045	-	204,090
Total Medical Assistance			<u>7,358,163</u>	<u>102,045</u>	<u>7,256,118</u>	<u>14,716,326</u>
Medical Transportation Administration	93.778		645,793	-	645,793	1,291,586
Medical Transportation Service	93.778		156,450	81,543	-	237,993
Adult Home Care	93.778		188,109	43,083	145,027	376,219
Adult Protective Services (APS)	93.778		-	-	1,483,950	1,483,950
S/C Spec Assistance	93.778		193,160	-	193,160	386,320
North Carolina Health Choice	93.767		12,288,447	3,740,805	134,976	16,164,228
Foster Care and Adoption Cluster:						
Title IV-E Child Protective Services	93.658		783,608	391,804	391,804	1,567,216
Title IV-E Optional Administration	93.658		3,240,056	-	3,281,617	6,521,673
Title IV-E State Adoption/Foster Care	93.658		(59,716)	(91,762)	10,682	(140,796)
IV-E Adoption Subsidy	93.659		311,572	-	382,079	693,651
Family Finding	93.556		48,682	-	-	48,682
Foster Care And Adoption Direct Benefit Payments:						
IV-E Foster Care	93.658		1,654,420	597,394	597,391	2,849,205
IV-E Foster Care HIV	93.658		2,312	1,203	-	3,515
IV-E Maximization	93.658		149,740	33,716	17,273	200,729
IV-E Adoption Subsidy	93.659		4,167,668	1,087,708	1,246,516	6,501,892
Total Foster Care and Adoption Cluster			<u>10,298,342</u>	<u>2,020,063</u>	<u>5,927,362</u>	<u>18,245,767</u>
Passed through N.C. Department of Health and Human Services - Subsidized Child Care						
Child Care Development Fund Cluster:						
CCDF - Administration	93.596		1,605,632	-	487,263	2,092,895
CCDF - Discretionary	93.575		12,488,591	-	-	12,488,591
CCDF - Mandatory	93.596		5,160,048	-	-	5,160,048
CCDF - Match	93.596		5,110,218	1,509,933	-	6,620,151
Total Child Care Fund Cluster			<u>24,364,489</u>	<u>1,509,933</u>	<u>487,263</u>	<u>26,361,685</u>
Foster Care Title IV-E (K5)	93.658		510,708	267,818	-	778,526
Temporary Assistance for Needy Families	93.558		18,579,983	-	-	18,579,983
Smart Start			-	64,437	-	64,437
State Appropriations			-	1,781,113	-	1,781,113
TANF - MOE			-	2,204,923	-	2,204,923
Total Subsidized Child Care Cluster			<u>43,455,180</u>	<u>5,828,224</u>	<u>487,263</u>	<u>49,770,667</u>

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards (continued)						
Passed through N.C. Department of Health and Human Services - Division of Mental Health, Developmental						
Disabilities and Substance Abuse Services:						
Perinatal and Maternal Substance Abuse Initiative	93.959		1,138,023	-	-	1,138,023
Substance Abuse Training	93.959		295,502	-	-	295,502
Treatment Alternatives for Women	93.959		245,917	-	-	245,917
Treatment Alternatives to Street Crimes	93.959		177,498	-	-	177,498
Services to IV Drug Users	93.959		30,911	-	-	30,911
Mental Health Cluster:						
Mental Health Services Block Grant	93.958		281,904	-	-	281,904
Developmental Disability Services	93.667		335,410	-	-	335,410
Substance Abuse Services Cluster:						
Substance Abuse Block Grant	93.959		1,125,246	-	-	1,125,246
Health Resources and Services Administration:						
Direct Program:						
Ryan White Program	93.914	2-HA89HA11434-06-00	1,231,736	-	-	1,231,736
Minority Aids Initiative Programs for Part A Grantees	93.914	2-HA89HA11434-06-00	104,821	-	-	104,821
Ryan White Program	93.914	2 H89HA11434-05-00	4,165,934	-	-	4,165,934
Minority Aids Initiative Programs for Part A Grantees	93.914	2 H89HA11434-05-00	473,345	-	-	473,345
Passed through N.C. Department of Health and Human Services - Division of Public Health:						
Project Grants and Cooperative Agreements for Tuberculosis Control Programs						
	93.116		56,849	-	-	56,849
Infant and Toddlers Disabilities	84.181		2,524,657	-	-	2,524,657
Preparedness and Response	93.283		144,594	-	-	144,594
Public Health Emergency Preparedness	93.069		93,672	-	-	93,672
Immunization Program	93.268		161,315	-	-	161,315
Teen Pregnancy Prev/Wisewomen	93.094		14,335	-	-	14,335
Cooperative Agreement for Breast and Cervical Cancer	93.919		167,924	302,568	-	470,492
HIV State Funds-Sexually Transmitted and Communicable Diseases	93.940		221,638	-	-	221,638
Maternal and Child Health Services Block Grant	93.994		667,627	500,778	-	1,168,405
Family Planning Services	93.217		222,424	-	-	222,424
Syphilis Elimination Program	93.977		35,849	-	-	35,849
Positive Parenting Program	93.994	B04Mc25261	149,427	-	-	149,427
Medicaid Direct Benefit Payments	93.778		597,643,750	322,289,155	-	919,932,905
Total Division of Public Health			602,104,061	323,092,501	-	925,196,562
Total U.S. Department of Health and Human Services			720,369,312	336,519,154	36,008,233	1,092,896,699

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards (continued)						
U.S. Department of Agriculture:						
Passed through Centralina Council of Governments:						
Nutrition Project for the Elderly USDA	93.053		169,914	-	-	169,914
Passed through N.C. Department of Health and Human Services:						
Division of Social Services Food Stamp Cluster:						
Food Stamp Administration	10.561	10.551	10,094,760	39,693	10,053,447	20,187,900
Food Stamp Fraud Administration	10.561		334,850	-	25,038	359,888
Total Food Stamp Cluster			<u>10,429,610</u>	<u>39,693</u>	<u>10,078,485</u>	<u>20,547,788</u>
Division of Public Health:						
Special Supplemental Nutrition Program - WIC	10.557		3,941,832	-	-	3,941,832
AGRE-SFP Food program Meal	10.559		24,952	-	-	24,952
Inject Drug User Program	93.959		118,144	-	-	118,144
Statewide Health Promotion Program	93.991		10,783	-	-	10,783
Supplemental Food Program - WIC	10.557		18,112,485	-	-	18,112,485
Total U.S. Department of Agriculture			<u>32,807,720</u>	<u>39,693</u>	<u>10,078,485</u>	<u>42,925,898</u>
U.S. Department of Housing and Urban Development:						
Direct Program:						
Supportive Housing Program-Special Needs						
Assistance-Homeless	14.235	NC0065L4F051205	84,661	-	-	84,661
Shelter Plus Care	14.238	NC0061B4F051104	65,269	-	-	65,269
Shelter Plus Care	14.238	NC0060C4F050800	69,855	-	-	69,855
Shelter Plus Care	14.238	NC 0161C4F4050900	68,827	-	-	68,827
Shelter Plus Care	14.238	NC0225C4F051101	7,228	-	-	7,228
Shelter Plus Care	14.238	NC0225L4F051202	72,151	-	-	72,151
Shelter Plus Care	14.238	NC0069L4F051205	1,383,090	-	-	1,383,090
Community development Block Grant	14.218	B-10-UC-37-003	222,519	-	-	222,519
Total U.S. Department of Housing and Urban Development			<u>1,973,600</u>	<u>-</u>	<u>-</u>	<u>1,973,600</u>
U.S. Department of Justice:						
Direct Program:						
State Criminal Alien Program	16.606	2014-AP-BX-0773	230,289	-	-	230,289
Passed through the City of Charlotte:						
Enhancements to Law Enforcement	16.579	2010-DJ-BX-0355	-	2,989	-	2,989
Law Enforcement Efficiency Improvements	16.738	2012-H1647-NC-DJ	11,640	-	-	11,640
Law Enforcement Efficiency Improvement	16.738	JAG-2013-DJ-BX-1202	31,283	-	-	31,283
Law Enforcement Efficiency Improvement	16.738	2011-DJ-BX-2961	15,173	-	-	15,173
Passed through Office of Violence Against Women						
Safe Havens Grant	16.527	2013-CY-AX-K006	83,663	-	-	83,663
Transitional Housing & Supprt Svc.	16.527	2011-WX-AX-K11	129,924	-	-	129,924
Safe Exchange & Supervised Visitation	16.527	2012-CW-AX-K022	20,232	-	-	20,232
Total U.S. Department of Justice			<u>522,204</u>	<u>2,989</u>	<u>-</u>	<u>525,193</u>
U.S. Department of Environmental Protection:						
Direct Program:						
SEC 105 Air Grant FY11	66.001	A00406510	354,327	-	-	354,327
National Clean Diesel Funding Assistance Program	66.039	DE- 95487511	349,921	-	-	349,921
Near Roadside Monitoring Program	66.034	XA-95495612-0	204,171	-	-	204,171
P.M. - 2.5 Monitoring Network	66.034	PM 96497008	185,287	-	-	185,287
Total U.S. Department of Environmental Protection			<u>1,093,706</u>	<u>-</u>	<u>-</u>	<u>1,093,706</u>

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards (continued)						
U.S. Department of Homeland Security:						
Passed through Federal Emergency Management Association:						
Letters of Map Change Pilot	97.045	EMA-2009-CA-5935	82,707	-	-	82,707
Letters of Map Change Pilot	97.045	EMA-2011-CA-5151	42	-	-	42
Passed through N.C. Department of Crime Control and Public Safety:						
Pre-Disaster Mitigation Planning Project	97.017	PDM-PJ-04-NC-2010-010	2,968	-	-	2,968
Pre-Disaster Mitigation Planning Project	97.017	PDM-PJ-04-NC-2010-008	19,057	-	6,930	25,987
Pre-Disaster Mitigation Planning Project	97.017	DMC-PJ-04-NC-2011-008	4,559	-	2,360	6,919
Pre-Disaster Mitigation Planning Project	97.017	PDM-PJ-04-NC-2011-005	70,442	-	23,539	93,981
Total U.S. Department of Homeland Security			179,775	-	32,829	212,604
U.S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Torrence Creek Greenway	20.205	C-4954	391,159	-	-	391,159
Greater Charlotte Air Awareness Program	20.205	CMS-000S(733)	137,000	-	-	137,000
Greater Charlotte Air Awareness Program	20.205	CMS-000S(734)	207,000	-	-	207,000
Greater Charlotte Air Awareness Program	20.205	CMS-1003(123)	287,367	-	-	287,367
Greater Charlotte Air Awareness Program	20.205	CMS-000S(735)	553,033	-	-	553,033
Barton Creek Greenway	20.205	CMS-1003(119)	105,199	-	-	105,199
Toby Creek Greenway Phase II	20.205	CMS-1003(103)	117,369	-	-	117,369
Little Sugar Creek Greenway	20.205	EB-4715	51,712	-	-	51,712
Wesley Heights Greenway	20.205		536	-	-	536
Little Sugar Creek Greenway -Phase E	20.205	EB-4715E	123,163	-	-	123,163
Greater Charlotte Air Awareness Program	20.205	CMS1003(104)	15,592	-	-	15,592
Greater Charlotte Air Awareness Program	20.205	CMAQ-C-4903	68,621	-	-	68,621
Total U.S. Department of Transportation			2,057,751	-	-	2,057,751
Total Federal Awards			758,309,668	336,214,636	45,772,349	1,140,296,653
State Awards:						
N.C. Department of Administration:						
Divorce Filing Fees			-	29,994	-	29,994
N.C. Department of Environment and Natural Resources:						
Food and Lodging			-	39,600	-	39,600
N.C. Clean Water Management Trust Fund:						
Little Sugar Creek - Phase X		2010-411	-	28,235	1,150	29,385
McAlpine Creek		2006A- 405	-	-	59,468	59,468
Torrence Tributary 2011-405		2011-405	-	4,000	7,295	11,295
Torrence Creek Restoration Phase I		2011-404	-	-	178,516	178,516
Total N.C. Department of Environment and Natural Resources			-	71,835	246,429	318,264
N.C. Department of Health and Human Services:						
Division of Aging and Adult Services:						
Alzheimers Project C.A.R.E.			-	3,356	-	3,356
Division of Social Services:						
Smart Start DCD			-	165,772	-	165,772
State Foster Care Direct Benefit Programs:						
Regular			-	645,729	645,724	1,291,453
Domiciliary Care Direct Benefit Payments			-	2,969,181	2,969,181	5,938,362
Total Division of Social Services			-	3,780,682	3,614,905	7,395,587

**Mecklenburg County, North Carolina
Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2014**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
State Awards (continued)						
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:						
General Program Services			-	16,038,753	-	16,038,753
Crisis Svc Adult- 3-Way Money			-	699,650	-	699,650
Systems Management Transition			-	5,034,273	-	5,034,273
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services			-	21,772,676	-	21,772,676
Division of Public Health:						
General Aid to Counties			-	276,750	-	276,750
Risk Reduction Health Promotion			-	8,399	-	8,399
Communicable Disease			-	52,289	-	52,289
Food and Lodging Fees			-	161,301	-	161,301
HIV/STD Non Traditional Testing Site			-	107,817	-	107,817
Environmental Health			-	4,000	-	4,000
Mosquito-Public Health Pesticide			-	5,827	-	5,827
Public Health Nursing			-	1,200	-	1,200
Tuberculosis			-	145,033	-	145,033
TB Medical Service			-	29,111	-	29,111
Maternal Care Coordinator			-	11,930	-	11,930
School Nurse Funding Initiative			-	52,766	-	52,766
Maternal Health (HMHC)			-	14,234	-	14,234
Women's Preventative Health			-	20,772	-	20,772
Care Coordination for Children			-	1,493,559	-	1,493,559
Pregnancy Care Management			-	1,438,084	-	1,438,084
Breast and Cervical Cancer Control Program			-	-	97,600	97,600
Passed through Smart Start of Mecklenburg						
Healthy Future Starting in the Kitchen			-	29,199	-	29,199
Total Division of Public Health State Awards			-	3,852,271	97,600	3,949,871
Total N.C. Department of Health and Human Services			-	29,408,985	3,712,505	33,121,490
N.C. Department of Juvenile Justice and Delinquency Prevention:						
Juvenile Transportation			-	10,448	-	10,448
Juvenile Crime Prevention Council Programs			-	1,340,900	151,655	1,492,555
Total N.C. Department of Juvenile Justice and Delinquency Prevention			-	1,351,348	151,655	1,503,003
N.C. Department of Public Instruction:						
Public School Building Capital Fund - Lottery Funds			-	9,500,000	-	9,500,000
N.C. Department of Public Safety						
Intermediary Grant			-	70,362	-	70,362
N.C. Department of Transportation:						
Elderly and Disabled Transportation Assistance Program			-	311,145	-	311,145
Community Transportation Administration			-	269,041	-	269,041
Work First Employment Transportation			-	272,460	-	272,460
Rural General Program			-	198,463	-	198,463
Total N.C. Department of Transportation			-	1,051,109	-	1,051,109
Total State Awards			-	41,483,633	4,110,589	45,594,222
Total Federal and State Awards			\$ 759,004,068	\$ 378,045,469	\$ 50,230,136	\$ 1,187,279,673

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State financial awards includes the federal and State grant activity of Mecklenburg County, North Carolina 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. However, due to the County's involvement in determining eligibility, they are considered federal and State awards to the County and are included on this schedule.

2. Reporting Entity

Mecklenburg County, North Carolina, for purposes of the schedule of expenditures of federal and State awards, includes all the funds of the primary government as defined by the Governmental Accounting Standards Board. It does not include any component units of the County as follows:

- The Public Library of Charlotte and Mecklenburg County
- The Mecklenburg County Alcoholic Beverage Control Board
- The Mecklenburg Emergency Medical Services Agency

The Public Library of Charlotte and Mecklenburg County also receives federal and State awards, but separately satisfy the audit requirements of OMB Circular A-133 and the State Single Audit Implementation Act. The Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency do not receive federal or State grants.

3. Subrecipients

Of federal and State expenditures presented in the schedule, the County provided funding to subrecipients for the following:

Program Title	CFDA Number	Expenditures	
		Federal	State
N.C. Department of Health & Human Services			
Subsidized Child Care Cluster:			
CCDF - Administration	93.596	\$ 1,605,632	\$ -
CCDF - Discretionary	93.575	12,488,591	-
CCDF - Mandatory	93.596	5,160,048	-
CCDF - Match	93.596	5,110,218	1,509,933
Foster Care Title IV	93.658	510,708	267,818
TANF	93.558	18,579,983	-
Smart Start		-	64,437
State Appropriations		-	1,781,113
TANF MOE		-	2,204,923
Division of Public Health:			
Project Grants and Cooperative Agreements of Tuberculosis Control Programs	93.116	56,849	-
Investigations and Technical Assistance	93.283	-	-
Immunization Program	93.268	161,315	-
Cooperative Agreement for Breast and Cervical Cancer	93.919	167,924	302,568
HIV State Funds - Sexually Transmitted and Communicable Disease	93.940	221,638	-
Maternal and Child Health Services Block Grant	93.994	667,627	500,778
Infant and Toddlers Disabilities	84.181	2,524,657	-
Family Planning Services	93.217	222,424	-
Supplemental Food Program - WIC	10.557	3,941,832	-
HIV Emergency Relief Project	93.914	578,166	-
Public Health E4emergency Preparedness	93.069	93,672	-
Ryan White	93.914	5,397,670	-
General Aid Counties		-	276,750
Risk Reduction Health Promotion		-	8,399
Communicable Disease		-	52,289
Tuberculosis		-	145,033
Women's Preventative Health		-	20,772
TPPI-Pregnancy Prevention		-	-
N.C. Department of Juvenile Crime Prevention Programs		-	1,340,900