



**MECKLENBURG COUNTY, NORTH  
CAROLINA**

REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS

*For the Year Ended June 30, 2017*

*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, 2017, 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 30, 2017. 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.

*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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

**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.

Cheryl Bekaert LLP

Charlotte, North Carolina  
November 30, 2017

**Report of Independent Auditor on Compliance with Requirements Applicable to  
Each Major Federal Program and Internal Control over Compliance in  
Accordance with the Uniform Guidance 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 *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, 2017. 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; 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 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 identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-001 and 2017-002. 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 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as finding 2017-001 to be a material weakness.

The County's response 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 the Uniform Guidance**

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 30, 2017, 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 report 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Chemy Bekaert LLP*

Charlotte, North Carolina  
November 30, 2017

**Report of Independent Auditor on Compliance with Requirements  
Applicable to Each Major State Program and Internal Control Over  
Compliance in Accordance with the Uniform Guidance 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, 2017. 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; and applicable sections of *Title 2 US 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, the Uniform Guidance 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 identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.



## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of the Uniform Guidance 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 items 2017-001, 2017-002, 2017-003, and 2017-004. Our opinion on each major state 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 state 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 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as finding 2017-001 to be a material weakness.

The County's response 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 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 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 30, 2017, 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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Chemy Bekaert LLP*

Charlotte, North Carolina  
November 30, 2017

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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**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 2 CFR 200.516(a)?  yes  no

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

**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
	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
93.563	Child Support Enforcement
93.914	HIV Emergency Relief Project
	Aging Cluster
93.044	Special Programs for Aging- Title III, Part B
93.045	Special Programs for 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, 2017

**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 the Uniform Guidance 2 CFR 200.516(a) 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?

yes  no

State Awards

Internal control over major State programs:

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

Noncompliance material to State awards

yes  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

yes  no

Identification of major State programs:

Program Name

Rural Operating Assistance Program Cluster  
 Smart Start Healthy Families

Other major State programs for Mecklenburg County are Medical Assistance, Foster Care and Adoption Assistance Cluster, and 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, 2017*

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**Section II. Financial Statement Findings**

None.

**Section III. Federal Awards Findings and Questioned Costs**

**U.S. Department of Health and Human Services**

**Program Name: Medical Assistance**

**CFDA#: 93.778**

**Material Weakness and Non-Material Non-Compliance – Eligibility**

**Finding 2017-001**

**Criteria or specific requirement:** An effective system of internal control contemplates that management properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided. This includes ensuring that all case workers have the proper training and qualifications in order to appropriately document and assess the eligibility of participants. We noted documentation and in some instances eligibility determination issues related directly to a material weakness in the County's internal control system related to the following compliance criteria:

- a) At the time of each initial application or annual redetermination of benefits for Medical Assistance, liquid assets should be verified through an Asset Verification System inquiry and documentation of liquid assets should be made to properly calculate a budget in order to determine if the participant is eligible to receive benefits.
- b) At the time of each initial application or annual redetermination of benefits for Medical Assistance, household composition or relationship status should be documented within NCFAST with supporting documentation in order to determine if the participant is eligible to receive benefits.
- c) At the time of application approval, the county DSS should send the DMA-5097, Request for Information, allowing the beneficiary 12 calendars days to provide information. If no information is provided on the non-custodial parent, case should terminate by date shown on timely notice.
- d) At the time of each initial application or annual redetermination of benefits for Medical Assistance, citizenship/identity for the participant should be verified and documented by the social worker in order to determine if the participant is eligible to receive benefits.
- e) In accordance with Adult Medicaid Policy Manual Chapter 2230, Section II, verification of personal and real property assets should be verified at each of the following: application date, redetermination, if there is a change in situation, or if the appeal reverses. There should be documentation that tax records and Register of Deeds was checked to verify whether the individual owns real property.
- f) In accordance with Adult Medicaid Policy Manual Chapter 2261, Section II, verification of proportionate share should be verified at each of the following: application date, redetermination, if there is a change in situation, or if the appeal reverses. There should be documentation if the 1/3 reduction is to be applied.
- g) At the time of each initial application or annual redetermination of benefits for Medical Assistance, income for the participant should be verified and documented and a budget should be calculated correctly by the social worker in order to determine if the participant is eligible to receive benefits.

# MECKLENBURG COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

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

**Condition:** We noted that the program listed above did not have proper internal controls in place to ensure that proper eligibility determinations were being met. The following are the results of non-material non-compliance noted for each criteria listed above out of the 96 program participants selected for testing:

- a) There were four instances in which the liquid assets were not properly verified and documented resulting in one incorrect eligibility determination.
- b) There were three instances in which the participant's household composition or relationship status was not properly documented and/or supported.
- c) There was one instance in which the County did not submit the form DMA-5097 when required.
- d) There were two instances in which the participant's citizenship/identity was not verified and documented.
- e) There were three instances in which the appropriate verification of real property documentation was not maintained in the case files.
- f) There was one instance in which the participant's living arrangements and fair share was not verified and documented.
- g) There were three instances in in which the participant's income was not verified and documented and/or the budgets were not completed in the case file.

**Context:** The County's process during the current fiscal year was to review one eligibility determination of each caseworker per month related to the program listed above. While the County has training during the year, no formal remediation and training related to the specific review process was completed for individuals that made improper eligibility determinations or had missing documentation during the year until after the fiscal year 2017 due to the implementation of the review process by caseworker just beginning during fiscal year 2017. We reviewed seven caseworker reviews in which five had improper eligibility determination and/or missing documentation. In regards to compliance testing we sampled and selected 96 out of 42,478 Non-MAGI Medicaid program participants within Mecklenburg County during fiscal year 2017.

**Questioned Costs:** The following are the payments made by the State on behalf of the program participants from July 2016 through June 2017 during a period of time that the participants were determined to be ineligible for the corresponding conditions noted above:

- a) The known questioned cost for one of the participants was \$1,290. We were able to determine that the other three participants were still eligible although appropriate verification and documentation was not performed.
- b) None. We were able to determine that the participants were still eligible although appropriate verification and documentation of household composition or relationship status was not maintained.
- c) The known questioned cost for the participant was \$4,484.
- d) None. We were able to determine that the participants were still eligible although appropriate verification and documentation of citizenship was not performed.

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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

- e) None. We were able to determine that all participants were still eligible although appropriate verification and documentation was not performed.
- f) None. We were able to determine that the participant was still eligible although appropriate verification and documentation was not performed.
- g) None. We were able to determine that participants were still eligible although appropriate verification and documentation was not performed.

**Effect:** By not having timely remediation policies and procedures in regards to the review process over eligibility determinations, program participants files could contain incorrect or missing documentation where funding could be provided to individuals who are truly not eligible or not provided to truly eligible individuals. By not having proper documentation a participant could receive benefits for which they were ineligible to receive.

**Cause:** The County policies and procedures related to second party review of eligibility determinations did not allow for timely and adequate remediation of identified issues for each specific caseworker.

**Recommendation:** We recommend that management ensure review policies and procedures related to eligibility determinations are in place to allow for timely and adequate remediation of identified issues with specific caseworkers.

**Views of responsible officials:** The Economic Services Division concurs with the finding and had begun the implementation of a comprehensive quality improvement plan at the beginning of FY17.

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



**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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

**U.S. Department of Health and Human Services**

**Program Name: Medical Assistance**

**CFDA#: 93.778**

**Non-Material Non-Compliance – Eligibility**

**Finding 2017-002**

**Criteria or specific requirement:** Supplemental Social Security (“SSI”) recipients are automatically enrolled in Medicaid. When SSI benefits are terminated an ex parte review must be completed within four months of the participants SSI termination date to ensure the participant is otherwise eligible for Medical Assistance.

**Condition:** Out of the 96 program participants selected for testing, there were six instances in which the ex parte reviews were not performed within the four month time requirement. Of the six instances noted, five of the participants were determined to still be ineligible. There was one instance in which the participant was determined eligible after a deductible of \$11,205 was met. As no deductible was paid by the participant due to the ex parte review not being completed timely, the deductible calculated is included with the questioned costs shown below.

**Context:** Selected 96 out of 42,478 Medicaid program participants within Mecklenburg County.

**Questioned Costs:** The known questioned costs are \$39,233. This was the amount of payments on behalf of the program participants from July 2016 through June 2017 that should not have been paid.

**Effect:** By not performing ex parte reviews on a timely basis the participants continued to receive benefits after SSI eligibility ended.

**Cause:** Ex parte reviews were not performed on a timely basis.

**Recommendation:** Mecklenburg County should revise the ex parte review process to ensure that proper reviews are completed on a timely basis.

**Views of responsible officials:** The Economic Services Division concurs with the finding and implemented a plan to address the backlog of cases pending SSI Termination Review as well as an ongoing process to ensure the reviews were addressed timely in the future.

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

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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**Section IV. State Awards Findings and Questioned Costs**

**Findings 2017-001 and 2017-002 as listed in Section III Federal Award findings are also considered to be State findings.**

**Department of Health and Human Services**

**DSS Crosscutting**

**Nonmaterial Noncompliance – Allowable Costs/Costs Principles and Reporting**

**Finding 2017-003**

**Criteria or specific requirement:** Each employee's total day sheets for a month should agree to the monthly Percentage of Time Report submitted to the State for that same month.

**Condition:** Out of the 30 employees selected for testing, we noted four instances in which the employee's day sheet for a month chosen did not agree to the Percentage of Time Report submitted to the State for that same month.

**Context:** Each employee working in an administrative or programmatic function at the Department of Social Services is required to complete a day sheet for every day of each month. We selected 30 employees' day sheets for certain months for testing

**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.

**Effect:** Employee day sheets do not agree to the Percentage of Time Report, causing the employees' time reported to the State to be inaccurate.

**Cause:** Human error while entering caseworker's time into the day sheet time entry program that resulted in incorrect minutes being reported on the percentage of time report.

**Recommendation:** Mecklenburg County should have policies in place to ensure that employee day sheets agree to the Percentage of Time Report submitted to the State. Mecklenburg should also have processes in place to ensure that data is not uploaded before the cutoff for the previous month.

**Views of responsible officials:** Economic Services Division concurs with the finding.

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

**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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

**Department of Transportation**  
**Rural Operating Assistance Program**  
**Nonmaterial Noncompliance – Allowable Activities and Allowable Costs/Costs Principles**  
**Finding 2017-004**

**Criteria or specific requirement:** Each activity and cost reported as a grant expenditure on the Schedule of Expenditures of Federal and State Awards must be properly supported.

**Condition:** Out of the 40 expenditures selected for testing, we noted two instances in which the support for a chosen expenditure could not be located.

**Context:** We selected 40 expenditures to determine if activities and costs were unallowable.

**Questioned Costs:** \$132 of questioned costs could not be properly supported and could not be readily determined whether they were unallowable.

**Effect:** Activities and costs were not properly supported and therefore other activities and costs could be unallowable resulting in an overstatement of expenditures.

**Cause:** Supporting documentation could not be obtained or readily available.

**Recommendation:** Mecklenburg County should have policies in place to ensure that all documentation is kept to support expenditures reported on the Schedule of Expenditures of Federal and State Awards.

**Views of responsible officials:** The Community Outreach Division concurs with the finding.

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



# MECKLENBURG COUNTY

## Department of Social Services

*The Wallace H. Kuralt Centre*

Peggy Eagan, ACSW  
Director

*11/30/2017*

In response to the FY2017 Single Audit findings, Mecklenburg County's Department of Social Services' corrective action response is detailed below. The Department concurs with the findings, and will work diligently to ensure services delivered to our customers are provided in a timely and accurate manner. It is our expectation that through the implementation of this plan, the errors identified will be corrected, and performance will meet program standards.

### **Finding 2017-001: Material Weakness and Non-Material Non-Compliance- Eligibility** **Program Name: Medical Assistance**

**Condition:** The program listed above did not have proper internal controls in place to ensure that proper eligibility determinations were being met.

**Questioned Costs:** Two cases, totaling \$5,774 in questioned costs. The other fifteen cases with findings did not result in questioned costs since DSS was able to provide documentation verifying eligibility.

**Recommendation:** Management ensures a review of policies and procedures related to eligibility determinations are in place to allow for timely and adequate remediation of identified issues with specific caseworkers.

**Corrective Action Plan:** The Economic Services Division concurs with the finding and had begun the implementation of a comprehensive quality improvement plan at the beginning of FY17. The final pieces of the plan will be implemented on/before 4/30/18. The current plan includes the following central program control measures and accountabilities:

- **Quality Sampling:** Implemented by the division in FY16 and the amount sampled per worker per year has been increased in subsequent years. Effective 4/1/2017, a minimum of 999 Medicaid cases per quarter was sampled. Effective 7/1/2017, the amount per worker for Medicaid was increased to 5 cases per quarter per worker (20 cases per worker per year). Additionally, effective 7/1/2016 quality sampling accuracy was added to the work plans of all staff. Workers were held accountable to achieve a minimum accuracy of 80% for FY17 and increased to 85% for FY18. Additionally, workers, supervisors, and management will be held accountable to increased accuracy and decreased repeated findings through mandatory trainings, coaching for improvement and ultimately the Discipline Without Punishment (DWOP) process if improvements are not made throughout the year.

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[www.MecklenburgCountyNC.gov/Departments/DSS/Home.htm](http://www.MecklenburgCountyNC.gov/Departments/DSS/Home.htm)

- Continuing Education: Quarterly sessions were implemented in FY17 for all programs and will continue. These sessions include refreshers on any identified Quality Sampling and/or audit trends. Scored pre-and post-testing is required for any sessions because of a corrective action plan and staff are held accountable through the DWOP process for demonstrating understanding by achieving at least an 80% on all tests through the year. Additionally, annual continuing education testing was implemented in FY18. There will be two practices per year to identify trends and develop improvement plans for workers and additional workshop trainings for the division leading up to the final testing process in March/April 2018. Workers with identified needs will have opportunities for additional training at either their or their supervisor's request. Workers will be held accountable through the DWOP process and on their workplans for achieving at least an 80% by 6/30/18.
- Policy Communications: Quality and Training staff will continue to send new/changed policy communications as needed throughout the year and maintain a tracking of the communications. On/before 1/1/2018, knowledge check questions will be added to the bottom of each communication for the learners to test their understanding of the material. Additionally, Q&T began publishing monthly summaries/" newsletters" on the information communicated in April 2017. Effective 7/1/17, Supervisors will be held accountable for reviewing the communications at least monthly with their staff and tracking these meetings for follow-up by their managers.
- Increased availability of support and policy/procedure tools: Effective April 2017, Quality and Training made available policy and processing tools and information for all staff including updated copies of all training manuals, newsletters, processing aids, and information/materials from continuing education sessions. Quality and Training will continuously update this material and communicate with staff the availability of the resource. Additionally, Economic Services Division began an onboarding pilot in August 2017 to improve the initial hiring, training, and onboarding process for all staff.
- Increased engagement and partnerships: Several workgroups were established during FY17 in an effort to increase quality, communication and partnerships between managers, supervisors, and quality and training. These include a Quality Improvement Team, a Policy Team, and an On-boarding/mentoring team.

The Economic Services Division believes that this comprehensive and coordinated approach, with the addition of increased accountabilities for quality performance at all levels of the Division, will engage staff, resolve error trends, and improve overall program performance.

Date of Implementation: 7/1/2016 through 4/30/2018 (date of completion of continuing education annual assessment)

**Finding 2017-002: Material Noncompliance- Eligibility**  
**Program Name: Medical Assistance**

**Condition:** The ex parte reviews were not performed within the four-month time requirement for SSI recipients automatically enrolled in Medicaid when SSI benefits terminated.

**Questioned Costs:** The known questioned costs are \$39,233, which is the amount of payments to the program participants from July 2016 through June 2017 that should not have been paid.

**Recommendation:** Mecklenburg County should revise the ex-parte review process to ensure that proper reviews are completed on a timely basis.

**Corrective Action Plan:** The Economic Services Division concurs with the finding and implemented a plan to address the backlog of cases pending SSI Termination Review as well as an ongoing process to ensure the reviews were addressed timely in the future. Below are the main steps in the processes that the Division will take to ensure SSI terminations will be worked in a timely manner moving forward and that the backlog of cases will be addressed and completed as soon as possible. (Attached please find the full SSI Termination plan)

- Backlogged Cases:
  - All SSI terminations from 12/1/2014 through 7/20/2017 were split into two categories (Adults and Children) and assessed for potential reinstatement or needed reviews by 8/31/2017.
  - All reviews for adults were completed by 9/30/2017
  - All reviews for children will be completed by 10/31/2017
- Ongoing List Maintenance:
  - ESD Administration will pull SSI Termination lists weekly
  - Any lists found will be split into the two categories, then assigned, monitored, and tracked
  - The LTC Case Management team will handle the adults and the CRT teams will handle the children
  - The respective managers will ensure that all cases are reviewed and/or closed no later than 3 months following the month of SSI termination

Date of Implementation: 8/11/17

Date of Completion (backlog): 10/31/17

Date of Completion (ongoing): By 11/1/17 all SSI terminations will be current

**Finding 2017-003: Nonmaterial Noncompliance- Allowable Costs / Costs Principles and Reporting  
Program Name: DSS Crosscutting**

**Condition:** The employee's day sheet for a month did not agree to the Percentage of Time Report submitted to the State for that same month.

**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.

**Recommendation:** Mecklenburg County should have policies in place to ensure that employee day sheets agree to the Percentage of Time Report submitted to the State. Mecklenburg County should also have processes in place to ensure that data is not uploaded before the cutoff for the previous month.

**Corrective Action Plan:** The corrective action plan is two-fold. Our current application used by staff to enter day sheet data is integrated into our local case management system (ISSI), and utilizes a conversion table to convert day sheet entries into codes appropriate for upload to the State. Through this year's audit, several errors were identified with the conversion table, and those have been corrected. Staff responsible for submitting the monthly uploads have been instructed not to upload current month day sheet data so close to the deadline for uploading the previous month's day sheet data.

Mecklenburg County DSS is currently working with our County IT to develop a new, stand-alone day sheet application. This new application will not utilize the current process of using conversion tables to convert day sheet entries to suitable data for the State upload. Instead, it will use coding that aligns to the current SIS manual. Additionally, there will only be one monthly upload to the State system, instead of the current four monthly uploads. This will allow for more stringent safeguards to prevent upload errors such as uploading current month data before previous month data has been accepted by the State. This new day sheet application is anticipated to be rolled out to staff during the 4<sup>th</sup> quarter of fiscal year 2018.

**Finding 2017-004: Allowable Activities and Allowable Costs / Costs Principles**  
**Program Name: Rural Operating Assistance Program**

**Condition:** Out of the 40 expenditures selected for testing, we noted two instances in which the supporting documentation for a chosen expenditure could not be located.

**Questioned Costs:** \$132 of questioned costs could not be properly supported and therefore other activities and costs could be unallowable resulting in an overstatement of expenditures.

**Recommendation:** Mecklenburg County should have policies in place to ensure that all documentation is kept to support expenditures reported on the Schedule of Expenditures of Federal and State Awards.

**Corrective Action Plan:** The Community Outreach Division (COD) concurs with this finding that supporting documentation was not available for disbursement of two bus passes through the EMPL program. The following actions will be taken to improve the tracking of bus passes issued to customers.

- Elimination of manual, paper tracking process by having COD staff key EMPL client/applicant into its Core Solutions Cx360, an electronic case management system. This allows for more accurate and automated capturing of case data, including scanned documents for verifying eligibility.
- Customer signature will be required on a Signature Log, which includes the bus pass number and name of customer, and distribution date of the pass.
- Quality and Training staff in COD will conduct 2<sup>nd</sup> party reviews of cases on a monthly basis to ensure the new process is being followed and eligibility documentation is in the record.
- The Department's Compliance Unit will periodically check the division's process to ensure the electronic record-keeping and Signature Log are being correctly maintained.

Date of Implementation: December 1, 2017



**MECKLENBURG COUNTY, NORTH CAROLINA**  
**SUMMARY OF PRIOR YEAR FINDINGS**

*FOR THE YEAR ENDED JUNE 30, 2017*

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**Finding: 2016-001**

Status: Completed

**Finding: 2016-002**

Status: Repeated

**Finding: 201-003**

Status: Repeated

**Finding: 2016-004**

Status: Repeated

**Finding: 2016-005**

Status: Repeated

**Finding: 2015-006**

Status: Completed

**Finding: 2016-007**

Status: Completed

**Finding: 2016-008**

Status: Completed

**Finding: 2016-009**

Status: Completed

**Finding: 2016-010**

Status: Completed

**Finding: 2016-011**

Status: Completed

**Finding: 2016-012**

Status: Repeated

**Finding: 2016-013**

Status: Completed

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
<b>Federal Awards:</b>							
<b>U.S. Department of Health and Human Services:</b>							
Substance Abuse Mental Health Service Administration (SAMHSA)	93.243	203-4604	\$ 240,628	\$ -	\$ -	\$ -	\$ 240,628
Family Violence Prevention Service Act (FVPSA)	93.671	56-2203528 16	12,692	-	-	-	12,692
Family Violence Prevention Service Act (FVPSA)	93.671	56-2203528 17	30,203	-	-	-	30,203
Division of Aging and Adult Services							
Passed-Through Centralina Council of Governments:							
Aging Cluster:							
Special Programs for the Aging (Support Services & Senior Ctrs 501;503) Title III-B	93.044		1,504,723	406,275	-	167,191	2,078,189
Special Programs for the Aging (Nutrition Services) Title III-C	93.045		891,113	240,601	-	99,013	1,230,727
Special Programs for the Aging (Family Caregiver Support) Title III-E	93.052		-	176,534	-	-	176,534
Total Aging Cluster			2,395,836	823,410	-	266,204	3,485,450
Social Service Block Grant - In Home Services	93.667		734,775	198,390	-	81,642	1,014,807
Special Programs for the Aging (Nutrition Services - USDA)	93.053		210,859	-	-	-	210,859
Total Division of Aging and Adult Services			3,341,470	1,021,800	-	347,846	4,711,116
Passed-Through N.C. Department of Health and Human							
Services - Division of Social Services:							
Child Support Enforcement	93.563		6,969,261	443,371	-	-	7,412,632
Permanency Planning - Regular	93.645		-	-	-	1,965,448	1,965,448
Permanency Planning FC Admin/Svc	93.645		129,504	-	-	518,178	647,682
Permanency Planning Adopt Admin/Svc	93.645		3,597	-	-	1,199	4,796
Permanency Planning Fam Supp Admin/Svc	93.645		2,444	-	-	815	3,259
Total Division of Social Services			7,104,806	443,371	-	2,485,640	10,033,817
Temporary Assistance for Needy Families:							
Foster Care Administration	93.558		-	-	-	232,716	232,716
Family Reunification	93.556		209,546	-	-	-	209,546
Work First Admin Emp SVC/FFA	93.558		-	-	-	3,328,719	3,328,719
Work First Administration	93.558		1,509	-	-	2,972,657	2,974,166
Work First Services	93.558		136,232	-	-	8,486,160	8,622,392
TNF ADM FED WF EMPSV	93.558		35,792	-	-	-	35,792
TANF Svc /Admin Child Protective	93.558		7,500,919	-	-	28,578	7,529,497
TANF Svc/Admin Foster Care	93.558		1,870,520	-	-	183,050	2,053,570
TANF Other	93.558		906,390	-	-	-	906,390
Work First NR			-	-	-	2,394,375	2,394,375
Direct Benefit Payments:							
AFDC County Issued Checks	93.560		(4,045)	(1,109)	-	(1,109)	(6,263)
TANF Direct Benefit Payments	93.558		5,042,217	22	-	3,005	5,045,244
Total Temporary Assistance for Needy Families			15,699,080	(1,087)	-	17,628,151	33,326,144

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Refugee Assistance Program:							
Administration	93.566		107,263	-	-	-	107,263
Direct Benefit Payments	93.566		308,563	-	-	-	308,563
Total Refugee Assistance Program			415,826	-	-	-	415,826
Low Income Home Energy Block Grant:							
Administration	93.568		561,523	-	-	975,490	1,537,013
Crisis Intervention	93.568		2,967,620	-	-	-	2,967,620
Energy Neighbors			-	(183)	-	404	221
Direct Benefit Payments	93.568		1,588,000	-	-	-	1,588,000
Total Low Income Home Energy Block Grant			5,117,143	(183)	-	975,894	6,092,854
Passed-Through N.C. Department of Health and Human Services - Division of Social Services:							
LINKS	93.674		155,801	38,950	-	622,247	816,998
LINKS - Independent Living	93.674		14,756	-	-	-	14,756
Temporary Assistance for Needy Families/AFDC	93.558		(3,778)	9,297	-	-	5,519
NC Education Lottery Incentive	93.558		147	-	-	-	147
Dept of Revenue/ Treasury Offset Program Incentive	93.558		45,261	-	-	-	45,261
In-Home Services	93.667		98,943	-	-	288,568	387,511
Social Services Block Grant	93.667		475,922	149,940	-	4,497,447	5,123,309
Social Services Block Grant / Adult Day Care	93.667		443	177,906	-	121,856	300,205
Social Services Block Grant / Adult Pro SVC	93.667		142,127	-	-	47,375	189,502
Social Services Block Grant / Adult Day Care Over 60	93.667		447,036	319,779	-	109,545	876,360
TNF to SSBG Adopt/FC	93.667		273,786	-	-	869,431	1,143,217
House & Hme Imp SSBG	93.667		330	-	-	47	377
TRNS Adlt S/M HM 18	93.667		752	-	-	251	1,003
SSBG Other Services and Training	93.667		818,417	1,529	-	2,449,766	3,269,712
Total DHH/DSS			2,469,943	697,401	-	9,006,533	12,173,877

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Federal Awards (continued)							
Division of Medical Assistance							
Direct Benefit Payments							
Medical Assistance Program - Direct	93.778		656,645,570	350,219,449	-	-	1,006,865,019
Medical Assistance Program - Administration	93.778		21,064,029	-	-	7,421,949	28,485,978
Medical Transportation Administration	93.778		1,091,891	-	-	1,091,891	2,183,782
Medical Transportation Service	93.778		345,265	171,606	-	-	516,871
Adult Home Care	93.778		267,107	45,096	-	222,011	534,214
S/C Spec Assistance	93.778		124	-	-	124	248
Direct Benefit Payments							
Child Health Insurance Program - N.C Health Choice	93.767		12,229,159	49,647	-	-	12,278,806
Child Health Insurance Program - Administration N.C Health Choice	93.767		690,372	432	-	138	690,942
Total Medical Assistance			692,333,517	350,486,230	-	8,736,113	1,051,555,860
Foster Care and Adoption Cluster:							
Title IV-E Child Protective Services	93.658		1,233,773	218,593	-	655,188	2,107,554
Title IV-E Optional Administration	93.658		3,308,743	-	-	3,355,434	6,664,177
Title IV-E State Adoption/Foster Care	93.658		107,325	41,506	-	19,303	168,134
IV-E Adoption Subsidy	93.659		199,062	-	-	338,656	537,718
Family Finding/FC Visits	93.556		34,642	-	-	-	34,642
NR Adoption			-	-	-	82,438	82,438
Foster Care And Adoption Direct Benefit Payments:							
IV-E Foster Care	93.658		1,925,408	637,491	-	622,350	3,185,249
IV-E Foster Care HIV	93.658		466	231	-	-	697
IV-E Maximization	93.658		5,902	-	-	2,931	8,833
IV-E Adoption Subsidy	93.659		4,041,832	1,007,692	-	1,243,905	6,293,429
Total Foster Care and Adoption Cluster			10,857,153	1,905,513	-	6,320,205	19,082,871
Passed-Through N.C. Department of Health and Human Services -							
Subsidized Child Care:							
Child Care Development Fund Cluster:							
CCDF - Administration	93.596		1,816,684	-	1,816,684	559,427	2,376,111
CCDF - Discretionary	93.575		22,785,302	-	22,785,302	-	22,785,302
CCDF - Mandatory	93.596		6,379,809	-	6,379,809	-	6,379,809
CCDF - Match	93.596		5,698,895	1,777,545	7,476,440	-	7,476,440
Total Child Care Fund Cluster			36,680,690	1,777,545	38,458,235	559,427	39,017,662
Foster Care Title IV-E (K5)	93.658		640,998	320,143	961,141	-	961,141
Temporary Assistance for Needy Families	93.558		4,971,739	-	4,971,739	-	4,971,739
Smart Start			-	56,416	56,416	-	56,416
State Appropriations			-	467,837	467,837	-	467,837
TANF - MOE			-	2,485,127	2,485,127	-	2,485,127
Total Subsidized Child Care Cluster			42,293,427	5,107,068	47,400,495	559,427	47,959,922

U.S. Department of Health and Human Services:

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Pass through Health Resources and Service Administration							
Ryan White Program -HRSA	93.914	2-HA89HA11434-08-0	4,501,900	-	4,501,900	-	4,501,900
Minority Aids Initiative Programs for Part A Grantees	93.914	2-HA89HA11434-08-0	1,066,373	-	1,066,373	-	1,066,373
Ryan White Program - HRSA	93.914	2 H89HA11434-09-00	387,447	-	387,447	-	387,447
Minority Aids Initiative Programs for Part A Grantees	93.914	2 H89HA11434-09-00	89,703	-	89,703	-	89,703
Total Health Resources and Service Administration			6,045,423	-	6,045,423	-	6,045,423
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		42,238	-	-	-	42,238
Race to the Top Early Learning Challenge	84.412		72,532	-	-	-	72,532
Infant and Toddlers Disabilities	84.181		431,944	-	-	-	431,944
Injury Prev & Control Research - State/Community	93.136		9,000	-	-	-	9,000
HPP/PHEP	93.074		112,869	-	-	-	112,869
Public Health Emergency Preparedness	93.069		12,231	-	-	-	12,231
Immunization Program	93.268		27,127	-	-	-	27,127
Natl Based Tobacco Control Programs	93.305		79,606	-	-	-	79,606
Coop Agmt for Breast & Cervical Cancer	93.919		130,433	-	-	-	130,433
Family Planning	93.217		217,659	-	-	-	217,659
HIV Prevention Activities Health Dept Based	93.940		222,845	-	-	-	222,845
Block Grant - Prevent & Treat of Substance Abuse	93.959		110,295	-	-	-	110,295
Prevent Health Services -Sex Trans Disease	93.977		401	-	-	-	401
PHHS Service Block Grant w/ PPHF	93.758		26,597	-	-	-	26,597
Maternal and Child Health Services Block Grant	93.994		662,190	496,700	-	-	1,158,890
Ryan White	93.917		68,711	-	-	-	68,711
Immunization - Preventive Disease Vaccine Prevention	93.539		132,129	-	-	-	132,129
Environmental Public Health - Zika Virus Mosquito	93.323		9,179	-	-	-	9,179
Temporary Assistance for Needy Families	93.558		113,405	-	-	-	113,405
Refugee Health	93.567		76,722	-	-	-	76,722
Total Division of Public Health			2,558,113	496,700	-	-	3,054,813
Total U.S. Department of Health and Human Services			788,519,424	360,156,813	53,445,918	46,059,809	1,194,736,046

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Federal Awards (continued)							
U.S Department of Agriculture:							
Division of Social Services Food Stamp Cluster:							
State Admin Match Grant for Supplemental Nutrition Program	10.561		11,065,445	-	-	11,079,477	22,144,922
State Admin Match Grant for Supplemental Nutrition Program - Fraud Admin	10.561		72,150	-	-	72,150	144,300
Food Stamp Employee Training	10.561		276,295	-	-	245,035	521,330
Total Food Stamp Cluster			11,413,890	-	-	11,396,662	22,810,552
Division of Public Health:							
Special Supplemental Nutrition Program - WIC Administration	10.557		4,506,339	-	4,506,339	-	4,506,339
Direct Benefit Payment:							
Special Supplemental Nutrition Program - WIC	10.557		17,947,927	-	-	-	17,947,927
Total U.S. Department of Agriculture			33,868,156	-	4,506,339	11,396,662	45,264,818
U.S. Department of Housing and Urban Development:							
Direct Program:							
Shelter Plus Care	14.238	NC0072L4F051508	62,201	-	-	-	62,201
Shelter Plus Care	14.238	NC0069L4F051508	1,262,311	-	-	-	1,262,311
Shelter Plus Care	14.238	NC0060L4F051503	78,432	-	-	-	78,432
Shelter Plus Care	14.238	NC0161L4F051501	79,454	-	-	-	79,454
Shelter Plus Care	14.238	NC0225L4F051505	96,937	-	-	-	96,937
Shelter Plus Care	14.238	NC0225L4F051404	18,720	-	-	-	18,720
Shelter Plus Care	14.238	NC0060L4F051402	5,785	-	-	-	5,785
Shelter Plus Care	14.238	NC0069L4F051407	244,529	-	-	-	244,529
Community Development Block Grant	14.218	B-16-UC-37-0003	365,528	-	-	-	365,528
Total U.S. Department of Housing and Urban Development			2,213,897	-	-	-	2,213,897
U.S. Department of Justice:							
Direct Program:							
State Criminal Alien Program	16.606	2014-AP-BX-0773	265,916	-	-	-	265,916
Passed-Through the City of Charlotte:							
JAG/Law Enforcement Efficiency Improvements	16.738	2014-DJ-BX-1028	12,328	-	-	-	12,328
JAG/Law Enforcement Efficiency Improvements	16.738	2013-DJ-BX-1202	244	-	-	-	244
JAG/Law Enforcement Efficiency Improvements	16.738	2015-DJ-BX-0995	6,752	-	-	-	6,752
ASSET Re-Entry	16.738	2014-DJ-BX-1148	41,940	-	-	-	41,940
CMPD/4219	16.745	BJA-2015-4081	74,730	-	-	-	74,730
			401,910	-	-	-	401,910

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Passed-Through N.C. Department of Crime Control and Public Safety:							
Division of Governor's Crime Commission:							
Supervised Visitation Expansion	16.588	2015-WF-AX-0025	102,074	-	-	-	102,074
Total N.C. Dept. of Crime Control and Public Safety			102,074	-	-	-	102,074
Passed-Through Office of Violence Against Women							
Transitional Housing Assist for Domestic Violence Victims	16.736	2016-WH-AX-0059	4,012	-	-	-	4,012
Safe Havens Grant:	16.527	2013-CY-AX-K006	250,788	-	-	-	250,788
Safe Exchange & Supervised Visitation	16.527	2012-CW-AX-K022	16,368	-	-	-	16,368
Total U.S. Department of Justice			775,152	-	-	-	775,152
U.S. Department of Environmental Protection:							
Direct Program:							
Surveys Studies Clean Air Act - P M - 2.5 Monitoring Network	66.034	PM00D28415-1	163,405	-	-	-	163,405
National Clean Diesel Funding - Grade for Freight	66.039	DE-00D41515	313,203	-	-	-	313,203
Air Pollution Control Program - Section 105	66.001	A-00406515	513,412	-	-	-	513,412
National Clean Diesel Emission Reductions Program - Grade Landfills EPA	66.039	DE-00D27615-1	175,984	-	-	-	175,984
Total U.S. Department of Environmental Protection			1,166,004	-	-	-	1,166,004
U.S. Department of Homeland Security:							
Passed-Through Federal Emergency Management Association:							
Cooperating Technical Partners - Letters of Mapping Revision FY14	97.045	EMW-2014-CA-00252-S01	3,103	-	-	-	3,103
Cooperating Technical Partners - Letters Of Mapping Change FY15	97.045	FMA-PJ-04-NC-2012-004	6,885	-	-	-	6,885
Cooperating Technical Partners - Letters of Mapping Revision FY16	97.029	EMW-2015-CA-00069	75,387	-	-	-	75,387
Total U.S. Department of Homeland Security			85,375	-	-	-	85,375
U.S. Department of Transportation:							
Passed-Through N.C. Department of Transportation:							
Highway Planning and Construction - Greater Charlotte Awareness	20.205	CMS-6316	95,553	-	-	-	95,553
Highway Planning and Construction - Barton Creek Greenway	20.205	CMS-1003(119)	3,004	-	-	-	3,004
Highway Planning and Construction - Toby Creek Greenway Phase II	20.205	CMS-1003(103)	1,250,109	139,885	-	362,000	1,751,994
Highway Planning and Construction - Little Sugar Creek Greenway	20.205	EB-4715	34,739	6,048	-	-	40,787
Highway Planning and Construction - Little Sugar Creek Greenway Phase E	20.205	EB-4715E	858,150	223,049	-	-	1,081,199
Passed through City of Charlotte							
Federal Transit Admin - Section 5310 Enhanced Mobility Transportation	20.513		144,503	-	-	-	144,503
Federal Transit Admin - Section 5310 Enhanced Mobility Software	20.513		57,017	-	-	-	57,017
Total U.S. Department of Transportation			2,443,075	368,982	-	362,000	3,174,057

**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
U.S. Department of Education:							
Pay For Success Feasibility	84.419	S419C170010	45,754	-	-	-	45,754
Total Department of Education			45,754	-	-	-	45,754
Total Federal Awards			829,116,837	360,525,795	57,952,257	57,818,471	1,247,461,103
<b>State Awards:</b>							
N.C. Department of Environmental Quality							
Charlotte Air Awareness 2017			-	9,624	-	-	9,624
Total N.C. Department of Environmental Quality			-	9,624	-	-	9,624
N.C. Department of Environment and Natural Resources:							
N.C. Clean Water Management Trust Fund:							
Park Huntersville		2012-407	-	-	-	100,101	100,101
McDowell Restoration 2012		2012-437	-	118,133	-	-	118,133
Total N.C. Department of Environment and Natural Resources			-	118,133	-	100,101	218,234
N.C. Department of Health and Human Services:							
Division of Social Services:							
Smart Start DCD			-	130,936	-	-	130,936
ST CPS Caseload			-	444,003	-	1,149,696	1,593,699
CPS State			-	158,243	-	486,459	644,702
CWS NH Exp			-	477,064	-	2,106,380	2,583,444
State Foster Care Direct Benefit Programs:							
Regular			-	454,666	-	454,663	909,329
Domiciliary Care Direct Benefit Payments			-	2,924,536	-	2,925,732	5,850,268
Total Division of Social Services			-	4,589,448	-	7,122,930	11,712,378
Division of Public Health:							
General Aid to Counties			-	296,863	-	-	296,863
HIV/AIDS State			-	5,000	-	-	5,000
Sexually Transmitted Diseases			-	32,083	-	-	32,083
Communicable Disease			-	49,328	-	-	49,328
Food and Lodging Fees			-	213,975	-	-	213,975
HIV/STD Non Traditional Testing Site			-	100,601	-	-	100,601
HIV/STD SSBG AID			-	20,000	-	-	20,000
Public Health Pest Management			-	16,293	-	-	16,293
Public Health Nursing			-	400	-	-	400
Tuberculosis			-	149,777	-	-	149,777
TB Medical Service			-	27,848	-	-	27,848
Children Dev. Service Agencies (CDSA)			-	929,485	-	-	929,485
School Nurse Funding Initiative			-	50,000	-	-	50,000
Child Health			-	9,810	-	-	9,810
Women's Preventative Health/Fund			-	20,607	-	-	20,607
Maternal Care			-	25,981	-	-	25,981



**Mecklenburg County, North Carolina**  
**Schedule of Expenditures of Federal and State Financial Awards**  
**For the Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Healthy Corner Store Initiative			-	50,000	-	-	50,000
Triple P			-	41,755	-	-	41,755
Maternal Health (HMHC) - Infant Mortality			-	486,778	-	-	486,778
HMHC Family Planning			-	50,736	-	-	50,736
Breast and Cervical Cancer Control Program			-	59,606	-	-	59,606
Care Coordination for Children			-	2,044,720	-	-	2,044,720
Pregnancy Care Management			-	2,256,632	-	-	2,256,632
Smart Start CC4C			-	300,801	-	-	300,801
Smart Start Healthy Families			-	537,156	-	-	537,156
Total Division of Public Health			-	7,776,235	-	-	7,776,235
Total N.C. Department of Health and Human Services			-	12,365,683	-	7,122,930	19,488,613
N.C. Division of Public Safety:							
Juvenile Transportation			-	9,332	-	-	9,332
NCDPS - Asset Alternative to Commitment			-	24,840	-	-	24,840
NCDPS - Juvenile Crime Prevention Council Programs			-	1,413,361	1,413,361	-	1,413,361
Total N.C. Division of Public Safety			-	1,447,533	1,413,361	-	1,447,533
N.C. Department of Public Instruction:							
Summer Food Service Program			-	21,532	-	-	21,532
Public School Building Capital Fund - Lottery Funds			-	9,500,000	-	-	9,500,000
Total N.C. Department of Public Instruction			-	9,521,532	-	-	9,521,532
N.C. Department of Transportation:							
Elderly and Disabled Transportation Assistance Program			-	284,762	-	-	284,762
Community Transportation Administration			24,017	108,884	-	36,008	168,909
Work First Employment Transportation			-	220,146	-	8,610	228,756
Rural General Program			-	46,688	-	6,272	52,960
Total N.C. Department of Transportation			24,017	660,480	-	50,890	735,387
Special Adoption Assistance Funding			-	110,003	-	-	110,003
Special Adoption Promotion			-	86,427	-	-	86,427
Project Care			-	55,754	-	-	55,754
Private Foundations							
MacArthur Foundation			-	-	-	57,134	57,134
Intermediary Grant			-	58,185	-	-	58,185
SS Vanguard			-	-	-	30,474	30,474
Reclaiming Futures - Portland State			-	-	-	14,302	14,302
SJC MacArthur Project - MacArthur Foundation			-	-	-	34,033	34,033
Prevention and Family Recovery - Duke Foundation			-	-	-	15,674	15,674
Casey Foundation			-	-	-	83,318	83,318

Mecklenburg County, North Carolina  
 Schedule of Expenditures of Federal and State Financial Awards  
 For the Year Ended June 30, 2017

Grantor/Program Title	Federal CFDA Number	Direct and Pass-Through Grantor's Number	Fed. (Direct and Pass Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures	Total
Susan Komen Foundation			-	-	-	42,843	42,843
Total Private Awards			-	310,369	-	277,778	335,963
Total State Awards			24,017	24,433,354	1,413,361	7,551,699	32,009,070
Total Federal and State Awards			\$ 829,140,854	\$ 384,959,149	\$ 59,365,618	\$ 65,370,170	\$ 1,279,470,173

MECKLENBURG COUNTY, NORTH CAROLINA  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS**  
FOR THE YEAR ENDED JUNE 30, 2017

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**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity 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 Mecklenburg County, it is not intended to and does not present the financial position, changes in net position or cash flows of Mecklenburg County. 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.

**Note 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. Mecklenburg County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: 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 awards, but separately satisfies the audit 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. The Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency do not receive federal or State grants.