

ORANGE COUNTY, NORTH CAROLINA

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
IN ACCORDANCE WITH THE UNIFORM GUIDANCE,
THE STATE SINGLE AUDIT IMPLEMENTATION ACT, AND
*GOVERNMENT AUDITING STANDARDS***

FISCAL YEAR ENDED JUNE 30, 2020

ORANGE COUNTY, NORTH CAROLINA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Commissioners
Orange 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of **Orange County, North Carolina** (the “County”) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 27, 2020. Our report includes a reference to other auditors who audited the financial statements of the Orange County ABC Board, as described in our report on the County’s financial statements. The financial statements of the Orange County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Orange County ABC Board or that are reported on separately by those auditors who audited the financial statements of the Orange County ABC Board.

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”) as a basis for designing 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbia, South Carolina
December 27, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

**To the Board of Commissioners
Orange County, North Carolina**

Report on Compliance for Each Major Federal Program

We have audited **Orange County, North Carolina's** (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, 2020. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 for the year ended June 30, 2020.

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 of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on the Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County, North Carolina as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 27, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 as a whole.

Mauldin & Jenkins, LLC

Columbia, South Carolina

March 21, 2021, except for our report on the schedule of expenditures of federal and state awards, for which the date is December 27, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE
OF EXPENDITURES OF FEDERAL AND STATE AWARDS IN ACCORDANCE WITH
APPLICABLE SECTIONS OF THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT
IMPLEMENTATION ACT**

**To the Board of Commissioners
Orange County, North Carolina**

Report on Compliance for Each Major State Program

We have audited **Orange County, North Carolina's** (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, 2020. 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 state statutes, regulations, and the terms and conditions of its state awards 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 U.S. Code of Federal Regulations (CFR) 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 for the year ended June 30, 2020.

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 of compliance, 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 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.

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 a 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orange County, North Carolina as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 27, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 as a whole.

Mauldin & Jenkins, LLC

Columbia, South Carolina

March 21, 2021, except for our report on the schedule of expenditures of federal and state awards, for which the date is December 27, 2020

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Expenditures | | |
|--|---------------------------|------------------|--------------|------------------|
| | | Federal | State | Local |
| FEDERAL AWARDS | | | | |
| U.S. Department of Agriculture: | | | | |
| Direct Program | | | | |
| Soil and Water Conservation | 10.902 | \$ 29,157 | \$ - | \$ - |
| Passed through North Carolina Department of Health and Human Services: | | | | |
| Supplemental Nutrition Assistance Program Cluster: | | | | |
| SNAP Administration | 10.561 | 1,260,604 | - | 1,260,604 |
| SNAP Fraud Administration | 10.561 | 39,973 | - | 39,973 |
| SNAP E&T and Dependent Care | 10.561 | 245,085 | - | 326,739 |
| Supplemental Nutrition Assistance Program Cluster: | | 1,545,662 | - | 1,627,316 |
| Total U.S. Department of Agriculture | | 1,574,819 | - | 1,627,316 |
| U.S. Department of Housing and Urban Development: | | | | |
| Direct Programs | | | | |
| Cooperative Fair Housing Assistance Program | 14.401 | 28,883 | - | - |
| Lower Income Housing Assistance: | | | | |
| Home Investment Partnership Program | 14.239 | 654,369 | - | - |
| Emergency Solutions Grant Program | 14.231 | 12,201 | - | - |
| Indian Community Development Block Grant Cluster: | | | | |
| Single Family Home Rehabilitation Grant | 14.862 | 9,144 | - | - |
| Housing Voucher Cluster: | | | | |
| Section 8 Housing Choice Vouchers | 14.871 | 4,270,572 | - | - |
| Total U.S. Department of Housing and Urban Development | | 4,975,169 | - | - |
| U.S. Department of Labor: | | | | |
| Passed through North Carolina Department of Commerce | | | | |
| Workforce Innovation and Opportunity Act - Youth Activities Cluster | 17.259 | 150,349 | - | 566,757 |
| Total U.S. Department of Labor | | 150,349 | - | 566,757 |
| U.S. Department of Transportation: | | | | |
| Passed through the City of Durham: | | | | |
| Formula Grants for Rural Area Transportation | 20.509 | 113,122 | 7,070 | - |
| Total Formula Grants for Rural Areas | | 113,122 | 7,070 | - |
| Passed through the North Carolina Department of Transportation: | | | | |
| State and Community Highway Safety Cluster | 20.600 | 12,885 | - | - |
| Total U.S. Department of Transportation | | 126,007 | 7,070 | - |
| U.S. Department of Health and Human Services | | | | |
| Passed through North Carolina Department of Health and Human Services | | | | |
| Prevention and Health Promotion Services | 93.043 | 5,469 | 322 | - |
| National Family Caregiver Support, Title III, Part E | 93.052 | 55,119 | 3,675 | - |
| Aging Cluster: | | | | |
| Nutrition Services Incentive Program | 93.053 | 20,575 | - | - |
| HCCBG - Access | 93.044 | 202,954 | 11,939 | - |
| Special Program for the Aging - Title III, Part C | 93.045 | 128,668 | 7,569 | - |
| Total Aging Cluster | | 352,197 | 19,508 | - |
| Child Care Development Cluster: | | | | |
| Child Care Development Fund - Administration | 93.596 | 247,400 | - | - |
| Total Child Care Development Cluster | | 247,400 | - | - |
| Temporary Assistance for Needy Families Cluster: | | | | |
| TANF - Work First Administration | 93.558 | 196,091 | - | 297,749 |
| TANF - Special Children Adoption | 93.558 | - | 4,642 | - |
| TANF - Work First Service | 93.558 | 866,513 | - | 948,547 |
| Total Temporary Assistance for Needy Families Cluster | | 1,062,604 | 4,642 | 1,246,296 |

Continued

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Expenditures | | |
|--|---------------------------|------------------|----------------|----------------|
| | | Federal | State | Local |
| FEDERAL AWARDS (Continued) | | | | |
| Foster Care Program: | | | | |
| IV-E CPS | 93.658 | \$ 231,164 | \$ 110,375 | \$ 120,788 |
| IV-E Foster Care Trn | 93.658 | 7,834 | - | 2,611 |
| IV-E Foster Care/Off Trn | 93.658 | 570,949 | - | 570,949 |
| IV-E Admin County Paid to CCI | 93.658 | 59,790 | 29,895 | 29,895 |
| IV-E Family Foster Max | 93.658 | 536 | - | 196 |
| IV-E Foster Care | 93.658 | 163,157 | - | 71,935 |
| IV-E Foster Care Max | 93.658 | 37,793 | 11,668 | 3,912 |
| IV-E Foster Care & Extend Reg | 93.658 | 183,337 | 43,480 | 32,481 |
| IV-E Medicaid Maximization | 93.658 | 153,456 | - | - |
| Total Foster Care | | <u>1,408,016</u> | <u>195,418</u> | <u>832,767</u> |
| Adoption Program: | | | | |
| IV-E Adoption Training | 93.659 | 193 | - | 64 |
| IV-E Adoption/Off Trn | 93.659 | 49,583 | - | 49,583 |
| IV-E Optional Adoption Trn 5 | 93.659 | 9,963 | - | 9,963 |
| Total Adoption | | <u>59,739</u> | <u>-</u> | <u>59,610</u> |
| Medicaid Cluster: | | | | |
| Adult Care Home Case Management | 93.778 | 43,263 | 9,415 | 33,848 |
| State County Special Assistance | 93.778 | 7,320 | - | 2,440 |
| Medical Assistance - Administration | 93.778 | 2,229,395 | - | 743,114 |
| Medical Assistance Program | 93.778 | 17,635 | 55,971 | - |
| MAC | 93.778 | 48,590 | - | 48,590 |
| Total Medicaid Cluster | | <u>2,346,203</u> | <u>65,386</u> | <u>827,992</u> |
| Hospital Preparedness Program and Public Health Emergency | | | | |
| Preparedness Aligned Cooperative Agreements | 93.074 | 35,600 | - | - |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | | | | |
| | 93.116 | 50 | - | - |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | | | | |
| | 93.898 | 3,900 | - | - |
| HIV Prevention Activities-Health Department Based | | | | |
| | 93.940 | 31,000 | - | - |
| Preventive Health Services-Sexually Transmitted Diseases Control Grants | | | | |
| | 93.977 | 100 | - | - |
| Maternal and Child Health Services Block Grant | | | | |
| | 93.994 | 118,436 | 25,425 | - |
| Family Planning | | | | |
| | 93.217 | 104,280 | - | - |
| Preventive Health and Health Services | | | | |
| | 93.991 | 30,921 | - | - |
| COVID-19 Public Health Emergency Response - Cooperative Agreement | | | | |
| | 93.354 | 94,984 | - | - |
| Social Services Block Grant: | | | | |
| Social Services Block Grant | 93.667 | 332,925 | - | 126,954 |
| Social Services Block Grant - In Home Services | 93.667 | 78,824 | - | 11,261 |
| Social Services Block Grant - In Home Services over 60 | 93.667 | 23,456 | - | 3,351 |
| Social Services Block Grant - Adult Daycare | 93.667 | 6,448 | - | - |
| Social Services Block Grant - Adult Daycare over 60 | 93.667 | 2,493 | 3,850 | 906 |
| Social Services Block Grant - from Temporary Assistance for Needy Families | 93.667 | 106,532 | - | - |
| Total Social Services Block Grant | | <u>550,678</u> | <u>3,850</u> | <u>142,472</u> |
| Refugee and Entrant Assistance Program: | | | | |
| Refugee and Entrant Targeted Assistance | 93.566 | 1,026 | - | - |
| Total Refugee and Entrant Assistance Grant | | <u>1,026</u> | <u>-</u> | <u>-</u> |
| Family Preservation | | | | |
| | 93.556 | 165,918 | - | - |
| Low-income Home Energy Assistance Program: | | | | |
| Crisis Intervention Payments | 93.568 | 340,052 | - | - |
| Low-income Energy Administration | 93.568 | 68,911 | - | - |
| Low-income Energy Assistance | 93.568 | 417,191 | - | - |
| Total Low-income Home Energy Assistance Grant | | <u>826,154</u> | <u>-</u> | <u>-</u> |

Continued

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Expenditures | | |
|---|---------------------------|-------------------|------------------|------------------|
| | | Federal | State | Local |
| FEDERAL AWARDS (Continued) | | | | |
| Independent Living Program: | | | | |
| Independent Living - LINKS | 93.674 | \$ 4,569 | \$ - | \$ - |
| Links | 93.674 | 20,339 | 5,085 | - |
| Total Independent Living Grant | | 24,908 | 5,085 | - |
| Permanency Planning - Service and Administration | 93.645 | 47,035 | - | 15,678 |
| | | | | 15,678 |
| Child Support Enforcement Program: | | | | |
| IV-D Administration | 93.563 | 1,616,231 | - | 832,604 |
| IV-D Offset Fees - Esc | 93.563 | 10 | - | 6 |
| IV-D Offset Fees - Federal | 93.563 | 5,908 | - | 3,431 |
| Total Child Support Enforcement Grant | | 1,622,149 | - | 836,041 |
| Total U.S. Department of Health and Human Services | | 9,193,886 | 323,311 | 3,960,856 |
| U.S. Department of Homeland Security: | | | | |
| Passed through North Carolina Department of Crime Control and Public Safety | | | | |
| Emergency Management Preparedness Grant | 97.042 | 33,733 | - | - |
| Total U.S. Department of Homeland Security | | 33,733 | - | - |
| U.S. Department of Treasury: | | | | |
| Passed through North Carolina Pandemic Recovery Office | | | | |
| COVID-19 Coronavirus Relief Funds (CARES Act) | 21.019 | 1,326,713 | - | - |
| Total U.S. Department of Treasury | | 1,326,713 | - | - |
| TOTAL FEDERAL AWARDS | | 17,380,676 | 330,381 | 6,154,929 |
| STATE AWARDS | | | | |
| North Carolina Department of Health and Human Services: | | | | |
| <u>Division of Social Services:</u> | | | | |
| CWS Adopt Subsidy & Vendor | | - | 220,923 | 70,662 |
| F/C At Risk Maximization | | - | 2,066 | 1,010 |
| Extended Foster Care Maximization | | - | 6,530 | - |
| State Child Welfare/CPS/CS LD | | - | 219,716 | - |
| SFHS Maximization | | - | 23,407 | 23,407 |
| DCD Smart Start | | - | 17,280 | - |
| State Foster Home | | - | 59,377 | 59,377 |
| State/County Special Assistance Domiciliary Care Payment | | - | 437,488 | 448,603 |
| Work First Non Reimbursable | | - | - | 576,305 |
| County Funded Programs | | - | - | 4,387,741 |
| Non Allocated County Cost | | - | - | 304,058 |
| Total Division of Social Services | | - | 986,787 | 5,871,163 |
| <u>Office of Juvenile Justice</u> | | | | |
| Smart Start | | - | 29,415 | - |
| Total Office of Juvenile Justice | | - | 29,415 | - |
| <u>Division of Public Health:</u> | | | | |
| Food and Lodging Fees | | - | 36,605 | - |
| Mosquito and Tick Suppression | | - | 3,708 | - |
| CHA/CHIP Peer Review | | - | 28,000 | - |
| General Aid to Counties | | - | 105,921 | - |
| Public Health Nursing | | - | 4,550 | - |
| Child Health | | - | 1,815 | - |
| HMHC-Family Planning | | - | 3,785 | - |
| Family Planning | | - | 23,255 | - |
| Maternal Health (HMHC) | | - | 24,955 | - |
| Women's Health Service Fund | | - | 16,122 | - |
| Sexually Transmitted Diseases | | - | 1,468 | - |
| Tuberculosis Medical Service | | - | 14,771 | - |
| Total Division of Public Health | | - | 264,955 | - |
| Total North Carolina Department of Health and Human Services | | - | 1,281,157 | 5,871,163 |

Continued

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2020**

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Expenditures | | |
|--|---------------------------|---------------|--------------|---------------|
| | | Federal | State | Local |
| STATE AWARDS (Continued) | | | | |
| North Carolina Department of Transportation: | | | | |
| <u>Rural Operating Assistance Program</u> | | | | |
| Elderly and Disabled Transportation Assistance Program | | \$ - | \$ 97,596 | \$ - |
| ROAP Employment/Work First | | - | 35,728 | - |
| Rural General Public Program | | - | 84,080 | - |
| Total Rural Operating Assistance Program | | - | 217,404 | - |
| Total North Carolina Department of Transportation | | - | 217,404 | - |
| North Carolina Department of Cultural Resources: | | | | |
| State Arts Grant | | - | 40,903 | - |
| State Arts Historical Preservation Office | | - | 5,795 | - |
| <u>Division of State Library:</u> | | | | |
| Passed-through Hyconeechee Regional Library: | | | | |
| State Aid to Public Libraries | | - | 104,180 | - |
| Total North Carolina Department of Cultural Resources | | - | 150,878 | - |
| North Carolina Department of Public Instruction: | | | | |
| Public School Capital Building Fund - Lottery Proceeds | | - | 1,247,000 | - |
| Total North Carolina Department of Public Instruction | | - | 1,247,000 | - |
| Institute of Museum and Library Services: | | | | |
| Library Services and Technology Act | | - | 31,508 | - |
| Total Institute of Museum and Library Services | | - | 31,508 | - |
| North Carolina Department of Insurance | | | | |
| SHIIP Funds | | - | 1,146 | - |
| Total North Carolina Department of Insurance | | - | 1,146 | - |
| North Carolina Housing Finance Agency | | | | |
| Single Family Housing Rehabilitation | | - | 9,144 | - |
| Total North Carolina Housing Finance Agency | | - | 9,144 | - |
| North Carolina Department of Public Safety | | | | |
| Juvenile Crime Prevention Council | | - | 331,324 | - |
| Total North Carolina Department of Insurance | | - | 331,324 | - |
| TOTAL STATE AWARDS | | - | 3,269,561 | 5,871,163 |
| TOTAL FEDERAL AND STATE AWARDS | | \$ 17,380,676 | \$ 3,599,942 | \$ 12,026,092 |

See accompanying notes to the Schedule of Expenditures of Federal and State Awards.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal and State Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report, including any funds expended for the State funded portion of those same programs.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 financial statements.

The County elected not to utilize the 10% de Minimis indirect cost rate.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? yes no

Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
 Material weaknesses identified: yes no

Significant deficiencies identified: yes none reported

Type of auditor's report issued on compliance of major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

| Identification of major programs: <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|--|---|
| 23.019 | Coronavirus Relief Fund |
| 93.778 | Medicaid Cluster |
| 93.568 | Low-Income Home Energy Assistance |
| 93.658 | Foster Care Title IV-E |
| 10.561 | Supplemental Nutrition Assistance Program Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

State Awards

Internal control over major state programs:

Material weaknesses identified: _____ yes X no

Significant deficiencies identified: _____ yes X none reported

Type of auditor's report issued on compliance of major state programs: Unmodified

Any audit findings disclosed that are require to be reported
In accordance with the State Single Audit Implementation Act? _____ yes X no

Identification of major state program:

Program Name _____

Public School Capital Building Fund – Lottery Proceeds

Medicaid Cluster

Juvenile Crime Prevention Council

Foster Care Title IV-E

ORANGE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

2019-001 Equity Reconciliation

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the opening net position balances of the County's General Fund, County Capital Improvements Fund, School Capital Improvements Fund and the Solid Waste Landfill Fund.

Context: During our testing, audit adjustments totaling approximately \$2,794,000 were needed to correct the County's opening fund balance and net position as of June 30, 2019. The individual adjustments were as follows: General Fund - \$126,510; County Capital Improvements Fund - \$2,122,685; School Capital Improvements Fund - \$2,122,685; and Solid Waste Fund - \$671,588.

Current Status: The issue was corrected in the current year.