

DURHAM COUNTY, NORTH CAROLINA

COMPLIANCE REPORT

As of and for the Year Ended June 30, 2023

And Reports on Compliance and Internal Controls

DURHAM COUNTY, NORTH CAROLINA

TABLE OF CONTENTS

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*..... 1-2

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance as Required by the Uniform Guidance and the State Single Audit Implementation Act..... 3-5

Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance as Required by the Uniform Guidance and the State Single Audit Implementation Act..... 6-8

Schedule of Findings and Questioned Costs 9-11

Corrective Action Plan..... 12

Summary Schedule of Prior Audit Findings 13

Schedule of Expenditures of Federal and State Awards 14-18

Notes to the Schedule of Expenditures of Federal and State Awards 19

**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**

To the Board of County Commissioners
Durham County, North Carolina
Durham, 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 Durham County, North Carolina (the “County”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated January 22, 2024. The financial statements of the Durham County ABC Board (the “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 ABC Board or that are reported on separately by those auditors who audited the financial statements of the ABC Board.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
January 22, 2024

**Report of Independent Auditor on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Durham County, North Carolina
Durham, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Durham County, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the County complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 22, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 taken as a whole.

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 and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
January 22, 2024

**Report of Independent Auditor on Compliance for Each Major State Program
and on Internal Control over Compliance as Required by the Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of County Commissioners
Durham County, North Carolina
Durham, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Durham County, North Carolina's (the "County"), compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major State Program

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; the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts, awards, or grant agreements applicable to the County's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the State Single Audit Implementation Act and which is described in the accompanying schedule of findings and questioned costs as items 2023-01. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report of Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 22, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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 taken as a whole.

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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
January 22, 2024

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

SECTION I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____yes X none reported

Noncompliance material to Financial Statements noted? _____yes X no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____yes X no
- Significant deficiencies identified that are not considered to be material weaknesses? _____yes X no

Noncompliance material to federal awards? _____yes X 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 X no

Identification of major federal programs:

Federal Assistance

<u>Listing Number</u>	<u>Program/Cluster Name</u>
21.023	COVID-19 Emergency Rental Assistance
93.045	Aging Cluster
93.563	Title IV D - Child Support Enforcement
93.596	Child Care Development Fund/ Subsidized Child Care Cluster
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$1,291,717

Auditee qualified as low-risk auditee _____X_____yes _____no

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

SECTION I— Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? 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

DSS Crosscutting
Juvenile Crime Prevention (OJJ Program)
Public School Building Capital Fund

SECTION II—Financial Statement Findings

None noted.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

SECTION III—Federal Awards Findings and Questioned Costs

None noted.

SECTION IV—State Awards Findings and Questioned Costs

Finding 2023-001

Federal Agency:	U.S. DSS
Federal Program:	DSS Crosscutting
ALN:	DSS-0
Compliance Requirement:	Costs are properly coded on the DSS-1571; part II report
Type of Finding:	Nonmaterial Noncompliance
Repeat Finding:	No

CRITERIA:

In accordance with the NC DSS Fiscal Manual, Links expenditures should be reported under Code 290 - Independent Living (LINKS).

CONDITION:

The December 2022 1571 Part II report incorrectly reported Links Special Funding project expenses to Code 310 - General and Administrative Support.

CONTEXT:

25 case files were tested to determine whether costs were properly reported on the DSS-1571 report as detailed in Section III-B of the DSS Fiscal Manual. The deficiency above was noted in 1 of the 25 files tested.

QUESTION COSTS:

None noted.

CAUSE:

County has a vacant position related to processing the Part II report. Resource constraint effected the quality of review.

EFFECTS:

Inaccurate reporting on DSS-1571.

RECOMMENDATIONS:

We recommend the County to continue working to fill the vacant position. Ensure that regular reconciliations and reviews are performed in order to identify and correct errors in a timely manner.

VIEWS of RESPONSIBLE OFFICIALS:

Management agrees with the finding.



FINANCE DEPARTMENT

SECTION III – SCHEDULE OF CORRECTIVE ACTION PLANS

II – Financial Statement Findings

None

III – Federal Award Findings and Questioned Costs

Finding 2023-001

Significant Deficiency in Internal Controls over Compliance, Nonmaterial Noncompliance

Name of Contact Person(s): Margaret Faircloth and Shewanda Edwards

Management agrees with this finding. The Business Office has experienced significant turnover; however, staff with 1571 reporting responsibilities have been filled and new staff have attended two State Fiscal Cluster meetings on 4/26/23 & 8/30/23. Training for these staff will be on-going as they acclimate to their positions. In addition, the Compliance Analyst will complete random reviews to ensure Part II costs are being claimed correctly. The correction was made on the 1571 reported in September 2023 for August 2023 services.

Proposed Completion Date: September 15, 2023

DURHAM COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

SECTION I—Prior Year Federal Awards Findings and Questions Costs

Resolved.

SECTION II—Prior Year State Awards Findings and Questions Costs

Resolved.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY PASS-THROUGH ENTITY PASS-THROUGH DIVISION PROGRAM NAME	FEDERAL ASSISTANCE NUMBER	PASS THROUGH SUBRECIPIENT'S NUMBER	FEDERAL (DIRECT & PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES
FEDERAL AWARDS				
<u>U.S. Dept. of Agriculture</u>				
Passed through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
Food Stamp Cluster				
Food Stamp Administration	10.561	235NC406S2514	\$ 4,561,824	\$ -
Division of Public Health:				
Administration:				
Food Nutrition Administration	10.551	23NC406S2514	851,399	-
Total Food Stamp Cluster			5,413,223	-
Total U.S. Dept. of Agriculture			5,413,223	-
<u>U.S. Dept. of Housing and Urban Development</u>				
Passed through the City of Durham:				
Housing Opportunities for Persons with Aids (HOWPA) Program	14.241	(NCH22 & 23) -F004	311,615	-
Total U.S. Dept. of Housing and Urban Development			311,615	-
<u>U.S. Dept. of Justice</u>				
Passed through the N.C. Dept. of Public Safety:				
National Asset Seizure Forfeiture Program	16.922		26,230	75,272
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	FAW-169344	76,790	-
Integrated Re-Entry Services	16.812	2023-RW-BX-0008	67,248	-
Total U.S. Dept. of Justice			170,268	75,272
<u>U.S. Dept. of Transportation</u>				
Passed-through the N.C. Dept. of Transportation				
Division of Public Transportation:				
Elderly and Disabled Transportation Assistance (E&DTAP/ROAP)	20.600	PT-23-06-16 DOT-16CL	314,735	270,096
Gov Highway Safety Program	20.600	None	113,694	
Passed-through N.C. Dept. of Health and Human Services:				
HSPG	20.614		50,850	
Passed through the N.C. Dept. of Transportation:				
Division of Public Transportation:				
Hazardous Materials Emergency Preparedness (HMEP)	20.703		30,250	
Total U.S. Dept. of Transportation			509,529	270,096
<u>U.S. Department of the Treasury</u>				
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027	SLFRP3673	50,875	
Passed through N.C. Dept. of Cultural and Natural Resources				
State Aid to Libraries	21.027		153,182	264,674
Passed through N.C. Department of Health & Human Services:				
Emergency Rental Assistance Program (ERAP)	21.023	ARP Mar21 DCO	2,777,777	
Total U.S. Department of the Treasury			2,981,834	264,674

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY PASS-THROUGH ENTITY PASS-THROUGH DIVISION PROGRAM NAME	FEDERAL ASSISTANCE NUMBER	PASS THROUGH SUBRECIPIENT'S NUMBER	FEDERAL (DIRECT & PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>U.S. Department of the Interior (Libraries)</u>				
Passed through N.C. Dept of Cultural and Natural Resources				
LSTA Grant	45.310		-	67,392
Total U.S. Department of the Interior			-	67,392
<u>U.S. Dept. of Health & Human Services</u>				
Passed through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Public Health Emergency Preparedness	93.069	12642680EX	80,000	-
CDC Tuberculosis Project	93.116	2360272CNF 2360455400	121,781	-
Prescription Drug Overdose (Community Linkage Care)	93.136	1175B837DH	89,533	-
Minority Health Grant	93.137		537,031	10,808
CDC Immunization	93.268	1331627DVP	339,688	-
Immunization and Vaccines for Children	93.268	CDC-RFA-IP19-901	57,824	-
Tobacco Control Program	93.305	75-0943-0-1-551	101,013	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	56-2721-1-1-101	2,346,789	-
ARPA School Health Team Workforce	93.354		15,871	-
Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	1320559900	16,250	-
Preventive Health Service STD Control Grant	93.977	13114536BN 13114601RR	-	12,531
			3,705,780	23,339
Health Resources and Service Administration				
Family Planning Services	93.217	23A1592BFP 23A15735AP	233,738	423,492
Comprehensive Suicide Prevention	93.764		53,164	-
Preventive Health Services Block Grant (Healthy Communities)	93.991	23A15107AP	-	21,325
Maternal Health	93.994	23A15740AP	202,069	-
MCH Block Grant -Women's Prevention	93.994	23715021AP	330,385	-
-Child Care Coordination	93.994	23715318AP	77,179	-
-Child Health	93.994	2371574500 23715351AP	12,440	-
			908,975	444,817
Division of Aging:				
<u>Aging Cluster:</u>				
Special Programs for the Aging - Title III-C (MOW)	93.045	22-23 AANCT3HD	641,301	-
Total Aging Cluster			641,301	-
SSBG - In Home Service Fund	93.667	2301NCSOSR	303,773	-
SSBG - Adult Protective Service	93.667	2301NCSOSR	53,053	-
SSBG - Adult Day Care	93.667	2301NCSOSR	93,742	44,425
			450,568	44,425
<u>HIV Cluster:</u>				
HIV Prevention Activities - Health Department Based	93.940	23A1570000 23114541BN 2311981FHV	229,882	212,366
Total HIV Cluster			229,882	212,366

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY PASS-THROUGH ENTITY PASS-THROUGH DIVISION PROGRAM NAME	FEDERAL ASSISTANCE NUMBER	PASS THROUGH SUBRECIPIENT'S NUMBER	FEDERAL (DIRECT & PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES
Division of Social Services :				
<u>Foster Care and Adoption Cluster:</u>				
IV-E CPS	93.658	2301NCC1LP	258,875	213,192
IV-E Foster Care TRN	93.658	2301NCC1LP	31,816	-
IV-E Foster Care/OFF TRN	93.658	2301NCC1LP	1,632,551	-
IV E Foster Care Admin	93.658	2301NCC1LP	855	-
IV-B Adoption Assistance-NAS State	93.659		-	360,097
IV-E Foster Care	93.659		1,028,008	
IV-E Adoption/OFF TRN	93.659	2301NCC1LP	363,318	-
IV-E Adoption Assistance	93.659		1,956,948	308,496
IV-E Optional Adopt	93.659	2301NCC1LP	5,110	-
Special Children Adoption	93.659		53,639	
Total Foster Care and Adoption Cluster			5,331,120	881,785
<u>Child Care and Development Fund Cluster</u>				
Child Care Development Fund (CCDF)	93.596	2301NCCCDF	1,066,463	-
Total Child Care and Development Fund Cluster Cluster			1,066,463	-
Community Response Program - ADMIN	93.556	G2301NCFPSS	100,000	-
Family Preservation	93.556	G2301NCFPSS	66,350	-
Work First Administration	93.558	2301NCTANF	612,076	-
Work First Service	93.558	2301NCTANF	1,808,107	-
Temporary Assistance for Needy Families	93.558	2301NCTANF	259,125	-
Title IV D - Child Support Enforcement	93.563	2301NCCES	4,476,926	-
Refugee Assistance	93.566	2301NCRDMA	23,735	-
Low Income Energy Administration - Regular	93.568	2301NCLIEA	179,702	-
Low Income Energy Administration -ARPA Low	93.568	2301NCLIEA	361,527	-
Income Home Energy Assistance Program	93.568	2301NCLIEA	(64,183)	-
LIHWAP	93.568	EFS-FNSEP-96-2023	354,120	-
Crisis Intervention	93.568	G23B1NCLIEA	687,856	-
Refugee Health Assessments	93.576	2301NCRDMA	30,741	-
Perm Plan SVC & ADMIN	93.645	G2301NCCWSS	84,038	-
SSBG - Other Service and Training	93.667	2301NCSOSR	1,516,290	-
Independent Living - (LINK)	93.674	2301NC1420	144,394	15,963
			10,640,804	15,963
Division of Medical Assistance:				
Health Care Financing Administration				
Health Choice	93.767	CHIP23	290,839	7,511
			290,839	7,511
<u>Medicaid Cluster:</u>				
Adult Care Home Case Management	93.778	XIX-MAP23	265,069	27,828
Medical Assistance Administration	93.778	XIX-MAP23	8,166,615	2,505,818
Medical Transportation Administration	93.778	XIX-MAP23	290,903	-
State County Special Assistance	93.778	XIX-MAP23	520,132	1,330,097
Medical - MAC	93.778	XIX-MAP23	644,814	-
Total Medicaid Cluster			9,887,533	3,863,743

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY PASS-THROUGH ENTITY PASS-THROUGH DIVISION PROGRAM NAME	FEDERAL ASSISTANCE NUMBER	PASS THROUGH SUBRECIPIENT'S NUMBER	FEDERAL (DIRECT & PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES
Passed-through the N.C. Dept. of Emergency Management:				
MAT Bridge	93.959	DMH23-002CK-RFA	4,146	-
Passed-through the N.C. Department of Health and Human Services				
FR-CARA	93.243		40,853	-
Total U.S. Dept. of Health & Human Services			33,198,265	5,493,949
<u>U.S. Dept. of Homeland Security</u>				
Emergency Management Performance Grant (EMPG)	97.042	EMA-2022-EP-00005-2220031	71,595	-
Total U.S. Dept of Homeland Security			71,595	-
Total Federal Awards			42,656,329	6,171,383
STATE AWARDS				
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
State Foster Home		NONE	-	734,480
CPS / CWS - State		NONE	-	174,230
Energy Assistance Private Grant			-	38,218
Total Division of Social Services			-	946,928
Division of Public Health:				
Advancing Equity		NONE		60,047
State Aid to Counties		116141100023	-	168,339
CSHS Special Nutrition Project		NONE		19,189
General Communicable Diseases Control		117545100023	-	163,254
School Nurse Funding Initiative		133253580023	-	96,962
Project Build		NONE	-	90,564
TANF-LARC		NONE		15,585
Food & Lodging		NONE		42,013
Total Division of Public Health			-	655,953
Total N.C. Dept. of Health and Human Services			-	1,602,881
<u>N.C. Department of Environmental Quality</u>				
Soil and Water Conservation		NONE	-	29,788
Total Department of Environmental Quality			-	29,788
<u>N.C Cooperative Extension</u>				
4H/Positive Youth Development			-	655
Food Security Grant (State)			-	105,425
Welcome Baby			-	33,088
Total Cooperative Extension			-	139,168
<u>N.C. Division of Child Development</u>				
Passed through Durham's Partnership for Children:				
Smart Start Initiative		NONE	-	205,272
Total N.C. Division of Child Development			-	205,272

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

FEDERAL AGENCY PASS-THROUGH ENTITY PASS-THROUGH DIVISION PROGRAM NAME	FEDERAL ASSISTANCE NUMBER	PASS THROUGH SUBRECIPIENT'S NUMBER	FEDERAL (DIRECT & PASS-THROUGH) EXPENDITURES	STATE EXPENDITURES
<u>N.C. Dept of Public Safety</u>				
JCPC - Community Based Alternatives			-	667,083
Juvenile Crime Prevention (OJJ Program)			-	772,378
Children, Youth, & Family At Risk			-	11,673
NC ABC Commission				29,028
Safe Road Funds			-	12,299
TECS			-	183,343
Total N.C. Dept. of Public Safety			-	1,675,804
<u>N.C. Depart. Of Agriculture & Consumer Services</u>				
Child Nutrition Program		2332530100	-	40,857
<u>N.C Dept of Public Instruction</u>				
State Food Reimbursement		NONE	-	19,876
<u>Office of State Budget and Management</u>				
Public School Building Capital Fund ⁽¹⁾		NONE	-	1,170,663
Total State Awards			-	11,055,692
TOTAL FEDERAL AND STATE AWARDS			42,656,329	11,055,692

⁽¹⁾ Local education authorities within the County are considered subrecipients of these funds.

DURHAM COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2023

Note 1—Basis of presentation

The schedule of expenditures and federal and state awards (the "schedule") presents the activities of all federal and state financial award programs of Durham County, North Carolina (i.e., primary government only) for the year ended June 30, 2023. The Durham County, North Carolina (the "County") reporting entity is defined in Note 1 to the County's basic financial statements. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other government agencies are included in the Schedule. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* ("Uniform Guidance") and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Durham County, it is not intended to present the financial position, changes in net assets or cash flows of Durham County.

Note 2—Summary of significant accounting policies

Basis of Accounting – Expenditures reported on the Schedule are presented using the modified accrual basis of accounting method. This method is consistent with the method used to prepare the County's basic financial statements.

Cost Principles – The cost principles applicable to the expenditures on the Schedule include Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. These principles identify certain types of expenditures that are not allowable or are limited as to reimbursement.

Indirect Cost Rate – The County has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3—Cluster of programs

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Supplemental Nutrition Assistance Program (SNAP) Cluster 10.551 and 10.561
- Refugee and Entrant Assistance Cluster 93.566 and 93.576
- Foster Care and Adoption Programs Cluster 93.658 and 93.659

Note 4—Non-cash awards

The County did not receive non-cash federal or non-cash state awards during the year ended June 30, 2023.

Note 5—Contingencies

These programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.