

County of Madison

The Madison County Board of Commissioners met in regular session on Tuesday, May 14, 2019 at 7:00 p.m. at the Madison Campus of AB Tech, 4646 Hwy 25-70 Marshall, North Carolina.

In attendance were Chairman Norris Gentry; Vice-Chairman Wayne Brigman; Commissioners Matt Wechtel, Mark Snelson, and Craig Goforth; County Manager Forrest Gilliam; County Attorney Donny Laws; Clerk Mandy Bradley.

The meeting was called to order at 7:00 p.m. by Chairman Gentry.

### **Agenda Item 1: Agenda Approval**

Chairman Gentry called for the agenda approval. Chairman Gentry recommended the following amendments to the agenda: Item 8: the addition of Budget Amendment #13b; Item 10, County Manager: the addition of Wi-fi Agreement for Town of Hot Springs as 10b, Juvenile Justice Memorandum of Understanding as 10c, Board Appointments as 10d, and Surplus Property as 10e. County Manager Forrest Gilliam recommended that Item 9 be deleted. Chairman Gentry stated that the numbers would respond accordingly with the deletion of Item 9. Chairman Gentry moved that the board approve the amended agenda. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

### **Agenda Item 2: Approval of April 2, 2019 (Special) Minutes and April 2, 2019 (Regular) Minutes**

No changes to the minutes were made. Commissioner Wechtel made a motion to approved the minutes as revised. The motion was seconded by Commissioner Goforth and unanimously approved by the board.

### **Agenda Item 3: Tom Coulson, Sandy Mush Polling Location**

Resident Tom Coulson spoke to the board regarding the voting polling location in Sandy Mush. He discussed his concerns regarding the location with the board.

### **Agenda Item 4: Lary Peek, Juvenile Crime Prevention Council**

County Manager Forrest Gilliam spoke on behalf of Mr. Peek of the Juvenile Crime Prevention Council who was not present. Mr. Gilliam discussed with the board, the allocation expansion for the Juvenile Crime Prevention Council. Also presented to the board was a Resolution supporting the Juvenile Crime Prevention Council Allocation Expansion. Chairman Gentry asked if there was a for a motion from the board to approve. Commissioner Goforth stated that he would make the motion. The motion was seconded by Commissioner Snelson and unanimously approved by the board. (Attachment 4.1)

### **Agenda Item 5: James Bence, Certified Public Accountant Mauldin and Jenkins**

Certified Public Accountant James Bence presented the Madison County Fiscal Year 2017-2018 Audit to the board and answered questions from the Commissioners concerning the report. (Attachment 5.1)

**Agenda Item 6: Norris Gentry, Board of Commissioners Chairman**

Chairman Gentry discussed the 2020 Census Worker recruitment with the board.

**Agenda Item 7: Connie Harris, Social Services Director**

**a. Community Child Protection Team Appointment**

Ms. Harris discussed the vacancy on the Community Child Protection Team and requested from the board, the approval of Krista Wallin to fill the position. Chairman Gentry asked for a motion from the board. Commissioner Goforth stated that he would make that motion. The motion was seconded by Commissioner Snelson. Chairman Gentry stated, a motion to appoint Krista Wallin to serve on the Community Child Protection Team to represent the Madison County Social Services Board. The motion was approved unanimously by the board.

**b. Memorandum of Understanding Fiscal Year 2019-2020**

Ms. Harris presented and discussed with the board, the Memorandum of Understanding between Madison County and North Carolina Department of Health and Human Services for fiscal year 2019-2020. Vice-Chairman Brigman moved to approve the MOU. The motion was seconded by Commissioner Wechtel and approved unanimously by the board. (Attachment 7.1)

**Agenda Item 8: Rhea Hollars, Finance**

**a. April Financial Statements**

Ms. Hollars discussed with the board, Financial Statements for the month of April. (Attachment 8.1)

**b. Tax Releases and Refunds**

Ms. Hollars discussed with the board, the tax releases and refunds for the month of April. Vice-Chairman Brigman made a motion to approve the tax releases and refunds for the month of April. Commissioner Goforth seconded the motion and the board voted unanimously to approve. (Attachment 8.2)

**c. Juvenile Crime Prevention Councils Discretionary Funding**

Discussed with the board by Ms. Hollars was the Juvenile Crime Prevention Councils Discretionary Funding for Team Success. (Attachment 8.3)

**d. Vaya Quarterly Report**

Ms. Hollars provided information regarding and discussed with the board, the Vaya Quarterly report. (Attachment 8.4)

**e. FY 2018 Audit Contract Amendment**

Ms. Hollars presented the fiscal year 2018 amended audit contract. She discussed the information to extend the due date contained in the contract with the board. Vice-Chairman Brigman moved to approve the amended audit contract. The motion was seconded by Commissioner Wechtel and unanimously approved by the board. (Attachment 8.5)

**f. FY 2019 Audit Contract**

Presented by Ms. Hollars was the fiscal year 2019 audit contract which she discussed with the board. Vice-Chairman Brigman made a motion to accept the FY 2019 audit contract. The motion was seconded by Chairman Gentry and unanimously approved by the board. (Attachment 8.6)

**g. Lottery Funds Request**

Ms. Hollars discussed the request from Madison County Schools for the distribution of Lottery Funds for the construction of a building to house the alternative school. Chairman Gentry made a motion to approve the Board of Education's request to build the new alternative school at Madison High School. The motion was seconded by Commissioner Snelson and unanimously approved by the board. (Attachment 8.7)

**h. Budget Amendment #13**

Ms. Hollars presented and discussed with the board, Budget Amendment #13. Vice Chairman Brigman made a motion to approve Budget Amendment 13. The motion was seconded by Chairman Gentry and unanimously approved by the board. (Attachment 8.8)

**i. Budget Amendment #13b**

Budget Amendment #13b was presented and discussed with the board by Ms. Hollars. Commissioner Wechtel made a motion to approve Budget Amendment 13b. The motion was seconded by Commissioner Snelson and approved by a vote of 4-1 with Vice-Chairman Brigman voting opposed. (Attachment 8.9)

**Item 9: Forrest Gilliam, County Manager**

**a. Manager's Report**

Mr. Gilliam discussed with the board, information on the re-opening of the DMV Office in Marshall.

Mr. Gilliam presented and discussed with the board, a letter awarding grant match funds for internet service for Upper and Lower Shut In.

Recognition of the Community Waste Reduction and Recycling Grant awarded to the Solid Waste Department was discussed by Mr. Gilliam.

Mr. Gilliam recognized Jaime Lunsford who has been serving as the interim IT Director and was recently named the permanent IT Director.

Budget revenues and expenses were discussed with the board by Mr. Gilliam.

**b. Wi-fi Agreement for Town of Hot Springs**

The Downtown Wireless Grant from the Department of Natural and Cultural Resources for wireless internet in downtown Hot Springs was discussed with the board by Mr. Gilliam. He presented a Memorandum of Agreement with the Department of Natural and Cultural Resources. Commissioner Wechtel made a motion to approve the MOU. The motion was seconded by Chairman Gentry and unanimously approved by the board. (Attachment 9.2)

**c. Juvenile Justice Memorandum of Understanding**

The Juvenile Inmate Memorandum of Understanding was presented to and discussed with the board by Mr. Gilliam. Chairman Gentry stated he would entertain a motion relative to the Juvenile Inmate Memorandum of Agreement between the Sheriff of Madison County and the North Carolina Department of Public Safety. Commissioner Snelson stated that he would make a motion. Commissioner Goforth seconded the motion. Discussion was had with the board about directing the county attorney and the Sheriff's Office on what would happen to the additional staff if the program went away. Chairman Gentry stated that he would amend the motion to state that we direct our attorney to work with the County Manager and the Sheriff on that provision. The motion was unanimously approved by the board. (Attachment 9.3)

**d. Board Appointments**

Mr. Gilliam discussed with the board, seats for County Boards available for appointment.

Commissioner Wechtel stated that in regards to the Mountain Area Work Force Development Board, to make a motion that Will Hoffman be appointed to fill the seat vacated by Sam Hutchins. The motion was seconded by Chairman Gentry and unanimously approved by the board.

Chairman Gentry moved to appoint Bobbie Pyron and Rick Rice to the Library Board of Trustees. Discussion occurred among the board. Chairman Gentry amended his motion to move to appoint Beth Honeycutt and Rick Rice. The motion was seconded by Commissioner Snelson and unanimously approved by the board.

Commissioner Wechtel made a motion to appoint Lee McElrath to the Economic Development Board. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

**e. Surplus Property**

County owned surplus property bids were presented and discussed with the board by Mr. Gilliam.

Mr. Gilliam presented a bid of \$3,000.00 for Bear River Lodge Lot 122. Commissioner Wechtel moved to accept the bid. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

Mr. Gilliam presented a bid of \$200.00 and a bid of \$350.00 for Breakaway Lot 32. Commissioner Wechtel moved to accept the high bid of \$350.00 for the property. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

Mr. Gilliam presented a bid of \$1,100.00 for Lot 65 Breakaway. Vice-Chairman Brigman moved to not accept the bid. The motion was seconded by Commissioner Snelson and unanimously approved by the board.

Mr. Gilliam presented a bid of \$500.00 for Stamey Drive in Hot Springs. Commissioner Snelson made a motion to deny the bid. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

Mr. Gilliam presented a bid of \$500.00 for Laurel Highland Lot 8C. Chairman Gentry moved to deny the bid. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

Mr. Gilliam presented a bid of \$500.00 for Oak Hollow Reserve Lot 10. Chairman Gentry moved to deny the bid. The motion was seconded by Commissioner Snelson and unanimously approved by the board.

Mr. Gilliam presented a bid of \$500.00 for Oak Hollow Reserve Lot 22. Chairman Gentry moved to deny the bid. The motion was seconded by Vice-Chairman Brigman and unanimously approved by the board.

Mr. Gilliam presented a bid of \$500.00 for 177 McDaris Loop. Vice-Chairman Brigman made a motion to reject the offer. The motion was seconded by Commissioner Wechtel and unanimously approved by the board.

Mr. Gilliam presented a bid of \$12,000.00 for 17930 Hwy 209, Hot Springs. Commissioner Wechtel moved to accept the bid and begin the upset process. The motion was seconded by Commissioner Goforth and unanimously approved by the board.

Mr. Gilliam presented a counter offer bid of \$1,000.00 to a counter offer of \$1,500.000 that the Commissioners had given from an original bid of \$500.00 on Ivy Way Lot 201. Vice-Chairman Brigman moved that we stay with our counter offer. The motion was seconded by Commissioner Snelson and unanimously approved by the board.

**Item 10: Public Comment**

John Caldwell-Mr. Caldwell spoke regarding fox hunting laws.

**Item 11: Adjournment**

Chairman Gentry made a motion to adjourn the meeting. The motion was seconded by Commissioner Snelson and unanimously approved by the board.

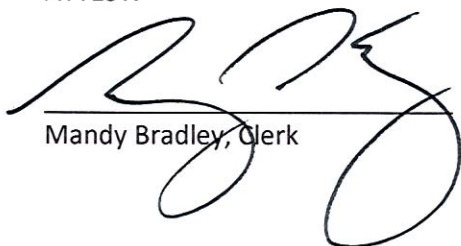
This the 14th day of May, 2019.

MADISON COUNTY



Norris Gentry, Chairman  
Board of Commissioners

ATTEST:



Mandy Bradley, Clerk



# North Carolina Department of Public Safety

## Adult Correction and Juvenile Justice-Juvenile Community Programs

Roy Cooper, Governor  
Erik A. Hooks, Secretary

Reuben F. Young, Interim Chief Deputy Secretary  
William L. Lassiter, Deputy Secretary  
Cindy Porterfield, Director

May 7, 2019

Dear Mr. Murray:

Congratulations! The Juvenile Community Programs Section is pleased to announce that EMYS Madison Team Success has been awarded discretionary funding in the amount of \$1,486.00 for FY 2018-19! This award is to fund the requested additional tutoring hours for year end. In order to complete the award process, please access NCALLIES, complete a Program Agreement Revision, and prompt your Area Consultant via email once the revision is completed. Also, please be mindful that discretionary awarded funds require a local match. (Note: The purchase of equipment or capital outlay requires a cash match. As an exception, increases to a JCPC Administrative budget do not require cash match.)

We provide this notification of discretionary fund awards to ensure that all local approvals by the JCPC and local county commission boards may be accomplished. Please note the following timeline to insure timely disbursement of discretionary fund awards:

- **May 7, 2019 (COB)** Discretionary Award Notifications made to providers/ JCPCs.
- **May 7, 2019 - May 15, 2019** - Programs/JCPCs awarded discretionary funds submit Program Agreement Revisions in NCALLIES for Consultant review, approval, and release for DocuSign electronic signatures.

*Note: Program providers must follow the practices of the local JCPC when requesting discretionary funds to insure that JCPCs and County Commission Boards have ample time to approve county allocation increases via discretionary awards.*

- **Programs completing all Program Agreement Revision e-signatures prior to May 24<sup>th</sup> will be eligible** for a May disbursement. The section will complete a second disbursement the last week of May to counties. Program Revisions e-signed by May 31<sup>th</sup> will receive funds in the June disbursement.

Thank you for your continued investment in the youth and families of North Carolina through the valuable services that you offer. It is our hope that this discretionary fund award will further enhance the services provided to our youth by your agency.

Kind regards,

Cindy Porterfield, Director  
Juvenile Community Programs

Cc: JCPC Chairperson  
County Finance Officer

**MAILING ADDRESS:**  
4212 Mail Service Center  
Raleigh, NC 27699-4212

www.ncdps.gov



An Equal Opportunity Employer

**STATE OFFICE LOCATION:**  
3010 Hammond Business Place  
Raleigh, NC 27603  
Telephone: (919) 733-3388

May 7, 2019

Dear Forrest Gilliam:

North Carolina is approaching the 20<sup>th</sup> anniversary of the Juvenile Justice Reform Act of 1998. It is an excellent time to continue to support the accomplishments of and revitalize partnerships between state and local governments by supporting Juvenile Crime Prevention Councils (JCPCs) and the valuable work performed by them. The Madison County JCPC is a Commissioner appointed body that is responsible for prevention and intervention programming to youth at greatest risk.

JCPCs and the programs they oversee are essential to preventing and reducing juvenile crime, responding immediately and effectively when criminal behavior occurs, and protecting the community by implementing the North Carolina Comprehensive Strategy, which ensures, *"the right program for the right child at the right time and in the right setting."* (John Wilson/Buddy Howell, *OJJDP Comprehensive Strategy for Serious, Violent, and Chronic Juvenile Offenders* (1993))

Your support to help the Juvenile Crime Prevention Council prepare for the increase in the age of juvenile jurisdiction established by the Juvenile Justice Reinvestment Act, which raises the juvenile age to 18 (also known as Raise the Age legislation), is appreciated. The most pressing and relevant concerns to the Juvenile Crime Prevention effort are outlined in the Informational Points attached to this letter.

The Madison County JCPC is asking that you assist us in educating Commissioners, legislators, and other community and state partners, in the effort to ensure a successful implementation of the Juvenile Justice Reinvestment Act, by requesting expansion funding to Juvenile Crime Prevention Councils. This funding will support training, evidence-based and age appropriate intervention services, and rehabilitative programming for the expanded population, as outlined in the Raise the Age legislation.

Attached is an example of a resolution that you may choose to edit and adopt in preparation for Raise the Age.

Thank you for your continued efforts to advocate for the youth in our community. It will take all of us working together to ensure that youth served receive, *"the right program for the right child at the right time and in the right setting."* (Wilson/Howell)

Sincerely,

Larry Peek

A handwritten signature in black ink, appearing to read 'Larry Peek', written over a white background.

Chair, Madison County JCPC

# Madison County

## NC DPS - Community Programs - County Funding Plan

Available Funds: \$ 78,786 Local Match: \$ 23,481 Rate: 20%

DPS JCPC funds must be committed with a Program Agreement submitted in NC Allies and electronically signed by authorized officials.

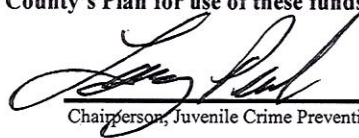
#	Program Provider	DPS-JCPC Funding	LOCAL FUNDING			OTHER	OTHER	Total	% Non DPS-JCPC Program Revenues
			County Cash Match	Local Cash Match	Local In-Kind	State/Federal	Funds		
1	JCPC Administration	\$800						\$800	
2	CIS Madison Team Success	\$38,072	\$7,614		\$2,556			\$48,242	21%
3	Kids At Work	\$11,274	\$2,255		\$5,328			\$18,857	40%
4	Project Challenge	\$28,640	\$5,728					\$34,368	17%
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
<b>TOTALS:</b>		<b>\$78,786</b>	<b>\$15,597</b>		<b>\$7,884</b>			<b>\$102,267</b>	<b>23%</b>

The above plan was derived through a planning process by the Madison County Juvenile Crime Prevention Council and represents the County's Plan for use of these funds in FY 2019-2020.

Amount of Unallocated Funds \_\_\_\_\_

Amount of funds reverted back to DPS \_\_\_\_\_

Discretionary Funds added \_\_\_\_\_

  
 Chairperson, Juvenile Crime Prevention Council (Date) 5-2-19

check type  initial plan  update  final

-----DPS Use Only-----

Reviewed by _____	Area Consultant	_____	Date
Reviewed by _____	Program Assistant	_____	Date
Verified by _____	Designated State Office Staff	_____	Date

\_\_\_\_\_  
 Chairperson, Board of County Commissioners (Date)  
 or County Finance Officer



Beaufort	Completed
Brunswick	Completed
Burke	Completed
Camden	Completed
Carteret	Completed
Caswell	Completed
Catawba	Completed
Craven	Completed
Cumberland	Completed
Currituck	Completed
Dare	Completed
Davidson	Completed
Davie	Completed
Duplin	Completed
Edgecombe	Completed
Franklin	Completed
Gates	Completed
Granville	Completed
Greene	Completed
Halifax	Completed
Haywood	Completed
Hoke	Completed
Hyde	Completed
Iredell	Completed
Johnston	Completed
Jones	Completed
Lenoir	Completed
Martin	Completed
Mecklenburg	Completed
New Hanover	Completed
Onslow	Completed
Pamlico	Completed
Pasquotank	Completed
Pender	Completed
Pequimans	Completed
Person	Completed
Pitt	Completed
Sampson	Completed
Scotland	Completed
Transylvania	Completed
Tyrrell	Completed
Vance	Completed
Washington	Completed
Watauga	Completed
Wayne	Completed
Wilson	Completed

Not a full resolution - Meeting Minutes



## NC Juvenile Justice, Juvenile Community Programs

### JCPC Allocation Expansion Talking Points

- The Department, in collaborative partnership with all 100 counties, provides funds for delinquency intervention and prevention programming. All 100 counties have a local Juvenile Crime Prevention Council that oversees the award of state allocated dollars to reduce local juvenile crime via services to juveniles and families. JCPCs serve as the best conduit for examining the programming needs for juveniles at the local level.
- JCPC-funded programs provide programming resources to local juvenile courts and *provide disposition option programming for Juvenile Court Judges*, thus preventing further JJ system penetration for youth.
- JCPC programs are low cost, effective and community based, offering solutions to address delinquent behavior through services close to home.
- The average cost per youth for a Juvenile Crime Prevention Council funded program is \$995.50 compared to \$108,862.00 which is the average annual cost per juvenile that is committed to a Youth Development Center (based on FY17-18 data). On average, 109 youth can be served in the community at the cost of one (1) youth served in a Youth Development Center!
- JCPC funded programs and other programs funded through Juvenile Community Programs section reduce YDC commitments. Since 1998 Community-Based JCPC programs have attributed to an 86% reduction in YDC commitments! A cost savings to taxpayers while also keeping communities safe.
- Juvenile Crime Prevention Council (JCPC) funded programs serve over 20,000 youth and families annually within their home communities.
- JCPC funded programs *leverage millions of dollars* to assist with programming for juveniles. In 2017-18 JCPC funded programs leveraged \$14.4 MILLION dollars to support service needs for youth statewide, offering strong fiscal partnerships to serve youth at the local level.
- JCPC funded programs already have the experience of serving the 16 and 17-year-old juveniles— 20% of youth served in JCPC-funded programs are 16 and 17-year-olds. Programs are preparing to expand capacity to serve this population with the impact of RtA legislation. However, expansion funding is required to do so.
- JCPC-funded programs already serve school referred youth in diversion programs like Teen Court (1 of 3 types of restorative justice programs). About 65% of all youth served by JCPC funded programs are served in restorative justice programs.
  - JCPC funded restorative justice programs *give back to victims* by providing restitution/community service options to youth and families.
  - JCPC funded programs are *resources to schools* and local School Justice Partnerships.
  - Restorative justice programs effectively provide early intervention resources to schools and law enforcement—providing opportunities for youth to be accountable for their actions while keeping them from being introduced to the JJ system. Sixty-five percent (65%) of all teen court program referrals statewide come from SROs and law enforcement!



## NC Juvenile Justice, Juvenile Community Programs

- Community service/restitution programs are funded in 100 counties and they are the most utilized JCPC funded program type. Expansion dollars are *critically needed* for this service type to prepare for RtA.
- Of the 22 JCPC program types, restorative justice programs are *most utilized*
  - 40% of 21,238 youth served in JCPC programs are served in restitution/community service and Teen Court programs
  - 65% of all **adjudicated youth** are referred to a JCPC funded restorative justice program. (North Carolina Sentencing and Policy Advisory Committee Report, May 1, 2017.)
- JCPCs and Community Program provide a variety of services to meet the individualized needs for juveniles. There are 22 JCPC program types—distributed across 100 counties, specifically designed to serve youth with specific needs.

**MADISON COUNTY  
BOARD OF COMMISSIONERS  
107 Elizabeth Lane  
Marshall, NC 28753**

**Madison County Board of Commissioners Resolution  
Supporting  
Juvenile Crime Prevention Council Allocation Expansion**

**WHEREAS**, Juvenile Crime Prevention Council (JCPC) funding is a partnership between the State of North Carolina and the County to ensure a local continuum of services for court involved and at-risk juveniles; and,

**WHEREAS**, the Juvenile Crime Prevention Council, under the authority of NCGS§143B-851, and within the scope of its powers and duties, “Each County Council shall annually review the needs of juveniles in the county who are at risk of delinquency or who have been adjudicated undisciplined or delinquent and the resources available to address those needs. In particular, each County Council shall assess the needs of juveniles in the county who are at risk or who have been associated with gangs or gang activity, and the local resources that are established to address those needs,” and,

**WHEREAS**, the Juvenile Justice Reinvestment Act passed in 2017, also referenced as North Carolina’s Raise the Age legislation, expands the age of juvenile jurisdiction, increasing it to include juveniles ages 16 and 17 years of age effective December 1, 2019; and,

**WHEREAS**, Raise the Age legislation will increase the need for immediate and age-appropriate sanctions and diversion services for juvenile offenders and those at-risk of delinquency; and,

**WHEREAS**, JCPC funding has seen no increase in more than nine years; and,

**WHEREAS**, the effort to immediately and effectively address juvenile offending behavior is an evidence-based investment in North Carolina’s future; and,

**WHEREAS**, effective intervention and programming reduces detention and youth development commitments as a cost savings to the state and county;

**NOW, THEREFORE BE IT RESOLVED**, that Madison County fully supports an adequate and timely increase of local Juvenile Crime Prevention funding to ensure program expansion and successful implementation of the Juvenile Justice Reinvestment Act Raise the Age Legislation, set for December 1, 2019.

**Adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2019.**

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Clerk to the Board**



**MADISON  
COUNTY GOVERNMENT**  
North Carolina



## **Presentation of 2018 Audit Results**

**Madison County, North Carolina**

**May 14, 2019**



## Agenda

---

- Engagement Team
- Results of the 2018 Audit
- Financial Ratios
- Comments, Recommendations, and Other Issues
- Questions & Comments





## Engagement Team

- **Mauldin & Jenkins, LLC; General Information**
  - Founded in 1918.
  - Large regional firm serving the Southeastern United States.
  - Offices located in Atlanta, GA, Macon, GA, Albany, GA, Savannah, GA, Bradenton, FL, Chattanooga, TN, Birmingham, AL, and Columbia, SC employing approximately 260 personnel.
  - In addition to our governmental practice, we have large banking, healthcare, not-for-profit, benefit plan and tax practices.
- **Mauldin & Jenkins, LLC; Governmental Sector**
  - Largest specific industry niche served by the Firm representing 25% of Firm practice.
  - Serve more governmental entities throughout the Southeast than many other certified public accounting firm requiring over 85,000 hours of service on an annual basis.
  - Approximately 100 professional staff persons with current governmental experience.
  - Current auditor for over 400 total governments in the Southeast, including approximately:
    - 45 counties;
    - 100 cities;
    - 50 school systems;
    - 40 state entities; and,
    - 140 special purpose entities (stand-alone business type entities, libraries, etc.).
- **Engagement team leaders for Madison County**
  - Adam Fraley, Engagement Partner
  - James Bence, Audit Service Partner
  - Tim Lyons, Engagement Quality Control Partner





## Results of 2018 Audit

- **Our Responsibility Under Auditing Standards Generally Accepted in the United States of America (GAAS) and Government Auditing Standards (GAS)**
  - We considered the internal control structure for the purpose of expressing our opinion on the County's basic financial statements and not providing assurance on the internal control structure.
  - Our audit was performed in accordance with GAAS and GAS.
  - Our objective is to provide reasonable—not absolute—assurance that the basic financial statements are free of material misstatement.
  - We did not audit the financial statements of the Madison County Housing Authority. We reviewed and relied on the report of other auditors for amounts included in the County's statements related to the Housing Authority.
  - The basic financial statements are the responsibility of the County's management.
  
- **Report on 2018 Basic Financial Statements**
  - Unmodified ("clean") opinion on basic financial statements.
  - Presented fairly in accordance with accounting principles generally accepted in the United States of America.
  - Our responsibility does not extend beyond financial information contained in our report.







## Results of 2018 Audit (continued)

- Significant Accounting Policies
  - The significant accounting policies used by the County are described in Note 1 to the basic financial statements.
  - The policies used by the County are in accordance with generally accepted accounting principles and similar government organizations.
  - In considering the qualitative aspects of its policies, the County is not involved in any controversial or emerging issues for which guidance is not available.
- Management Judgment/Accounting Estimates
  - The County uses various estimates as part of its financial reporting process – including valuation of accounts receivable, depreciation of capital assets, self-insurance claim liabilities, and pension assumptions.
  - Management's estimates used in preparation of financial statements were deemed reasonable in relation to the financial statements taken as a whole. We considered this information and the qualitative aspects of management's calculations in evaluating the County's significant accounting estimates.





## Results of 2018 Audit (continued)

### ■ Financial Statement Disclosures

- The footnote disclosures to the financial statements are also an integral part of the financial statements and the process used by management to accumulate the information included in the disclosures was the same process used in accumulating the statements. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit.

### ■ Relationship with Management

- We received full cooperation from the County's management and staff.
- There were no disagreements with management on accounting issues or financial reporting matters.

### ■ Audit Adjustments

- There were several posted adjustments which were necessary during the audit process. Those entries have been provided to management and have all been recorded on the County's general ledger by management and they have agreed with all adjustments.
- There was no proposed and passed adjustments.

### ■ Management Representation

- We requested, and received, written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us.





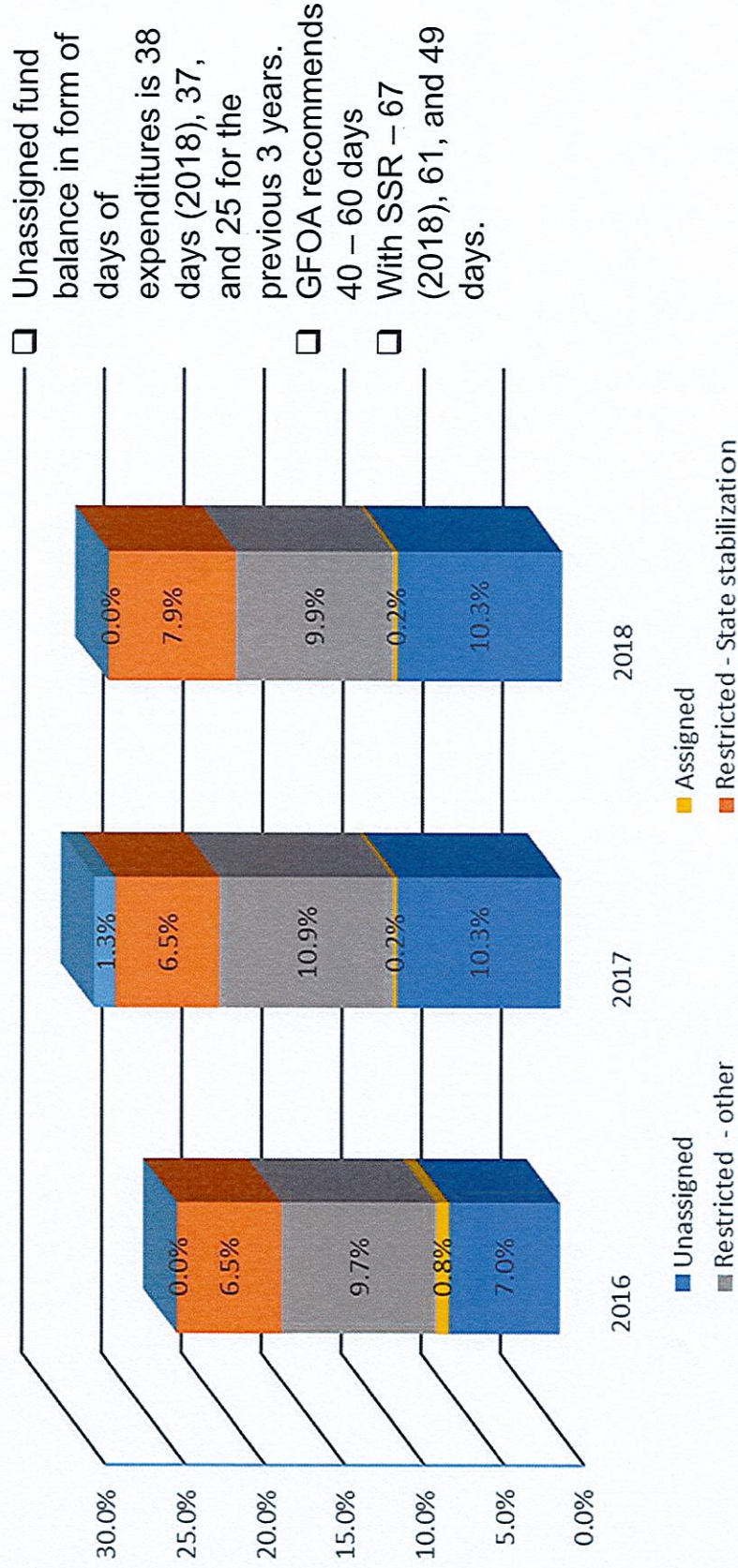
## Results of 2018 Audit (continued)

- **Consultation with Other Accountants**
  - To the best of our knowledge, management has not consulted with, or obtained opinions from, other independent accountants during the year, nor did we face any issues requiring outside consultation.
- **Significant Issues Discussed with Management**
  - There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements.
- **Information in Documents Containing Audited Financial Statements**
  - Our responsibility for other information in documents containing the County's comprehensive annual financial report and our report thereon does not extend beyond the information identified in our report. If the County intends to publish or otherwise reproduce the financial statements and make reference to our firm, we must be provided with printers' proof for our review and approval before printing. The County must also provide us with a copy of the final reproduced material for our approval before it is distributed.
- **Auditor Independence**
  - In accordance with AICPA professional standards, M&J is independent with regard to the County and its financial reporting process.
  - There were no fees paid to M&J for management advisory services during fiscal year 2018 that might affect our independence as auditors.





## General Fund Balance Ratio to Expenditures

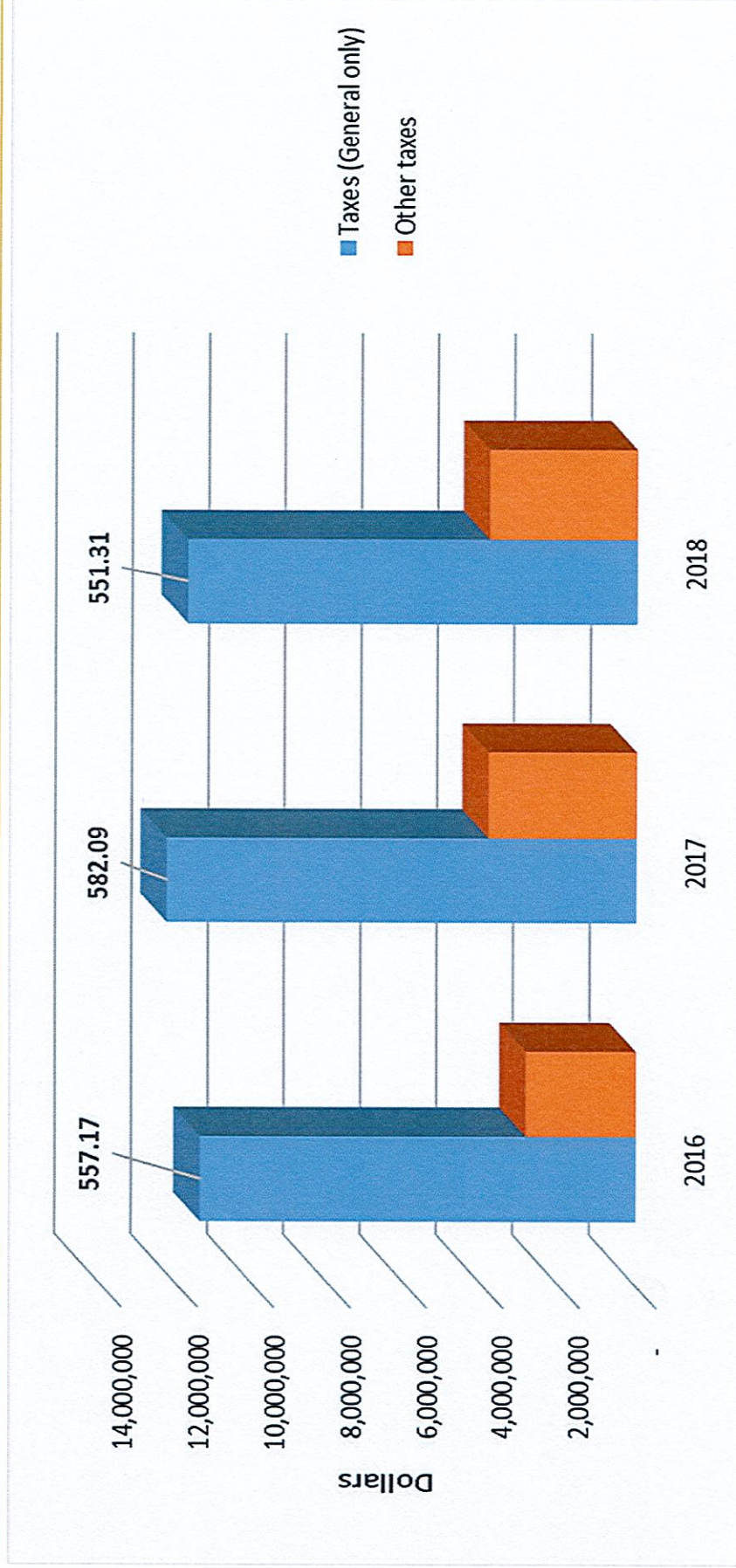


Source: The County's Annual Financial Reports





## Trend Analysis of Property and Sales Tax Revenue per capita



Source: The County's Annual Financial Reports





## General Fund Budget to Actual Results – Fiscal Year 2018

	Original	Amendments	Final	Actual	Variance	
Revenues	\$ 24,220,959	\$ (498,446)	\$ 23,722,513	\$ 23,714,427	\$ (8,086)	100.0%
Expenditures	24,270,959	(146,901)	24,124,058	23,506,777	617,281	97.4%
Other financing S/U	-	(130,022)	(130,022)	(130,022)	-	100.0%
Net Change	\$ (50,000)	\$ (481,567)	\$ (531,567)	\$ 77,628	\$ 609,195	114.6%

- General Fund revenues were in line with the amended budgeted amount.
- Expenditures for many functional areas were less than budget by \$617,000 (2.6%) from the operating budget. Human services came in \$613,000 under budget and interest expenditures were \$281,000 over budget, due to the adjustment for the reimbursement grant for interest payments.
- Other financing uses include transfers to the Revaluation Fund.
- Budgeted use of fund balance was not needed to the extent anticipated, as actual expenditures were lower than budgeted.





## Enterprise Results

	Enterprise Fund Landfill Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,997,644
Cash paid for goods and services	(918,952)
Cash paid to employees for services	(845,415)
Net cash provided by operating activities	233,277
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases and acquisition of capital assets	(165,790)
Proceeds from sale of capital assets	36,097
Net cash used in capital and related financing activities	(129,693)
<b>NET POSITION</b>	
Investment in capital assets	\$ 1,360,165
Unrestricted	(2,054,473)
Total net position	\$ (694,308)

- The Landfill Fund reported an increase in net position (\$78,000) for the fiscal year ended June 30, 2018.
- Landfill Fund continues to report a deficit net position (\$694,000); primarily tied to the post-closure liability (\$3.4 million).





## Changes in Single Audit Engagements

### **Change in reporting of direct benefit payments – removed from SEFSA**

- ❖ Previously reported Federal Expenditures of \$26.3 million and State Expenditures of \$14.2 million
- ❖ Type A program threshold was \$790,000
- ❖ Average 1 major program, Medicaid tested every year
- ❖ Now reporting Federal Expenditures of \$3.3 million and State expenditures of \$1.6 million
- ❖ Type A program threshold now **\$750,000**
- ❖ Testing for 6 federal and state programs in 2018 – SEFSA

### **Additional changes in Medicaid:**

- For 2018 eligibility testing is required to be performed as agreed upon procedures engagement;
- Separate from financial/compliance audits for the County & determined by OSA
- Issued report for the County on October 31, 2018.







## **Additional Testing**

---

### **Local Government Employees Retirement System**

- Attestation report issued October 8, 2018
- Test was performed on employee census data as of December 31, 2017
- State randomly selects LGERS participants for testing
- Report issued stated the County was providing the significant elements of employee census data for the year ended December 31, 2017



## **Comments, Recommendations, and Other Issues**



### **Material Weaknesses on Financial Reporting**

#### **Segregation of Duties**

Although the small size of the County's staff limits the segregation of duties, it is important that incompatible duties be assigned to different individuals and/or compensating controls implemented. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. During the course of our test-work, we noted the following areas where the County's control procedures were not sufficient to mitigate risks created due to insufficient oversight:

- Review and approval of manual journal entries
- Review and approval of bank reconciliations
- Disbursement review and approvals
- Separation of approval of invoices and authorized check signer
- Payroll review and approval
- Solid Waste cash receipt and reconciliation procedures
- Purchase card review and approval

Failure to properly segregate duties or implement compensating controls can lead to misappropriation of funds or abuse of the system that is not detected in a timely manner by employees in the normal course of performing their assigned functions.





**Material Weaknesses on Financial Reporting (Continued)**

**Timely Bank Reconciliation and Reviews**

Internal controls were not sufficient to facilitate the accurate, timely reporting of the County's Department of Social Services cash balances in two of the four cash accounts maintained outside of the County's finance department, as of and for the fiscal year ended June 30, 2018. During our testing of cash and inquiry of County personnel, it was noted that the County's social services department was not timely reconciling two of the four cash accounts which led to certain reconciling items not being addressed in a timely manner. Additionally, after inquiry for the financial reporting, we noted the County was holding approximately \$32,000 of deposits in the SSA/SSI Beneficiaries account, but the department was unable to produce a listing for whom the funds were being held for the benefit of. As these funds are fiduciary in nature, it is imperative the department ensure timely reconciliation of the cash to a subsidiary listing is accruing.

**Expenses and Related Liabilities**

During our testing, audit adjustments were required to properly report the Landfill fund and governmental activities' expenses and related liabilities accounts. Audit adjustments totaling approximately \$2,831,000 were required to correctly report the County's expenses and related liabilities in accordance with GAAP.





## **Comments, Recommendations, and Other Issues (Continued)**

### **Material Weaknesses on Financial Reporting (Continued)**

#### **Capital Assets**

During our testing, audit adjustments were required to properly report capital asset balances in the Landfill fund and governmental activities:

- Calculation and reporting of depreciation expenses
- Capitalization of capital outlays into subledgers

If the above mentioned adjustments and corrections were not made, the capital assets and related accounts of the County would have been significantly misstated as of June 30, 2018, thus providing misleading information to the readers of the financial statements.

#### **Revenue Recognition**

During our testing, an audit adjustment was required to adjust the other asset balance for the foreclosed properties held by the County as of June 30, 2018. These are properties on which the County has foreclosed on when there is a backlog of unpaid property tax bills owed to the County. The properties are then auctioned off to collect on the outstanding balances. The receivable for the property tax is considered collected at the time of the foreclosure, however, the foreclosed properties are held for sale and should be reported at the net realizable value, or the original lien value, whichever is lower. During the adjust of the current year activity, it was noted the County had previously recognized the revenues for the property taxes, without the consideration of the net realizable value. Total adjustments of approximately \$671,000 were required to bring the current year general ledger value in agreement with the subsidiary ledger, including approximately \$207,000 of the adjustment reducing opening fund balance for previously recognized foreclosures.



## **Comments, Recommendations, and Other Issues (Continued)**



### **Material Weaknesses on Financial Reporting (Continued)**

#### **Timely and Accurate SEFSA**

During the preparation of the schedule of expenditures of federal and state awards, it was noted the County was not preparing the report based on expenditures. The majority of the County's federal and state awards are related to health and human service grant activity, which is maintained outside of the County's finance department. As such, the County did not have procedures in place to permit for the reconciliation of the schedule of expenditures of federal and state awards to be reconciled to the underlying expenditures of the County. Ultimately the County was able to provide the necessary underlying records to support the expenditures reported on the schedule of expenditures of federal and state awards, but the reconciliation was performed with the Finance department and the department of Social Services working together to go through the general ledger and supporting workpapers to reconcile the activity of the County to the SEFSA.

### **Material Weakness in Internal Control over Compliance (State Programs) and Qualified Opinion**

#### **Rural Operating Assistance Program**

The Transportation Authority was unable to produce approved applications or certifications for all the sampled program participants. Due to turnover in the program management and record retention concerns, the County was unable to verify many of the selected participants. During the testing for the EDTAP private riders, we sampled 9 of the 81 disbursements or 11.1% and noted four (4) of the nine (9) participants did not have approved documentation to verify eligibility for the EDTAP Private Rider program. During the testing for the transit riders, we sampled forty (40) of the 473 disbursements or 8.5% and noted twelve (12) of the forty (40) participants did not have approved documentation to verify eligibility for the respective transit program. In total 23 of the 49 riders, or 46.9% of the testing riders, did not have County approved eligibility determinations.



## Comments, Recommendations, and Other Issues (Continued)



### Material Weakness in Internal Control over Compliance (State Programs) and Qualified Opinion

#### State Foster Care Program

During testing of eligibility determinations for the fiscal year ended June 30, 2018, we noted ten (10) of the twelve (12) sampled foster care beneficiaries did not have the annual re-determination form DSS-5210(a) maintained in the respective case files. The County was determining the eligibility in the original period of application, however could not produce the annual redetermination support. During our testing of the controls surrounding eligibility determinations, our sample of foster care benefits provide 9% coverage of the disbursements, and of those sampled beneficiaries, we noted \$29,945 or 84.1% of sampled benefits paid in the year ended June 30, 2018 without the foster child's eligibility being determined and maintained in the case file.

### Significant Deficiency in Internal Control over Compliance (State Programs)

#### Rural Operating Assistance Program

During testing of the per trip costs utilized by the County, the rates were not based on the fully allocated cost of the service and were not calculated using the ITRE (Institution for Transportation Research and Education) Rate Setting Model. During the testing of the program costs reported on the quarterly reports for the operation of the ROAP activities, we noted the costs were based on a rate calculated by taking the current year award and dividing it by the prior year trip count. The County was not setting rates by using the State recommended Rate Setting Model. While the rates were calculated using an other basis for the fiscal year ended June 30, 2018, the overall cost of running the transportation programs were significantly greater than the available funding. During the year, the fully allocated rate of the program generated a per trip rate greater than that ultimately charged by the County, therefore, there were no questioned costs.



## **Comments, Recommendations, and Other Issues (Continued)**



### **Management Recommendations**

1. During our testing of long-term debt, we noted the County was not properly accounting for the debt with a stated interest rate of zero. Per review of the debt agreements it was noted that the IRS provides tax credits for the bank to allow the bank to offer zero interest debt. To properly account for this transaction, the County should calculate the interest portion of the debt which would be offset by intergovernmental revenue. We recommend that the County carefully review the debt agreements for each of the long-term debt issuances to ensure that the County has complied with GAAP.
2. During testing of the Jail Inmate Fund we noted there was approximately \$62,800 of cash in the fund while the listing of balances owed to the inmates was approximately \$6,300 and amounts owed to the County was approximately \$43,000. Based on discussions with the Sheriff's office, the excess funds were profits made from the commissary sales. As the Jail Inmate Fund is a fiduciary fund, these profits should be transferred out of the fund to a special revenue fund or to the General Fund and reported as revenues of the County and used to track expenditures for stocking the commissary or providing indigent services to the inmates. As the amount is immaterial to the General Fund an adjustment was not reported but by not specifically accounting for the profits separate from the inmate balances, the Sheriff's office is not able to perform monthly reconciliations of the cash balances to the subsidiary ledger of inmate balances. We recommend the Sheriff's office perform monthly reconciliations of the cash balances in the Inmate account to the subsidiary ledger of inmate holdings.
3. During our testing of a sample of disbursements it was noted that three (3) out of the twenty-five (25) disbursements tested did not have documented review or approval noted on the invoice. We recommend that all invoices and especially travel reimbursements have documented review and approval.



## **Comments, Recommendations, and Other Issues (Continued)**



### **Management Recommendations (continued)**

4. The Information Technology environment is characterized by rapid change and there has been no shortage of headlines about cybersecurity attacks. While breaches of large organizations have been very high profile and have received a lot of press coverage, organizations of all sizes face the same types of threats and are experiencing similar breaches. Many organizations are still struggling to effectively address cybersecurity issues; however, they are no longer ignoring them. During the performance of our audit of the financial statements of Madison County, North Carolina, we noted that the organization is lacking some elements of a Cybersecurity Framework or Cybersecurity Risk Management Program (CRMP). A functioning CRMP will assist Madison County, North Carolina with comprehensively identifying cybersecurity weaknesses, potential threats and risks, and controls used to safeguard information and systems. We recommend that the entity investigate and consider implementation of a Cybersecurity Risk Management Program covering: Cybersecurity risk assessment, environmental controls, identification of sensitive data, software updates/patching cadence, audit security measures, and monitoring and testing of controls in place.





## **Comments, Recommendations, and Other Issues (Continued)**



### **■ New GASB Pronouncements- Implemented This Year**

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of Statement No. 45 and addressed accounting and financial reporting for OPEB that is provided to the employees of the state and local governmental employers. This statement established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed.
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.



## Comments, Recommendations, and Other Issues (Continued)



- New GASB Pronouncements for Future Years
  - Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify (in the context of the current governmental financial reporting environment) the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.
  - GASB Statement No. 83, *Certain Asset Retirement Obligations*, requires the accrual of an estimate for any legally enforceable future liability associated with the retirement of a capital asset (i.e. decommissioning a sewer treatment plant) and to report the expenses over the life of the associated capital asset. Applicable for June 30, 2019.
  - GASB Statement No. 84, *Fiduciary Activities*, This statement establishes criteria for identifying fiduciary activities with a focus on: 1) whether a government is controlling the assets of the fiduciary activity; and, 2) the beneficiaries with whom a fiduciary relationship exists. Applicable for June 30, 2020.



## **Comments, Recommendations, and Other Issues (Continued)**



### ■ New GASB Pronouncements for Future Years

- GASB Statement No. 87, *Leases* was issued in June 2017 and is effective for the first reporting period beginning after December 15, 2019. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Applicable for June 30, 2021.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, under Statement 88, debt for disclosure purposes is defined as a liability that arises from a contractual obligation to pay cash (or other assets) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Applicable for June 30, 2019.



## **Comments, Recommendations, and Other Issues (Continued)**



- New GASB Pronouncements for Future Years
  - Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, this standard eliminates the requirement/ability to capitalize construction period interest costs as part of the cost of a capital asset in enterprise funds. This standard should be applied prospectively with no restatement. This standard can be early implemented as part of fiscal year 2019, but is applicable for June 30, 2021.
  - Statement No. 90, *Equity Interests an amendment of GASB Statements No. 14 and No. 61*, is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Applicable for June 30, 2020.





## Comments, Recommendations, and Other Issues (Continued)

- Other Matters Currently Being Considered by GASB
  - **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability.
  - **Conceptual Framework is a constant matter being looked at by GASB.** Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense things such as supplies and prepaid assets at acquisition.
  - **Revenue and Expense Recognition** is another long-term project where the GASB is working to develop a comprehensive application model for recognition of revenues and expenses from non-exchange, exchange, and exchange-like transactions.
  - **Conduit Debt.** The GASB is looking at improving the definition of conduit debt and determining whether a liability should be reported for these transactions.
- Other Changes
  - There continues to be changes to auditing standards relative to the conduct and reporting of Single Audits. This year's financial and compliance audit recognized the implementation of the new Uniform Grant Guidance (UG) which included significant changes to cost principles and other requirements for auditees receiving Federal funds. These changes are driven based on the grant award date as awarded by the Federal agency. As such, auditors and auditees will follow requirements from both the "old" and "new" guidance for a few years to come.





## Free Quarterly Continuing Education for Governmental Clients

### ■ Since March of 2009:

– Mauldin & Jenkins provides free quarterly continuing education for all of our governmental clients. Topics are tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking and knowledge sharing among our governmental clients. We normally see approximately 100 people per quarter.

– Examples of subjects addressed in the past few quarters include:

Revenue Accounting Requirements	GASB Updates
Internal Controls – Revenues & Receipts	Internal Controls – Expenses, Disbursements & Payroll
Collateralization of Deposits	SPLOST Accounting, Reporting & Compliance
Capital Asset Accounting	Grant Accounting, Processes and Controls
Policies & Procedures Manuals	Segregation of Duties
GASB No. 51 – Intangible Assets	Single Audits for Auditees
GASB No. 54 – Governmental Fund Balance	Best Budgeting Practices, Policies and Processes
Internal Revenue Compliance (Payroll)	CAFR Preparation
GASB No. 60 – Service Concession Arrangements	GASB No. 61, the Financial Reporting Entity
GASB No. 63 & 65 – Deferred Inflows and Outflows	GASB No 67 & 68, Accounting/Reporting Pension Plans





# Questions & Comments



# U.S. Census Bureau Now Hiring

## WE CAN

# BE CENSUS TAKERS

U.S. Census Staff will be available on site to answer questions about jobs and the application process.

**Date: May 17, 2019**

**Time: 10AM - 2PM**

**Where: NCWorks Madison  
A-B Tech Madison  
828-782-2632**

**\$13.50/hour + \$.58/mile**

United States  
**Census  
2020**

2020 Census jobs provide  
Great pay  
Flexible hours  
Weekly pay  
Pay training

**Apply Online**  
[2020census.gov/jobs](https://2020census.gov/jobs)



**MEMORANDUM OF UNDERSTANDING (FISCAL YEAR 2019-20) BETWEEN  
THE NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
MADISON COUNTY**

**A Written Agreement Pursuant to N.C. Gen. Stat. § 108A-74, an Act of the North Carolina  
General Assembly**

This Memorandum of Understanding (“MOU”) is made by and between the North Carolina Department of Health and Human Services, (hereinafter referred to as the “Department”) and Madison County a political subdivision of the State of North Carolina (hereinafter referred to as the “County”) to comply with the requirements of law, N.C. Gen. Stat. § 108A-74. The Department and the County may be referred to herein individually as a “Party” and collectively as the “Parties.”

**TERMS OF UNDERSTANDING**

In consideration of the mutual promises and agreements contained herein, as well as other good and valuable consideration, the sufficiency of which is hereby acknowledged by the Parties, the Parties agree to this MOU, effective July 1, 2019, in compliance with the mandates of law enacted by the North Carolina General Assembly and in recognition of possible amendments by the General Assembly, the Parties further agree to conform to changes made to the law, notwithstanding a contractual term previously agreed upon.

**1.0 Parties to the MOU**

The only Parties to this MOU are the North Carolina Department of Health and Human Services and Madison County, a political subdivision of the State of North Carolina.

**1.1 Relationships of the Parties**

Nothing contained herein shall in any way alter or change the relationship of the parties as defined under the laws of North Carolina. It is expressly understood and agreed that the enforcement of the terms and conditions of this MOU, and all rights of action relating to such enforcement, shall be strictly reserved to the Department and the County. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Department and County that any such person or entity, other than the Department or the County, receiving services or benefits under this MOU shall be deemed an incidental beneficiary only.

**Subcontracting:** The County shall be responsible for the performance of all of its subcontractors. The County shall disclose the names of its subcontractors to the Department within thirty (30) days of the execution thereof. The County shall also provide additional information concerning its subcontractors as may be requested by the Department within thirty (30) days of the request. The County additionally agrees not to enter into any confidentiality agreement or provision with a subcontractor or other agent to provide services related to this MOU that would prevent or frustrate the disclosure of information to the Department. Subcontractors shall be defined under this MOU

to mean any party the county enters into a contractual relationship with for the complete administration of one or more social services programs covered by this MOU. Temporary employees hired by the County shall not be considered subcontractors under this MOU.

**Assignment:** No assignment of the County's obligations or the County's right to receive any funding made in any way concerning the matters covered by this MOU hereunder shall be permitted.

## **2.0 Terms of the MOU**

The term of this MOU shall be for a period of one year beginning July 1, 2019 and ending June 30, 2020.

### **2.1 Default and Modification**

**Default:** In the event the County fails to satisfy the mandated performance requirements as set forth in **Attachment I** or fails to otherwise comply with the terms of this MOU, the Department may withhold State and/or federal funding. Any such withholding shall be in compliance with, and as allowed by, state and/or federal law.

**Performance Improvement/Corrective Action:** Prior to the Department exercising its authority to withhold State and/or federal funding for a failure to satisfy the mandated performance requirements set forth in **Attachment I** or failure to comply with the terms of this MOU, the steps set forth in **Attachment II** will govern. For this MOU covering Fiscal Year 2019-2020, the Department will not initiate any actions set forth in **Attachment II** for a county's performance related to the performance requirements set forth in **Attachment III**. Nothing contained in this MOU shall supersede or limit the Secretary's authority to take any action otherwise set forth in N.C. Gen. Stat. § 108A-74.

**Waiver of Default:** Waiver by the Department of any default or breach in compliance with the terms of this MOU by the County shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this MOU unless stated to be such in writing, signed by an authorized representative of the Department and the County and attached to the MOU.

**Force Majeure:** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

**Modification:** The terms and conditions of this MOU may only be modified by written agreement of the Parties, signed by an authorized representative of the Parties.

### **3.0 MOU Documents**

The Recitals and the following attachments are incorporated herein by reference and are part of this MOU:

- (1) The portions hereof preceding the Terms of Understanding, including but not limited to the introductory paragraph and the Recitals, which are contractual as well as explanatory.
- (2) The Terms of Understanding
- (3) Attachment I – Mandated Performance Requirements:
  - a. I-A: Child Support
  - b. I-B: Energy
  - c. I-C: Work First
  - d. I-D: Food and Nutrition Services
- (4) Attachment II – Corrective Action
- (5) Attachment III – Performance Requirements:
  - a. III-A: Child Welfare – Child Protective Services
  - b. III-B: Foster Care
  - c. III-C: Work First
  - d. III-D: Adult Protective Services
  - e. III-E: Special Assistance
  - f. III-F: Child Care Subsidy

### **4.0 Entire MOU**

This MOU and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements between the Parties.

### **5.0 Definitions**

While “County” is used as an abbreviation above, the following definitions, some of which are contained in N.C. Gen. Stat. § 108A-74(a), also apply to this MOU:

- (1) “County department of social services” also means the consolidated human services agency, whichever applies;
- (2) “County director of social services” also means the human services director, whichever applies; and
- (3) “County board of social services” also means the consolidated human services board, whichever applies.
- (4) “Child welfare services or program” means protective, foster care, and adoption services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes.
- (5) “Social services programs” or “Social services programs other than medical assistance” means social services and public assistance programs established in Chapter

108A other than the medical assistance program (Part 6 of Article 2 of Chapter 108A). This includes, but is not limited to, child welfare programs, adult protective services, guardianship services for adults, and programs of public assistance established in Chapter 108A. It also includes the child support enforcement program, as established in Article 9 of Chapter 110 of the General Statutes, and the North Carolina Subsidized Child Care Program.

To the extent that any term used herein is defined by a statute or rule applicable to the subject matter of this MOU, the statutory or rule definition shall control. For all remaining terms, which are not defined by statute or rule, those terms shall have their ordinary meaning. Should any further definition be needed, the Parties agree that the meanings shall be those contained in the current version (as of the time the dispute or question arises) of Black's Law Dictionary, and if not defined therein, then of a published unabridged modern American English Language Dictionary published since the year 2000.

### **6.0 Audit Requirements**

The County shall furnish to the State Auditor, upon his/her request, all books, records, and other information that the State Auditor needs to fully account for the use and expenditure of state funds in accordance with N.C.G.S. § 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

### **7.0 Record Retention**

The County shall retain records at its own expense in accordance with applicable State and Federal laws, rules, and regulations. The County shall facilitate and monitor the compliance of its subcontractors with all applicable requirements of record retention and disposition.

In order to protect documents and public records that may be the subject of Department litigation, the Department shall notify the County of the need to place a litigation hold on those documents. The Department will also notify the County of the release of the litigation hold. If there is no litigation hold in place, the documents may be destroyed, disposed of, or otherwise purged through the biannual Records Retention and Disposition Memorandum from the Department's Controller's Office.

### **8.0 Liabilities and Legal Obligations**

Each party hereto agrees to be responsible for its own liabilities and that of its officers, employees, agents or representatives arising out of this MOU. Nothing contained herein is intended to alter or change the relationship of the parties as defined under the laws of the State of North Carolina.

### **9.0 Confidentiality**

Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Department or to the County under this MOU shall be kept confidential and not divulged or made available to any individual or

organization except as otherwise provided by law. The Parties shall comply with all applicable confidentiality laws and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the administrative simplification rules codified at 45 Parts 160, 162, and 164, alcohol and drug abuse patient records laws codified at 42 U.S.C. §290dd-2 and 42 CFR Part 2, and the Health Information Technology for Economics and Clinical Health Act (HITECH Act) adopted as part of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

**10.0 Secretary’s Authority Undiminished**

Certain functions delegated to the County pursuant to this MOU are the duty and responsibility of the Department as the grantee of federal grant funds. The Parties understand and agree that nothing in this MOU shall be construed to diminish, lessen, limit, share, or divide the authority of the Secretary of the Department to perform any of the duties assigned to the Department or its Secretary by the North Carolina General Statutes, the terms and conditions of the federal funds and their applicable laws and regulations or other federal laws and regulations regarding any federal funding which is used by the Department to reimburse the County for any of its duties under this MOU.

**11.0 MOU does not Diminish Other Legal Obligations**

Notwithstanding anything to the contrary contained herein and to facilitate the mandated performance requirements of N.C. Gen. Stat. § 108A-74, the Parties acknowledge and agree that this MOU is not intended to supersede or limit, and shall not supersede or limit, the County’s obligations to comply with all applicable: 1) federal and state laws; 2) federal and state rules; and 3) policies, standards, and directions of the Department, as all such currently exist and may be amended, enacted, or established hereafter.

**12.0 Notice**

The persons named below shall be the persons to whom notices provided for in this MOU shall be given. Either Party may change the person to whom notice shall be given upon written notice to the other Party. Any notice required under this MOU will only be effective if actually delivered to the parties named below. Delivery by hand, by first class mail, or by email are authorized methods to send notices.

**For the Department of Health and Human Services, Division of Social Services**

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Susan Osborne, Assistant Secretary NC DHHS 2401 Mail Service Center Raleigh, NC 27699-2401	Susan Osborne NC DHHS Doretha Dix Campus, McBryde Building Phone: 919-527-6338 E-mail: <a href="mailto:Susan.Osborne@dhhs.nc.gov">Susan.Osborne@dhhs.nc.gov</a>

**For Madison County**

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS

**13.0 Responsibilities of the Department**

The Department hereby agrees that its responsibilities under this MOU are as follows:

- (1) The Department shall develop performance requirements for each social services program based upon standardized metrics utilizing reliable data. The performance requirements are identified in Attachments I and II.
- (2) The Department shall provide supervision, program monitoring and technical assistance to the counties in the administration of social services programs.
- (3) The Department shall provide leadership and coordination for developing strategies that address system-level barriers to the effective delivery of social services programs, including but not limited to: the Administrative Office of Courts, the LME/MCO, Department of Public Instruction, and the Department of Public Safety.
- (4) The Department shall have the following administrative responsibilities:
  - a. Staff Training and Workforce Development:
    - i. Develop training requirements for county personnel and provide guidance for adequate staffing patterns related to the provision of social services programs. The Department will publish annually, a list of required and recommended trainings for county personnel directly involved in the administration of social services programs covered under this MOU.
    - ii. Develop training curricula and provide, timely, adequate access to statewide training opportunities for county personnel related to the provision of social services programs. Training opportunities may include in-person, self-guided, web-based and remotely facilitated programs.
    - iii. The Department will publish a training calendar, at least quarterly, notifying the counties of training opportunities.
    - iv. Provide timely written guidance related to new federal or state statutes or regulations. The Department will provide information in advance of the effective date of new policy to the extent possible, including interpretations and clarifications of existing policy.
    - v. Provide technical assistance and training in areas where quality control, monitoring or data indicates a lack of correct application of law, rule or policy.
  - b. Compliance Monitoring:
    - i. Monitor and evaluate county compliance with applicable federal and state laws, rules and policies.
    - ii. Provide feedback to counties with recommended changes when necessary.

- iii. Monitor that all financial resources related to the provision of social services programs covered by this MOU are utilized by the county in compliance with applicable federal and state laws.
  - c. Data Submission:
    - i. Maintain and review data submitted by counties pursuant to the mandatory performance requirements.
    - ii. Provide counties with reliable data related to their performance requirements as well as accuracy and timeliness of programs in accordance with state and federal program guidelines. This includes but is not limited to processing applications and recertification, quality control standards, program statistics and fiscal information.
    - iii. The Department shall be responsible for the maintenance and functionality of its information systems utilized in the statewide administration of social services programs covered by this MOU.
  - d. Communication:
    - i. Provide counties with clarification or explanation of law, rule or policy governing social services programs when necessary or as requested.
    - ii. Disseminate policy on social services programs and provide counties with timely information on any updates to policy.
    - iii. Provide timely information to counties on any changes to federal law or policy made known to the Department.
    - iv. Provide counties with a timely response to requests for technical assistance or guidance.
    - v. Maintain all policies covering social services programs in a central, accessible location. Policies will be updated, to the extent possible, in advance of the effective date of any new policies or policy changes.
    - vi. Provide counties with an opportunity to submit questions, concerns and feedback related to the administration of social services programs to the Department and provide County a timely response to such communication.
    - vii. Communicate proactively with the County Director of Social Services on matters that effect social services programs covered under this MOU.
    - viii. Communicate directly with the County Manager, Governing Boards, and the County Director of Social Services on matters including but not limited to, corrective action, and significant changes to law, rule and policy that impact the administration of social services programs covered by this MOU.
  - e. Inter-agency Coordination:
    - i. Provide guidance to counties in the event they are unable to reach a resolution on a conflict of interest that arises related to the provision of social services programs covered by this MOU.
    - ii. Provide guidance for county DSS personnel on federal and state Emergency Management, mass shelter, Business Continuity Plan (BCP) and Continuity of Operations Plan (COOP) requirements.
    - iii. Coordinate with and communicate to county DSS agencies regarding available and required training opportunities associated with DSS Mass Shelter, BCP and COOP responsibilities.

- iv. Assist and support counties as needed in implementation of operational functions of mass shelter operations and as needed during other emergencies as they arise.
- (5) The Department shall timely meet all of its responsibilities contained in this MOU. “Timely” shall be defined consistent with timeliness requirements set forth in relevant statute, regulation, and policy. Where timeliness is not otherwise defined, “timely” shall mean within a reasonable time under the circumstances.

#### **14.0 Responsibilities of the County**

The County hereby agrees that its responsibilities under this MOU are as follows:

- (1) The County shall adhere to the mandated performance requirements for each social services program as identified in Attachment I. For a County Performance Measure identified in Attachment III, the County will work towards achieving performance higher than the County’s performance in the previous fiscal year. The County will ultimately work towards achievement of the Standard Measure for all performance requirements set forth in Attachments I and III.
- (2) The County shall comply with the following administrative responsibilities
  - a. Staff Requirements and Workforce Development:
    - i. The personnel, including new hires and existing staff, involved in the County’s provision of social services programs covered by this MOU shall complete all required and necessary training, which is documented as required by federal and state law and policy.
  - b. Compliance:
    - i. Perform activities related to its social services programs in compliance with all applicable federal and State laws, rules, regulations and policies. Nothing contained herein is intended to, nor has the effect of superseding or replacing state law, rules or policy related to social services programs.
    - ii. Develop and implement internal controls over financial resources related to the County’s social services programs to ensure that all financial resources are used in compliance with applicable federal and state laws.
    - iii. Provide and adhere to corrective action plans as required based on monitoring findings and the Single Audit.
  - c. Data Submission:
    - i. Maintain accurate, thorough records of all social services programs covered by this MOU, in particular, records related to the mandated performance requirements that can be accessed for the purpose of data collection, service provision, monitoring or consultation
    - ii. Ensure reliable data entry into state systems utilized for the administration of social services programs covered under this MOU.
    - iii. Provide, upon request, data to the state for the purpose of, but not limited to, conducting monitoring, case file reviews, error analysis and quality control.
    - iv. Utilize data to understand the performance of their county and to conduct analysis and implement changes where needed if performance measures are not being met.



- d. Communication:
    - i. Respond and provide related action in a timely manner to all communications received from the Department.
    - ii. Provide timely information on all matters that have a potential negative impact on the social services programs they administer, including but not limited to, litigation risks (not including child welfare cases governed by Chapter 7B or adult services cases governed by Chapter 35A or 108A), network and computer issues, or data breaches.
    - iii. Provide timely information regarding temporary or permanent changes to the Social Services Governing Board. or the County Social Services Director, including retirements, separations, or any leave of absences greater than two calendar weeks.
  - e. Inter-agency Cooperation:
    - i. Ensure that county social services personnel complete required training and are prepared to engage in Disaster Management, mass shelter, BCP and COOP operations.
    - ii. Ensure that all plans and systems are in place to meet potential disaster (natural, technical, otherwise) response requirements.
    - iii. Engage with DHHS, state Emergency Management and local leadership in associated efforts.
    - iv. Assist or operate mass shelter operations or other required disaster management responsibilities.
- (3) The County shall timely meet all its responsibilities contained in this MOU. “Timely” shall be defined consistent with timeliness requirements set forth in relevant statute, regulation, policy or as otherwise required by the Department. If timeliness is not otherwise defined, “timely” shall mean within a reasonable time under the circumstances.

## 15.0 Data Security and Reporting

**Data Security:** The County shall adopt and apply data privacy and security requirements to comply with all applicable federal, state, department and local laws, regulations, and rules. To the extent that the Department and the county have already entered into one or more data privacy agreements covering all or any portion of the work to be performed under this MOU, the Parties hereby adopt and incorporate such agreements by reference into this MOU as if fully set forth herein.

**Duty to Report:** The County shall report all privacy and security incidents related to the provision of social services programs covered by the MOU to the Department and the Privacy and Security Office within twenty-four (24) hours after the privacy and security incident is first discovered, provided that the County shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the incident is first discovered. During the performance of this MOU, the County is to notify the Department of any contact by the federal Office for Civil Rights (OCR) received by the County related to the provision of social services programs covered by the MOU. In case of a privacy and security incident, the County, including any subcontractors or agents it retains, shall fully cooperate with the Department.

**16.0 Miscellaneous**

**Choice of Law:** The validity of this MOU and any of its terms or provisions, as well as the rights and duties of the parties to this MOU, are governed by the laws of North Carolina. The Parties, by signing this MOU, agree and submit, solely for matters concerning this MOU, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this MOU and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

**Amendment:** This MOU may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Department and the County. The Parties agree to obtain any necessary approvals, if any, for any amendment prior to such amendment becoming effective. Also, the Parties agree that legislative changes to state law shall amend this MOU by operation of law to the extent affected thereby.

**Effective Date:** This MOU shall become effective July 1, 2019 and shall continue in effect until June 30, 2020.

**Signature Warranty:** Each individual signing below warrants that he or she is duly authorized by the party to sign this MOU and to bind the party to the terms and conditions of this MOU.

**Madison County**

BY: \_\_\_\_\_  
Name

BY: \_\_\_\_\_  
Name

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**North Carolina Department of Health and Human Services**

BY: \_\_\_\_\_  
Secretary, Department of Health and Human Services

DATE: \_\_\_\_\_

## ATTACHMENT I

### MANDATED PERFORMANCE REQUIREMENTS

I-A: CHILD SUPPORT

I-B: ENERGY

I-C: WORK FIRST

I-D: FOOD AND NUTRITION SERVICES

The **Standard Measure** is the measure set forth in federal or state law, rule or policy that governs the particular program. This is the Measure that all counties are ultimately aiming to achieve.

The **County Performance Measure** is the measure that the County is required to achieve to be in compliance with this MOU. For some programs, the County's Performance Measure will be the same as the Standard Measure. For other programs, the County's Performance Measure may be greater or less than the Standard Measure, dependent upon previous year's performance.

The **Report of Performance** is the period of time in which a County's performance on a particular performance requirement is measured and reported.

**ATTACHMENT I-A  
MANDATED PERFORMANCE REQUIREMENTS:**

**Child Support**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	80% of paternities established or acknowledged for children born out of wedlock.	The County will achieve its given annual percentage of paternities established for children born out of wedlock.	Paternity establishment is an essential component in obtaining and enforcing support orders for children.  42 USC § 652(g)(1)(A) 42 USC § 658a(b)(6)(A) NCGS 110- 129.1	Annual
2	80% of child support cases have a court order establishing support obligations.	The County will achieve its given annual percentage of child support cases that are under an order.	A court order creates a legal obligation for a noncustodial parent to provide financial support to their children.  42 USC § 652(g)(1)(A) 42 USC § 658a(b)(6)(B) NCGS 110- 129.1	Annual
3	80% of current child support paid.	The County will achieve its given annual percentage of current child support paid.	The current collections rate is an indicator for the regular and timely payment of child support obligations.  42 USC § 652(g)(1)(A) 42 USC § 658a(b)(6)(C) NCGS 110- 129.1	Annual
4	80% of cases received a payment towards arrears.	The County will achieve its given annual percentage of cases that received a payment towards arrears.	Collection of child support has been shown to reduce child poverty rates and improve child well-being.  42 USC § 652(g)(1)(A) 42 USC § 658a(b)(6)(D) NCGS 110- 129.1	Annual
5	The county will meet its annual goal of total child support collections.	The County will meet its annual goal of total child support collections.	Measuring total child support collections is an important measure of the program because it encompasses the strength of the laws, practices, and fiscal effort to determine its effectiveness.  42 USC § 652(g)(1)(A) 42 USC § 658a(b)(6)(E) NCGS 110-129.1	Annual

**ATTACHMENT I-B  
MANDATED PERFORMANCE REQUIREMENTS:**

**Energy Programs**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will process 95% of Crisis Intervention Program (CIP) applications within one (1) business day for applicants with no heat or cooling source.	The County will process 95% of Crisis Intervention Program (CIP) applications within one (1) business day for applicants with no heat or cooling source.	Ensure that eligible individuals in a household without a heating or cooling source receive relief as soon as possible.  42 USC §§ 8621-8630 10A NCAC 71V	Monthly
2	The County will process 95% of Crisis Intervention Program (CIP) applications within two (2) business days of the application date for applicants who have a heat or cooling source.	The County will process 95% of Crisis Intervention Program (CIP) applications within two (2) business days of the application date for applicants who have a heat or cooling source.	Ensure that eligible households who are in danger of losing a heating or cooling source receive financial assistance to avert the crisis.  42 USC §§ 8621-8630 10A NCAC 71V	Monthly

**ATTACHMENT I-C  
MANDATED PERFORMANCE REQUIREMENTS:**

**Work First**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will process 95% Work First applications within 45 days of receipt.	The County will process 95% Work First applications within 45 days of receipt.	Ensure that eligible families receive Work First benefits in a timely manner.  TANF State Plan FFY 2016 - 2019 NCGS 108A-31	Monthly
2	The County will process 95% Work First recertifications no later than the last day of the current recertification period.	The County will process 95% Work First recertifications no later than the last day of the current recertification period.	Ensure that Work First families continue to receive assistance and benefits without unnecessary interruption.  TANF State Plan FFY 2016 - 2019 NCGS 108A-31	Monthly

**ATTACHMENT I-D  
MANDATED PERFORMANCE REQUIREMENTS:**

**Food and Nutrition Services**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will process 95% of expedited FNS applications within 4 calendar days from the date of application.	The County will process 95% of expedited FNS applications within 4 calendar days from the date of application.	Ensure all expedited FNS applications are processed within required timeframes.  7 CFR § 273.2 FNS Manual: Section 315 FNS Administrative Letter 1-2015	Monthly
2	The County will process 95% of regular FNS applications within 25 days from the date of application.	The County will process 95% of regular FNS applications within 25 days from the date of application.	Ensure all regular FNS applications are processed within required timeframes.  7 CFR § 273.2 FNS Manual: Section 315 FNS Administrative Letter 1-2015	Monthly
3	The County will ensure that 95% of FNS recertifications are processed on time, each month.	The County will ensure that 95% of FNS recertifications are processed on time, each month.	Ensure that eligible families have their recertification benefits processed in a timely manner without interruption.  7 CFR § 273.14	Monthly
4	The County will ensure that 90% of Program Integrity claims are established within 180 days of the date of discovery.	The County will ensure that 90% of Program Integrity claims are established within 180 days of the date of discovery.	Ensure allegations of fraud are addressed promptly.  7 CFR § 273.18	Monthly

## ATTACHMENT II

### CORRECTIVE ACTION

For this MOU covering Fiscal Year 2019-2020, the Department **will not** initiate any actions set forth in this Attachment related to a County's compliance with the performance requirements set forth in **Attachment III**.

#### 1. Non-Compliance with mandated performance requirements or terms of the MOU

- a. In the event a County Department of Social Services (County DSS)\*\* fails to satisfy a mandated performance requirement set forth in **Attachment I** for three consecutive months or five months in a 12-month period, or for two consecutive 12-month periods for those requirements that are measured annually, or fails to otherwise comply with a term of this MOU, the Department will provide the County DSS with written notification identifying the relevant mandated performance requirement or term and how the County DSS failed to satisfy it.
- b. Upon receipt of notification, the County DSS shall promptly provide the Department with written acknowledgment of receipt.
- c. If the County DSS does not agree that it failed to satisfy the mandated performance requirement or comply with the terms of the MOU, it shall set forth, in writing, the basis for its disagreement. If the County DSS believes its failure to adhere to a mandated performance requirement or term of this MOU is due in whole or in part upon the failure of the Department to meet any of its responsibilities under this MOU or other external factors (i.e., limited court dates, continuances, etc.), the County DSS shall set forth in writing how the failure of the Department or external factors to meet its responsibility to the County DSS contributed to the inability of the County DSS to meet the mandated performance standard or other term of this MOU. This notice shall be received by the Department, along with all supporting documentation, within 10 business days of the County DSS' receipt of the Department's written notification of non-compliance.
- d. If written notice is received in accordance with subsection (c) of this section, the Department will provide the appropriate division director with the all documentation received. Following a review of all documentation, the division director will provide the county with a decision to proceed in developing a joint corrective action plan or to rescind the notice of non-compliance.

#### 2. Joint Corrective Action Plan

- a. The County DSS and Department shall work together to develop a joint corrective action plan to address the non-compliance. The Parties will consider and address the County DSS's written disagreement with the identified non-compliance, if any, in the development of the joint plan.
- b. The joint corrective action plan shall include, at a minimum:
  - i. The role and responsibility of DHHS in providing support to the County DSS to address the non-compliance.



- ii. A detailed strategy with specific actions the County DSS will take to address the non-compliance and ensure ongoing compliance.
  - iii. A strategy to ensure regular supervisory oversight of the social services program at issue;
  - iv. A strategy to ensure program and case documentation is both sufficient and completed within time frames prescribed by law, rule or policy;
  - v. The performance requirements for the County that constitute successful completion of the corrective action plan;
  - vi. A plan for the continuous review of the corrective activities by both the County Director of Social Services, the County DSS Governing Board, and the Department.; and
  - vii. An acknowledgement that failure to successfully complete the corrective action plan shall result in temporary assumption of all or part of the County's administration of its social services programs.
- c. The duration of the joint corrective action plan shall not exceed 12-months. If the County demonstrates it is making progress under the joint corrective action plan, the Department may extend the duration of the plan for one additional period of 6 months.
  - d. The joint corrective action plan shall be signed by the Department and the County DSS Director. A copy of the joint corrective action plan will be sent to the Chair of the DSS Governing Board, the County Manager, and the Chair of the Board of County Commissioners.

**3. Failure to Complete Corrective Action Plan/Urgent Circumstances**

- a. In the event a County DSS fails to complete the joint corrective action plan or otherwise fails to comply with the terms of the joint corrective action plan, the Department may exercise its authority under the law to assume all or part of the County's social services programs.
- b. In the event a County DSS fails to complete the corrective action plan or otherwise fails to comply with the terms of the corrective action plan, the Department may exercise its authority under the law, and this MOU, to withhold federal and/or state funding.
- c. In certain urgent circumstances, the Secretary may also exercise her statutory authority to assume control of service delivery in the County pursuant to N.C.G.S. 108A-74.

\*\* In the event the performance requirement or term of the MOU falls outside of the authority of the County DSS, the notification of non-compliance will be sent to the County, and all subsequent steps contained herein shall be followed by the County.

## ATTACHMENT III

### PERFORMANCE REQUIREMENTS:

III-A: CHILD WELFARE – CHILD PROTECTIVE SERVICES

III-B: CHILD WELFARE – FOSTER CARE

III-C: WORK FIRST

III-D: ADULT PROTECTIVE SERVICES

III-E: SPECIAL ASSISTANCE

III-F: CHILD CARE SUBSIDY

The **Standard Measure** is the measure set forth in federal or state law, rule or policy that governs the particular program. This is the Measure that all counties are ultimately aiming to achieve.

The **County Performance Measure** is the measure that the County is required to achieve to be in compliance with this MOU. For some programs, the County's Performance Measure will be the same as the Standard Measure. For other programs, the County's Performance Measure may be greater or less than the Standard Measure, dependent upon previous year's performance.

The **Report of Performance** is the period of time in which a County's performance on a particular performance requirement is measured and reported.

**The Performance Requirements contained in this Attachment are not subject to the corrective action process set forth in Attachment II.**

**ATTACHMENT III-A  
PERFORMANCE REQUIREMENTS:**

**Child Welfare – Child Protective Services**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will initiate 95% of all screened-in reports within required time frames	DHHS will work with the county to identify the County’s performance measure for FY 20-21 based on the County’s performance for the preceding state fiscal year	<p>Ensure that allegations of abuse, neglect and dependency are initiated timely. The timeframes for initiating an investigation of child maltreatment are defined in state law as, immediately, within 24 hours, or within 72 hours depending on the nature and severity of the alleged maltreatment.</p> <p>NC General Statutes § 7B-302; 10A NCAC 70A .0105; NCDHHS Family Services Manual: Vol. 1, Chapter VIII: Child Protective Services, Section 1408 - Investigative &amp; Family Assessments</p>	Monthly
2	For all children who were victims of maltreatment during a twelve-month period, no more than 9.1% received a subsequent finding of maltreatment	DHHS will work with the county to identify the County’s performance measure for FY 20-21 based on the County’s performance for the preceding state fiscal year	<p>Ensure that children who have been substantiated as abused, neglected or dependent are protected from further harm.</p> <p>National Standards for State Performance on Statewide Data Indicators established by the Children’s Bureau to determine conformity with Title IV-B and IV-E of the Social Security Act and the Child and Family Services Review.</p>	Monthly

**ATTACHMENT III-B  
PERFORMANCE REQUIREMENTS:**

**Child Welfare - Foster Care**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will ensure that 95% of all foster youth have face-to-face visits by the social worker each month.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	<p>Ensure the ongoing safety of children and the engagement and well-being of families.</p> <p>Child and Family Services Improvement Act of 2006 (Public Law 109-288, section 7) amending Section 422(b) of the Social Security Act (42 USC 622(b))</p>	Monthly
2	The County will provide leadership for ensuring that 40.5% of children who enter foster care in a 12-month period are discharged to permanency within 12 months of entering foster care.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	<p>Ensure that children in out-of-home placements are able to obtain safe and permanent homes as soon as possible after removal from their home.</p> <p>National Standards for State Performance on Statewide Data Indicators established by the Children's Bureau to determine conformity with Title IV-B and IV-E of the Social Security Act and the Child and Family Services Review.</p>	Monthly
3	The County will provide leadership for ensuring that of children who enter foster care in a 12-month period who were discharged within 12 months to reunification, kinship care, or guardianship, no more than 8.3% re-enter foster care within 12 months of their discharge.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	<p>Ensure that children existing foster care are in stable homes so that they do not re-enter foster care.</p> <p>CFSR: Safety Outcome 1: Children are, first and foremost protected from abuse and neglect.</p> <p>National Standards for State Performance on Statewide Data Indicators established by the Children's Bureau to determine conformity with Title IV-B and IV-E of the Social Security Act and the Child and Family Services Review.</p>	Monthly
4	The County will provide leadership for ensuring that of all children who enter foster care in a 12-month period	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	Ensure that children who are removed from their homes experience stability while they are in foster care.	

	<p>in the county, the rate of placement moves per 1000 days of foster care will not exceed 4.1%.</p>		<p>CFSR: Permanency Outcome 1: Children have permanency and stability in their living situations.</p> <p>National Standards for State Performance on Statewide Data Indicators established by the Children’s Bureau to determine conformity with Title IV-B and IV-E of the Social Security Act and the Child and Family Services Review.</p>	<p>Monthly</p>
--	--	--	---	----------------

**ATTACHMENT III-C  
PERFORMANCE REQUIREMENTS:**

**Work First**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will collect documentation from 50% of all Work-Eligible individuals that demonstrates completion of the required number of hours of federally countable work activities.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	Ensure that all work-eligible individuals are engaged in federally countable work activities.  TANF State Plan FFY 2016 - 2019 NCGS 108A-27.2(10) NCGS 108A-27.6(1) NCGS 108A-27.13(a) NCGS 108A-27.14(a)-(b)	Monthly
2	The County will collect documentation from 90% of two-parent families with Work Eligible individuals that verifies that they have completed the required number of hours of federally countable work activities.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	Ensure all work-eligible two-parent families are engaged in federally countable work activities for the required number of participation hours.  TANF State Plan FFY 2016 - 2019 NCGS 108A-27.2(10) NCGS 108A-27.6(1) NCGS 108A-27.13(a) NCGS 108A-27.14(a)-(b)	Monthly

**ATTACHMENT III-D  
PERFORMANCE REQUIREMENTS:**

**Adult Protective Services (APS)**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will complete 95% of APS evaluations involving allegations of abuse or neglect within 30 days of the report.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	Responding quickly to allegations of adult maltreatment is essential to case decision-making to protect the adult. State law requires that a prompt and thorough evaluation is made of all reports of adult maltreatment.  NCGS 108A-103	Monthly
2	The County will complete 85% of APS evaluations involving allegations of exploitation within 45 days of the report.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	Protecting a disabled adult from exploitation is critical to ensuring their safety and well-being. State law requires a prompt and thorough evaluation is made of all reports of adult exploitation.  NCGS 108A-103	Monthly

**ATTACHMENT III-E  
PERFORMANCE REQUIREMENTS:**

**Special Assistance (SA)**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will process 85% of Special Assistance for the Aged (SAA) applications within 45 calendar days of the application date.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	<p>Ensure eligible individuals receive supplemental payments to support stable living arrangements.</p> <p>Timely application processing of SAA benefits is essential to an individual's proper care and treatment.</p> <p>10A NCAC 71P .0604</p>	Monthly
2	The County will process 85% of Special Assistance for the Disabled (SAD) applications within 60 calendar days of the application date.	DHHS will work with the county to identify the County's performance measure for FY 20-21 based on the County's performance for the preceding state fiscal year	<p>Ensure eligible individuals receive supplemental payments to support stable living arrangements.</p> <p>Timely application processing of SAD benefits is essential to an individual's proper care and treatment.</p> <p>10A NCAC 71P .0604</p>	Monthly



**ATTACHMENT III-F  
PERFORMANCE REQUIREMENTS:**

**Child Care Subsidy**

	<b>Standard Measure</b>	<b>County Performance Measure</b>	<b>Rationale and Authority</b>	<b>Report of Performance</b>
1	The County will process 95% of Child Care Subsidy applications within 30 calendar days of the application date.	The County will process 95% of Child Care Subsidy applications within 30 calendar days of the application date.	Ensure that families can place their children in quality child care without undue delay.  North Carolina Child Care Development Fund State Plan	Monthly

**MADISON COUNTY  
MONTHLY FINANCIAL REPORT**

**Bank balances at April 30, 2019 are as follows:**

	<b>Unrestricted</b>	<b>Restricted</b>		
General Fund	\$ 453,628.75			
Debt Service Fund	\$ 204,164.53			
Capital Outlay Fund	\$ 325,953.65	(Includes funds for new voting machines)		
Capital Management	\$ 8,441,905.46			
Occupancy Tax Fund		\$ 32,862.30		
Revaluation Fund		\$ 322,556.92		
Tourism Development		\$ 400,196.68		
Automation Fund		\$ 154,853.41		
Drug Seizure Fund		\$ 12,810.49		
Inmate Trust Fund		\$ 19,031.28		
Soil & Water Conservation		\$ 93,972.23		
<b>Total of All Accounts:</b>	<b>\$ 9,425,652.39</b>	<b>\$ 1,036,283.31</b>		
New Jail Loan	\$ -			
Cooperative Extension Loan	\$ (55,317.00)			
School Debt Service	\$ -			
40-42 Set Aside for Schools	\$ (1,421,359.60)			
Unspent Grant/Restricted Proceeds	\$ (888,411.47)			
Medicaid Cost Settlement	\$ (578,082.22)			
Encumbered Amounts	\$ (1,684,015.31)			
<b>Total Unassigned and Unrestricted Bank Balances</b>	<b>\$ 4,798,466.79</b>			
	<b>General</b>	<b>Landfill</b>	<b>911</b>	<b>Total</b>
<b>Unassigned and Unrestricted totals by Fund:</b>	<b>\$ 3,729,115.36</b>	<b>\$ 878,277.22</b>	<b>\$ 191,074.21</b>	<b>\$ 4,798,466.79</b>

Notes:

Occupancy Tax Fund - Balance is low because every quarter you must give 97% of the receipts to the TDA and 3% to the county.

**SUMMARIES:**

<b>General Fund</b>	<b>MTD</b>	<b>YTD</b>		<b>% OF BUDGET</b>	<b>YEAR TO DATE 4/18</b>
Revenues to Date:	\$ 1,437,228.26	\$ 19,406,515.41		76.35	\$ 19,181,537.99
Expenditures to Date:	\$ 1,771,113.47	\$ 18,742,480.15	\$ 1,555,075.55	73.74	\$ 18,351,795.24
Gain/Loss to Date:	\$ (333,885.21)	\$ 664,035.26			\$ 829,742.75
Contingency	\$ 136,086.81				

<b>Landfill</b>	<b>MTD</b>	<b>YTD</b>	<b>Encumbered</b>	<b>% OF BUDGET</b>	<b>YEAR TO DATE 4/18</b>
Revenues to Date:	\$ 62,190.59	\$ 1,800,367.86		-	\$ 1,878,223.29
Expenditures to Date:	\$ 155,224.04	\$ 1,605,911.78	\$ 118,244.76	76.36	\$ 1,531,081.68
Gain/Loss to Date:	\$ (93,033.45)	\$ 194,456.08			\$ 347,141.61
Contingency	\$ 9,432.34				

<b>911 Emergency Telephone Services</b>	<b>MTD</b>	<b>YTD</b>	<b>Encumbered</b>	<b>% OF BUDGET</b>	<b>YEAR TO DATE 4/18</b>
Revenues	\$ 17,325.19	\$ 155,926.71		75.00	\$ 179,196.93
Expenditures	\$ 9,687.96	\$ 129,503.51	\$ 10,695.00	62.29	\$ 156,361.25
Gain/Loss	\$ 7,637.23	\$ 26,423.20			\$ 22,835.68
Contingency	\$ -				

**Percentage of budget at April 30, 2019 is 83.33%**

**GENERAL FUND:**

DEPARTMENT	MTD	YTD	% OF BUDGET	YEAR TO DATE 4/18
Vehicle Tax	\$ 89,721.98	\$ 713,160.49	79.24	\$ 668,731.85
Overages/Underages	\$ 1.53	\$ 9.96		\$ (6.88)
Ad Valorem Tax Interest	\$ 20,705.77	\$ 105,888.87	53.55	\$ 229,781.62
Late Listing Fee	\$ 1,863.98	\$ 17,404.66	124.32	\$ 11,490.98
Legal Fees				\$ 1,490.00
2003 Ad Valorem Tax				\$ 341.15
2004 Ad Valorem Tax		\$ 118.71	94.97	\$ 626.76
2005 Ad Valorem Tax		\$ 97.13	97.13	\$ 680.70
2006 Ad Valorem Tax		\$ 354.63	141.85	\$ 801.14
2007 Ad Valorem Tax		\$ 1,138.89	90.39	\$ 1,722.18
2008 Ad Valorem Tax		\$ 2,209.47	32.75	\$ 10,777.51
2009 Ad Valorem Tax	\$ 84.64	\$ 2,795.58	34.94	\$ 18,041.38
2010 Ad Valorem Tax	\$ 400.98	\$ 2,774.61	18.70	\$ 25,640.67
2011 Ad Valorem Tax		\$ 3,469.04	23.13	\$ 35,032.08
2012 Ad Valorem Tax	\$ 572.87	\$ 7,101.88	23.67	\$ 41,272.98
2013 Ad Valorem Tax	\$ 139.35	\$ 10,267.83	29.34	\$ 45,085.52
2014 Ad Valorem Tax	\$ 1,479.56	\$ 13,727.66	27.90	\$ 67,924.17
2015 Ad Valorem Tax	\$ 2,937.69	\$ 29,842.77	84.16	\$ 111,125.81
2016 Ad Valorem Tax	\$ 6,786.15	\$ 58,507.13	73.13	\$ 212,990.83
2017 Ad Valorem Tax	\$ 12,969.20	\$ 178,662.70	96.57	\$ 9,879,331.70
2018 Ad Valorem Tax	\$ 167,733.27	\$ 9,835,214.31	97.27	\$ 1,865.54
2019 Ad Valorem Tax	\$ 19,162.47	\$ 23,722.31		
Collection Fees: Marshall		\$ 1.81	90.50	\$ 1.96
Collection Fees: Mars Hill		\$ 0.10	20.00	\$ 1.33
Collection Fees: Hot Springs				\$ 2.03
Sale of Tax Maps	\$ 80.00	\$ 615.75	136.83	\$ 300.25
Tax Office Copies				\$ 70.50
Returned Check Fees		\$ 630.08	63.01	\$ 1,631.93
Refunds/Overpayment of Taxes	\$ (672.48)	\$ 6,057.88		\$ (11,274.97)
Contra: Returned Check	\$ 28.78	\$ (1,732.82)		\$ (837.88)
Sale of Foreclosed Property		\$ 221,425.95	99.67	\$ 14,100.00
Contra: Foreclosed Property Expenses		\$ (43,282.05)	99.70	\$ (7,000.41)
Sales Tax/Video Programming		\$ 7,978.94	49.87	\$ 8,207.34
Sales Tax	\$ 274,176.35	\$ 2,332,974.10	62.95	\$ 2,035,945.98
Gas Tax Refund/State	\$ 4,068.16	\$ 16,844.57	84.22	\$ 13,947.48
Payment In Lieu of Taxes		\$ 4,642.08	3.72	\$ 4,424.81
Forest Service Timber Sales	\$ 8,862.61	\$ 9,606.05	1,292.11	\$ 10,520.87
Clerk of Court	\$ 8,140.13	\$ 61,794.66	67.17	\$ 55,331.09
Board of Elections	\$ 7.50	\$ 200.91	70.49	\$ 12,702.75
Register of Deeds	\$ 30,424.75	\$ 256,063.25	82.07	\$ 253,553.25
Sheriff's Department	\$ 44,113.16	\$ 426,045.19	69.09	\$ 413,980.75
Emergency Management	\$ 17,899.12	\$ 38,524.12	98.82	\$ 39,641.48
Inspections	\$ 13,892.50	\$ 128,832.56	78.32	\$ 144,094.00
Animal Control	\$ 1,440.91	\$ 24,170.01	81.93	\$ 25,968.45
Transportation	\$ 16,169.92	\$ 306,854.56	43.75	\$ 282,241.54
Cooperative Extension Service		\$ 3,275.00	86.18	\$ 4,105.00
Soil & Water Conservation		\$ 15,821.93	52.55	\$ 6,387.00
Grant Revenues/JCPC/DJJDP	\$ 6,563.00	\$ 96,510.63	32.06	\$ 161,105.36
Health Department	\$ 389,617.30	\$ 1,595,747.50	77.44	\$ 1,321,851.41
Medicaid Hold Harmless Tax		\$ 40,032.69	100.00	
Social Services	\$ 124,141.73	\$ 1,515,273.51	67.31	\$ 1,551,981.85

Department	MTD	YTD	% OF BUDGET	YEAR TO DATE 4/18
AFDC				\$ 31.03
Foster Care	\$ 121,049.22	\$ 682,093.84	63.28	\$ 854,432.39
Medicaid	\$ 180.00	\$ 370.00	740.00	\$ 355.39
Adoption	\$ 1,800.00	\$ 9,105.00	11.14	\$ 27,150.00
Child Support Enforcement	\$ 9,630.34	\$ 103,885.15	83.19	\$ 95,737.60
In Home Aides	\$ 7,944.50	\$ 58,574.00	66.95	\$ 47,668.10
Beech Glen Center	\$ 1,600.00	\$ 7,984.00	79.84	\$ 8,254.97
Nutrition	\$ 15,786.29	\$ 127,360.35	73.89	\$ 120,685.14
Library	\$ 7,042.50	\$ 85,481.86	66.23	\$ 137,685.81
Parks & Recreation		\$ 9,960.00	117.04	\$ 6,545.00
Interest Earned	\$ 69.70	\$ 99,159.33	104.38	\$ 59,606.08
Rent of County Property	\$ 6,175.00	\$ 57,186.64	81.35	\$ 56,750.00
Finance/Other	\$ 2,427.83	\$ 8,904.02	72.69	\$ 7,628.29
Miscellaneous Income	\$ 10.00	\$ 85,073.63	109.95	\$ 48,454.89
Fund Transfer In				\$ 2,820.46
Transfer In - Fund 23 CDBG				
<b>Totals</b>	<b>\$ 1,437,228.26</b>	<b>\$ 19,406,515.41</b>	<b>76.35</b>	<b>\$ 19,181,537.99</b>

#### GENERAL FUND EXPENDITURES

Governing Body	\$ 13,126.17	\$ 86,849.03	\$ 97.50	82.71	\$ 151,558.75
Finance Office	\$ 40,039.32	\$ 412,191.31	\$ 18,844.50	75.16	\$ 467,956.09
Tax Collector	\$ 32,366.59	\$ 204,635.43	\$ 42,717.72	69.94	\$ 187,135.84
Tax Supervisor	\$ 13,366.99	\$ 139,867.16	\$ 72.96	56.22	\$ 190,697.78
Land Records	\$ 26.00	\$ 19,490.34	\$ 78.00	99.60	\$ 47,982.61
Professional Services			\$ 40,000.00		
Court Facilities	\$ 250.00	\$ 8,476.90	\$ 10,694.00	42.60	\$ 7,058.68
Board of Elections	\$ 17,684.34	\$ 198,410.05	\$ 92,173.69	55.66	\$ 155,710.27
Register of Deeds	\$ 24,642.01	\$ 218,015.95	\$ 21,901.16	78.60	\$ 216,415.98
Register of Deeds- Automation		\$ 11,000.00		100.00	\$ 11,000.00
Maintenance	\$ 59,167.70	\$ 383,446.79	\$ 1,522.90	81.07	\$ 264,331.95
Sheriff's Department	\$ 245,505.44	\$ 2,550,029.89	\$ 47,533.10	81.02	\$ 2,546,939.60
Emergency Management	\$ 3,572.73	\$ 39,414.05	\$ 1,140.00	56.01	\$ 46,668.37
911 Dispatchers	\$ 43,988.44	\$ 481,481.84	\$ 1,961.00	78.89	\$ 338,419.24
Fire Contract/Forest Service		\$ 42,055.91	\$ 51,101.09	45.15	\$ 42,560.12
Inspections	\$ 21,531.09	\$ 228,190.50	\$ 107.85	74.15	\$ 173,127.56
Economic Development	\$ 9,110.11	\$ 21,417.52	\$ 19.50	15.69	\$ 81,328.85
Medical Examiner	\$ 400.00	\$ 9,950.00		99.50	\$ 4,150.00
Ambulance Service Contract	\$ 93,889.00	\$ 938,890.00	\$ 187,780.00	83.33	\$ 911,540.00
Animal Control	\$ 22,698.80	\$ 235,197.73	\$ 156.00	79.16	\$ 212,045.70
Transportation - Admin	\$ 8,140.30	\$ 79,784.53		63.25	\$ 81,171.35
Transportation - Operating	\$ 34,289.31	\$ 340,230.70	\$ 2,708.16	80.66	\$ 284,237.39
Transportation - Capital Outlay			\$ 254,017.00		
Transportation - EDTAP	\$ 889.65	\$ 6,477.65		12.71	\$ 12,153.50
Planning & Development	\$ 89.16	\$ 72,276.24		40.71	\$ 70,226.08
Information Technology	\$ 11,219.66	\$ 144,314.42	\$ 58.50	78.23	\$ 148,168.11
Cooperative Extension	\$ 25,937.20	\$ 206,808.83		76.27	\$ 192,177.53
Soil & Water	\$ 9,636.82	\$ 102,108.81	\$ 39.00	80.97	\$ 98,981.90
Health Department	\$ 256,462.97	\$ 2,257,117.09	\$ 127,223.48	72.77	\$ 2,050,615.04

DEPARTMENT	MTD	YTD	Encumbered	% OF BUDGET	YEAR TO DATE 4/18
Smart Start	\$ 4,065.77	\$ 41,063.04		72.12	\$ 44,136.70
Management Admin.	\$ 57,565.18	\$ 150,898.76	\$ 32,982.80	36.04	\$ 116,595.67
Social Services	\$ 216,491.91	\$ 2,198,816.94	\$ 20,267.92	73.09	\$ 2,284,114.92
AFDC		\$ 5,192.61		64.91	\$ 4,548.06
Special Assistance	\$ 10,571.50	\$ 105,475.50		58.12	\$ 125,208.50
State Foster Care	\$ 55,624.70	\$ 406,314.58		48.05	\$ 641,047.00
IV-E Foster Care	\$ 49,822.94	\$ 538,094.54		74.16	\$ 555,045.81
Medical Assistance Program		\$ 80.00		2.67	\$ 730.00
Adoption Assistance	\$ 15,369.94	\$ 93,602.24	\$ 1,625.00	68.12	\$ 76,549.91
Crisis Intervention	\$ 6,713.90	\$ 162,038.07		56.56	\$ 170,499.77
Child Support	\$ 9,077.64	\$ 80,459.88	\$ 3,543.90	63.14	\$ 86,854.87
In Home Aides	\$ 12,788.74	\$ 151,766.31	\$ 39.00	74.49	\$ 173,571.51
Nutrition	\$ 22,241.21	\$ 265,310.55	\$ 26,736.32	72.36	\$ 282,072.13
Education	\$ 273,312.00	\$ 3,144,573.00	\$ 546,624.00	81.12	\$ 3,069,090.28
A-B Technical College	\$ 9,375.00	\$ 93,750.00	\$ 18,750.00	83.33	\$ 93,750.00
Bank Charges	\$ 1,164.39	\$ 14,383.86		119.87	\$ 12,922.18
Library	\$ 30,311.95	\$ 370,979.42	\$ 370.50	67.92	\$ 457,919.73
Parks & Recreation	\$ 8,586.90	\$ 90,229.86	\$ 39.00	81.43	\$ 81,920.28
Debt Services		\$ 1,221,978.32	\$ 2,150.00	101.91	\$ 909,667.00
Debt Services Interest		\$ 169,344.00		98.84	\$ 168,372.17
Fund Transfer In/ Landfill & Library					\$ 2,820.46
Fund Transfer Out/Revaluation					
<b>TOTALS</b>	<b>\$ 1,771,113.47</b>	<b>\$ 18,742,480.15</b>	<b>\$ 1,555,075.55</b>	<b>73.74</b>	<b>\$ 18,351,795.24</b>

**LANDFILL FUND**

REVENUES	MTD	YTD	Encumbered	% OF BUDGET	YEAR TO DATE 4/18
Transfer From Fund Balance					
Landfill Miscellaneous Fees		\$ 515.30		257.65	\$ 643.55
Returned Check Fees					
Surplus Property Proceeds					\$ 15,575.00
State Tire Disposal Fee		\$ 15,537.70		77.69	\$ 14,338.60
Local Tire Disposal Fee	\$ 225.00	\$ 556.60		139.15	\$ 438.00
White Goods Tax					\$ 9,957.58
Sale of White Goods	\$ 3,244.30	\$ 19,018.76		118.87	\$ 15,453.56
Household Hazardous Waste	\$ 416.32	\$ 1,042.82		86.90	\$ 1,011.87
Temporary Disposal Cards	\$ 3,370.00	\$ 24,032.50		100.14	\$ 21,310.00
Duplicate Disposal Cards	\$ 60.00	\$ 825.00		68.75	\$ 1,310.00
Landfill Disposal Cost Fees	\$ 12,213.62	\$ 91,506.03		76.26	\$ 100,064.02
Landfill Sale of Recyclables	\$ 4,141.55	\$ 39,351.32		65.59	\$ 50,649.57
Nuisance Tires					
Disposal Cards	\$ 34,564.31	\$ 1,540,937.44		96.91	\$ 1,596,296.82
Construction Demolition	\$ 3,872.10	\$ 51,170.03		85.28	\$ 30,737.38
Solid Waste Disposal Distribution Grant/State		\$ 8,552.53		77.75	\$ 8,092.98
Electronics Management		\$ 1,389.33		36.56	\$ 1,754.40
Electronics (County)	\$ 75.00	\$ 5,847.50		134.35	\$ 10,505.00
Interest	\$ 8.39	\$ 85.00			\$ 84.96
<b>Totals</b>	<b>\$ 62,190.59</b>	<b>\$ 1,800,367.86</b>	<b>\$ -</b>	<b>\$ 85.60</b>	<b>\$ 1,878,223.29</b>
<b>EXPENSES:</b>	<b>MTD</b>	<b>YTD</b>	<b>Encumbered</b>	<b>% OF BUDGET</b>	<b>YEAR TO DATE 4/18</b>
Landfill	\$ 140,560.73	\$ 1,428,455.74	\$ 111,964.57	76.81	\$ 1,345,927.48
Recycling	\$ 11,502.22	\$ 154,375.29	\$ 2,500.00	71.94	\$ 167,003.72
Scrap Tires	\$ 3,122.46	\$ 22,812.76	\$ 3,780.19	80.04	\$ 17,888.26
White Goods	\$ 38.63	\$ 267.99		89.33	\$ 262.22
Closure/Post Closure					
<b>Totals</b>	<b>\$ 155,224.04</b>	<b>\$ 1,605,911.78</b>	<b>\$ 118,244.76</b>	<b>76.36</b>	<b>\$ 1,531,081.68</b>

TR-304 Bill Release Report NCPTS V4

Date run: 4/24/2019 1:33:20 PM  
 Data as of: 4/23/2019 7:35:44 PM

Report Parameters:

Release Date Start: 3/25/2019 Release Date End: 4/24/2019  
 Tax District: ALL

Default Sort-By: Bill #, Taxpayer Name, Release Date, Billing Date, Operator ID, Release Amount

Grouping: No Grouping

Bill #	Taxpayer Name	Bill Date	Release Reason	Release Date	Orig Bill Amount(\$)	Release Amount(\$)	Bill Amount after Release(\$)
0000003469-2018-2018-0000-00-REG	ANDERS, MARIE M	8/15/2018	Removal of SW Fee	4/5/2019	2,561.45	480.00	1,919.02
0000006325-2018-2018-0000-00-REG	WOODY, JIMMY WALTER	8/15/2018	Acreage change	3/26/2019	1,311.52	89.10	1,222.42
0000006325-2018-2018-0000-00-REG	WOODY, JIMMY WALTER	8/15/2018	Removal of SW Fee	3/26/2019	1,222.42	160.00	1,062.42
0000008154-2018-2018-0000-00-REG	ANDERS, BILLY CHARLES	8/15/2018	Removal of SW Fee	4/5/2019	945.76	160.00	785.76
0000009042-2018-2018-0000-00-REG	BRADLEY, TOMMY DALE	8/15/2018	Not in County	3/29/2019	45.08	45.08	0.00
0000009682-2018-2018-0000-00-REG	NOLAN, WILLIAM RAY	8/15/2018	Acreage change	3/29/2019	225.99	92.77	133.22
0000009932-2018-2018-0000-00-REG	DEGROOT, TROY S.	8/15/2018	Acreage change	4/8/2019	1,545.90	24.63	1,521.27
000010291-2018-2018-0000-00-REG	WELLS, ERIC	8/15/2018	Removal of SW Fee	4/15/2019	3,405.32	1,787.39	1,617.93
000010730-2018-2018-0000-00-REG	PRICE, GAIL ENGLISH	8/15/2018	Acreage change	3/26/2019	824.68	16.30	808.38
000010972-2018-2018-0000-00-REG	LEWIS, RUTH ANN (LIFE EST)	8/15/2018	Removal of SW Fee	4/1/2019	991.66	207.00	784.66
000011699-2018-2018-0000-00-REG	MAY, JESSICA	8/15/2018	Not in County	3/25/2019	375.74	375.74	0.00
000011833-2018-2018-0000-00-REG	RIVER BEND COTTAGE	8/15/2018	Business closed	4/2/2019	102.12	102.12	0.00
000014505-2018-2018-0000-00-REG	CUTSHALL, TONYA C.	8/15/2018	Sold/Traded	4/3/2019	69.41	69.41	0.00
000014564-2018-2018-0000-00-REG	SAGA COMMUNICATIONS OF NC,	8/15/2018	Business closed	3/25/2019	1,222.33	1,222.33	0.00
000015756-2018-2018-0000-00-REG	REED, KENNETH EDWARD	8/15/2018	Ownership change	4/18/2019	215.26	215.26	0.00
000016048-2018-2018-0000-00-REG	POWELL, VELMA EDMONDS &	8/15/2018	Removal of SW Fee	4/11/2019	13.30	0.16	13.14
000016048-2018-2018-0000-00-REG	POWELL, VELMA EDMONDS &	8/15/2018	Landfill error	4/11/2019	13.14	13.14	0.00
000019293-2018-2018-0000-00-REG	ROBINSON, BRUCE CLYDE	8/15/2018	Removal of SW Fee	3/26/2019	483.52	160.00	323.52
000019628-2018-2018-0000-00-REG	ANDERS, BILLY C.	8/15/2018	Removal of SW Fee	4/5/2019	736.45	160.00	576.45
000020808-2018-2018-0000-00-REG	KEENEY, GLENN D.	8/15/2018	Assessed In Err	3/25/2019	131.89	131.89	0.00
000021518-2018-2018-0000-00-REG	SCHOLZE, AARON T.	8/15/2018	Removal of SW Fee	4/18/2019	945.02	160.00	785.02



0000304276-2017-2017-0000-00-REG	BRADLEY, TOMMY DALE	8/15/2017 Not in County	3/29/2019	44.06	44.06	0.00
0000320661-2017-2017-0000-00-REG	NOLAN, WILLIAM RAY	8/15/2017 Acreage change	3/29/2019	225.99	92.77	133.22
0000420471-2016-2016-0000-00-REG	CUTSHALL, TONYA C.	8/15/2016 Sold/Traded	4/3/2019	80.27	80.27	0.00
0000420485-2015-2015-0000-00-REG	CUTSHALL, TONYA C.	8/15/2015 Sold/Traded	4/3/2019	86.31	86.31	0.00
0000420495-2014-2014-0000-00-REG	CUTSHALL, TONYA C.	8/15/2014 Sold/Traded	4/3/2019	92.81	92.81	0.00
0000420497-2017-2017-0000-00-REG	CUTSHALL, TONYA C.	8/15/2017 Sold/Traded	4/3/2019	74.65	74.65	0.00
0000421808-2017-2017-0000-00-REG	SAGA COMMUNICATIONS OF NC,	8/15/2017 Business closed	3/25/2019	1,200.11	1,200.11	0.00
0000421814-2015-2015-0000-00-REG	SAGA COMMUNICATIONS OF NC,	8/15/2015 Business closed	3/25/2019	960.09	960.09	0.00
0000421815-2016-2016-0000-00-REG	SAGA COMMUNICATIONS OF NC,	8/15/2016 Business closed	3/25/2019	1,200.11	1,200.11	0.00
0000452447-2013-2013-0000-00-REG	REED, KENNETH EDWARD	8/15/2013 Ownership change	4/18/2019	211.35	211.35	0.00
0000452448-2016-2016-0000-00-REG	REED, KENNETH EDWARD	8/15/2016 Ownership change	4/18/2019	215.26	215.26	0.00
0000452449-2012-2012-0000-00-REG	REED, KENNETH EDWARD	8/15/2012 Ownership change	4/18/2019	211.35	211.35	0.00
0000452452-2015-2015-0000-00-REG	REED, KENNETH EDWARD	8/15/2015 Ownership change	4/18/2019	215.26	215.26	0.00
0000452453-2011-2011-0000-00-REG	REED, KENNETH EDWARD	8/15/2011 Ownership change	4/18/2019	150.22	150.22	0.00
0000452454-2017-2017-0000-00-REG	REED, KENNETH EDWARD	8/15/2017 Ownership change	4/18/2019	215.26	215.26	0.00
0000452456-2014-2014-0000-00-REG	REED, KENNETH EDWARD	8/15/2014 Ownership change	4/18/2019	215.26	215.26	0.00
0000466003-2017-2017-0000-00-REG	RICKER, MICHAEL	8/15/2017 Ownership change	3/26/2019	121.44	121.44	0.00
<b>Subtotal</b>						
<b>Total</b>						11,058.90

Tax Year	Bill Number	Parcel #	Adjustment Reason	Date of Adj.	Refund Recipient Name	Refund Amount (\$)	MADISON Portion Refund (\$)	Fire District	Fire Refund (\$)
MADISON Refunds									
2018	0000003469-2018-2018-0000-00	4423	Removal of SW Fee	4/5/2019 10:42:32 AM	ANDERS, MARIE M	160.00	160.00		0.00
2018	0000007799-2018-2018-0000-00	10034	Removal of SW Fee	4/1/2019 12:29:45 PM	MALTRY, DAN P.	165.60	165.60		0.00
2018	0000020236-2018-2018-0000-00	9746486120L	Removal of SW Fee	4/5/2019 2:08:30 PM	MURPHEY, MONA BETH, TRUSTEE	153.38	153.38		0.00
2018	0000020237-2018-2018-0000-00	3713	Outbidg corr	4/8/2019 11:07:58 AM	MURPHEY, MONA BETH, TRUSTEE	13.45	13.45		0.00
2018	0000020237-2018-2018-0000-00	3713	Outbidg corr	4/8/2019 11:07:58 AM	MURPHEY, MONA BETH, TRUSTEE	2.37	0.00	MARS HILL FD	2.37
2017	0000447066-2017-2017-0000-00	3712	Removal of SW Fee	4/5/2019 2:00:46 PM	MURPHEY, MONA BETH, TRUSTEE	160.00	160.00		0.00
2017	0000447067-2017-2017-0000-00	3713	Outbidg corr	4/8/2019 11:04:21 AM	MURPHEY, MONA BETH, TRUSTEE	13.00	13.00		0.00
2017	0000447067-2017-2017-0000-00	3713	Outbidg corr	4/8/2019 11:04:21 AM	MURPHEY, MONA BETH, TRUSTEE	2.25	0.00	MARS HILL FD	2.25
2016	0000487069-2016-2016-0000-00	3713	Outbidg corr	4/8/2019 10:39:54 AM	MURPHEY, SYLVIA M.	13.00	13.00		0.00
2016	0000487069-2016-2016-0000-00	3713	Outbidg corr	4/8/2019 10:39:54 AM	MURPHEY, SYLVIA M.	2.25	0.00	MARS HILL FD	2.25
2015	0000487079-2015-2015-0000-00	3713	Outbidg corr	4/8/2019 10:34:16 AM	MURPHEY, SYLVIA M.	13.00	13.00		0.00
2015	0000487079-2015-2015-0000-00	3713	Outbidg corr	4/8/2019 10:34:16 AM	MURPHEY, SYLVIA M.	2.25	0.00	MARS HILL FD	2.25
2014	0000487087-2014-2014-0000-00	3713	Outbidg corr	4/8/2019 10:22:52 AM	MURPHEY, SYLVIA M.	13.00	13.00		0.00
2014	0000487087-2014-2014-0000-00	3713	Outbidg corr	4/8/2019 10:22:52 AM	MURPHEY, SYLVIA M.	1.75	0.00	MARS HILL FD	1.75
<b>Subtotal</b>						<b>715.30</b>	<b>704.43</b>		<b>10.87</b>

Authorization \_\_\_\_\_  
Date: 4/24/2019



# North Carolina Department of Public Safety

## Adult Correction and Juvenile Justice-Juvenile Community Programs

Roy Cooper, Governor  
Erik A. Hooks, Secretary

Reuben F. Young, Interim Chief Deputy Secretary  
William L. Lassiter, Deputy Secretary  
Cindy Porterfield, Director

May 7, 2019

Dear Mr. Murray:

Congratulations! The Juvenile Community Programs Section is pleased to announce that EMYS Madison Team Success has been awarded discretionary funding in the amount of \$1,486.00 for FY 2018-19! This award is to fund the requested additional tutoring hours for year end. In order to complete the award process, please access NCALLIES, complete a Program Agreement Revision, and prompt your Area Consultant via email once the revision is completed. Also, please be mindful that discretionary awarded funds require a local match. (Note: The purchase of equipment or capital outlay requires a cash match. As an exception, increases to a JCPC Administrative budget do not require cash match.)

We provide this notification of discretionary fund awards to ensure that all local approvals by the JCPC and local county commission boards may be accomplished. Please note the following timeline to insure timely disbursement of discretionary fund awards:

- **May 7, 2019 (COB)** Discretionary Award Notifications made to providers/ JCPCs.
- **May 7, 2019 - May 15, 2019** - Programs/JCPCs awarded discretionary funds submit Program Agreement Revisions in NCALLIES for Consultant review, approval, and release for DocuSign electronic signatures.

*Note: Program providers must follow the practices of the local JCPC when requesting discretionary funds to insure that JCPCs and County Commission Boards have ample time to approve county allocation increases via discretionary awards.*

- **Programs completing all Program Agreement Revision e-signatures prior to May 24<sup>th</sup> will be eligible for a May disbursement.** The section will complete a second disbursement the last week of May to counties. Program Revisions e-signed by May 31<sup>th</sup> will receive funds in the June disbursement.

Thank you for your continued investment in the youth and families of North Carolina through the valuable services that you offer. It is our hope that this discretionary fund award will further enhance the services provided to our youth by your agency.

Kind regards,

Cindy Porterfield, Director  
Juvenile Community Programs

Cc: JCPC Chairperson  
County Finance Officer

**MAILING ADDRESS:**  
4212 Mail Service Center  
Raleigh, NC 27699-4212

www.ncdps.gov



An Equal Opportunity Employer

**STATE OFFICE LOCATION:**  
3010 Hammond Business Place  
Raleigh, NC 27603  
Telephone: (919) 733-3388



**Vaya Health**

Field Court, Suite 206  
Asheville, NC 28806  
1 800 895 6246  
www.vayahealth.com

T. Clark Phillip, CPA, CGMA  
Chief Financial Officer

April 30, 2019

Re: Vaya Health Quarterly Report to the Counties for the Period Ended March 31, 2019

Dear County Representatives:

Enclosed you will find the year to date financial information for Vaya Health as of March 31, 2019. I encourage you to contact me directly if you have any questions about any of the information provided.

The format of the report was modified slightly a couple of quarters ago to make the information more meaningful and clearer. We continue to be interested in making the report as useful as possible for your purposes.

We have also added a companion report, Vaya Health Total Spendable Cash, that explains in greater detail the amount of cash available for operations. As you may be aware, there is a significant amount of discussion on LME MCO cash balances, often reflecting incomplete or inaccurate information. The most blatantly misleading aspect of the representation of the LME/MCOs cash position has to do with including the Medicaid Risk Reserve in the cash available for LME/MCOs to spend. The Medicaid Risk Reserve funds may not be spent without the prior written approval of the NC DHHS and only in the case of insolvency to pay claims of providers. This is well documented in G.S. 122C – 124.2, the state contract with the LME/MCOs, the Strategic Plan for Improvement of Behavioral Health Services report dated January 31, 2018 to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the LME/MCO Solvency Report dated October 15, 2018 to the Joint Legislative Oversight Committee on Health and Human Services. The restricted and unavailable Medicaid Risk Reserve represents more than 43% of Vaya's total cash and investments at March 31, 2019.

To help with understanding the Fiscal Monitoring Report and the Vaya Health Total Spendable Cash report we are also including an attachment with explanations of the categories used to create the reports.

I will be contacting you directly in the future to discuss the reports and to solicit any suggestions you have for improvement. If you have any immediate questions or comments, please don't hesitate to contact me via the information at the bottom of this page.

Very truly yours,

A handwritten signature in blue ink, appearing to read "T. Clark Phillip".

T. Clark Phillip  
Chief Financial Officer

**Fiscal Monitoring Report**

LME / MCO NAME:

**VAYA HEALTH**

**FOR THE PERIOD ENDING:**

**3/31/2019**

# of month in the fiscal year (July = 1, August = 2, . . . , June = 12) =====>

**9**

	(1)	(2)	(3)	(4)	(5)	(6)
	PRIOR YEAR		CURRENT YEAR 2018-2019			
	2017-2018		BUDGET	ACTUAL	BALANCE	ANNUALIZED
	BUDGET	ACTUAL		YR-TO-DATE	(Col. 3-4)	PERCENTAGE
<b>1. REPORT OF BUDGET VS. ACTUAL</b>						
<b>REVENUE</b>						
Interest Earned	303,568	354,602	525,000	417,774	107,226	106.10%
Rental Income	53,772	53,772	53,772	40,329	13,443	100.00%
Appropriation of Fund Balance	19,622,829	-	10,014,180	-	10,014,180	0.00%
Other Local	1,349,839	1,378,145	1,132,835	844,690	288,145	99.42%
<b>Total Local Funds</b>	<b>21,329,998</b>	<b>1,786,519</b>	<b>11,725,787</b>	<b>1,302,793</b>	<b>10,422,994</b>	<b>14.81%</b>
<b>County Appropriations (by County, includes ABC Funds):</b>						
Alexander County	50,000	50,000	50,000	37,500	12,500	100.00%
Alleghany County	115,483	115,483	115,483	86,612	28,871	100.00%
Ashe County	189,566	189,566	189,566	142,175	47,392	100.00%
Avery County	89,600	89,600	89,600	67,200	22,400	100.00%
Buncombe County	600,000	600,000	600,000	450,000	150,000	100.00%
Caldwell County	119,628	120,353	120,418	89,549	30,869	99.15%
Cherokee County	75,000	75,000	75,000	56,250	18,750	100.00%
Clay County	15,000	15,000	15,000	11,250	3,750	100.00%
Graham County	6,000	6,000	6,000	4,500	1,500	100.00%
Haywood County	101,900	99,122	101,900	77,305	24,595	101.15%
Henderson County	528,612	528,612	528,612	396,459	132,153	100.00%
Jackson County	123,081	123,081	123,081	92,311	30,770	100.00%
Macon County	106,623	106,623	106,623	79,967	26,656	100.00%
Madison County	30,000	30,000	30,000	22,500	7,500	100.00%
McDowell County	67,856	67,856	67,856	50,892	16,964	100.00%
Mitchell County	18,000	18,000	18,000	13,500	4,500	100.00%
Polk County	78,491	78,310	78,719	59,344	19,375	100.52%
Rutherford County	102,168	102,168	102,168	76,626	25,542	100.00%
Swain County	24,091	26,370	26,266	19,982	6,284	101.43%
Transylvania County	99,261	99,261	99,261	74,446	24,815	100.00%
Watauga County	171,194	171,194	171,194	128,396	42,799	100.00%
Wilkes County	267,354	268,047	268,316	201,321	66,995	100.04%
Yancey County	26,000	26,000	26,000	19,500	6,500	100.00%
<b>Total County Funds</b>	<b>3,004,908</b>	<b>3,005,647</b>	<b>3,009,063</b>	<b>2,257,583</b>	<b>751,480</b>	<b>100.03%</b>
DMH/DD/SAS State and Federal Funding	79,480,519	76,394,920	87,557,154	64,351,544	23,205,610	98.00%
DHB Capitation Funding (Medicaid)	329,980,398	322,970,297	334,381,987	243,820,956	90,561,031	97.22%
DHB Risk Reserve Funding (Medicaid)	6,734,294	6,617,747	6,824,122	4,984,186	1,839,936	97.38%
All Other State/Federal Funds	255,900	283,800	420,000	370,339	49,661	117.57%
<b>Total State, Federal and Medicaid Funds</b>	<b>416,451,111</b>	<b>406,266,764</b>	<b>429,183,263</b>	<b>313,527,026</b>	<b>115,656,238</b>	<b>102.66%</b>
<b>TOTAL REVENUE</b>	<b>440,786,017</b>	<b>411,058,930</b>	<b>443,918,114</b>	<b>317,087,401</b>	<b>126,830,712</b>	<b>95.24%</b>
<b>EXPENDITURES:</b>						
Administration	60,972,480	46,689,397	58,262,973	34,668,483	23,594,490	79.34%
LME Provided Services (Service Support)	1,653,575	1,444,386	1,868,975	1,145,238	723,737	81.70%
Provider Payments (State Funds)	68,436,869	67,734,777	70,082,586	43,327,482	26,755,104	82.43%
Provider Payments (Federal Funds)	13,412,541	12,886,062	11,160,157	8,397,949	2,762,208	100.33%
Provider Payments (County Funds)	3,029,656	2,954,234	3,009,063	2,065,648	943,415	91.53%
Provider Payments (Medicaid)	292,504,052	286,272,614	298,760,070	222,828,906	75,931,164	99.45%
Shelter Plus Care Grant Expenditures	776,844	765,618	774,290	548,075	226,215	94.03%
<b>TOTAL EXPENDITURES</b>	<b>440,786,017</b>	<b>418,747,088</b>	<b>443,918,114</b>	<b>312,979,781</b>	<b>130,938,333</b>	<b>94.01%</b>
<b>Net Income or (Loss) (from Operations and Risk Reserve)</b>		<b>(7,688,159)</b>		<b>4,107,620</b>		
Less Risk Reserve Revenue		(6,617,747)		(4,984,186)		
<b>NET INCOME OR (LOSS) FROM OPERATIONS</b>		<b>(14,305,906)</b>		<b>(876,566)</b>		
<b>2. FUND BALANCE</b>						
Restricted Fund Balance for Risk Reserve		37,963,258		42,947,443		
Restricted Fund Balance - State Statute, Prepaids & Investment in Fixed Assets		12,851,247		20,943,649		
Unrestricted Fund Balance (Including Board Commitments)		27,880,650		19,225,672		
<b>TOTAL FUND BALANCE</b>		<b>78,695,156</b>		<b>83,116,764</b>		
<b>3. CURRENT CASH POSITION</b>						
Current Cash in Bank (Including Risk Reserve)				99,459,219		
Less Risk Reserve Cash				(42,947,443)		
<b>TOTAL OPERATING CASH</b>				<b>56,511,775</b>		*See additional Document
<b>4. ESTIMATED SERVICES INCURRED BUT NOT REPORTED/PAID (IBNR)</b>						
				16,719,232		

**Vaya Health Total Spendable Cash  
As of March 31, 2019**

Total Operating Cash (Excluding Risk Reserve)	56,511,775
Less Single Stream Reduction Balance	(4,402,631)
Less Accounts Payable	(30,249,144)
Plus Accounts Receivable	13,810,664
Less Annual Leave Payout Liability	(2,044,317)
Less Other Post Employment Benefits Liability	(2,122,000)
Less 30 Days Cash	(34,267,859)
Spendable Cash	<u>(2,763,512)</u>

In accordance with G.S. 122C-124.2(e)(3), the risk reserve's purpose is to pay outstanding liabilities (unpaid claims) to providers in cases of insolvency and not intended to be used for operating costs. These resources are not available for payment of non-provider claims and may not be accessed by the LME MCO without written consent from DHHS.

## COMMENTS AND EXPLANATIONS

### FISCAL MONITORING REPORT

The report is divided into four sections:

- Section 1 contains budget versus actual information for the prior year and current year.
  - Revenue
    - Total Local Funds
    - Total County Funds
    - Total State, Federal, and Medicaid Funds
    - Total Revenue
  - Expenditures
  - Net Income or (loss) from operations
    - Net Income or (Loss) (from Operations and Risk Revenue) includes the Medicaid Risk Revenue that by statute the state will not allow LME MCOs to access.
    - Less Risk Reserve Revenue is the amount of Medicaid Risk Reserve Revenue included in the Net Income or (Loss) (from Operations and Risk Revenue) even though the LME/MCO does not have access to those funds.
    - Net Income or (Loss) from Operations is the true operating income or (loss) not counting the Medicaid Risk Revenue that is restricted by state statute and not accessible to the LME/MCO.
- Section 2 Fund Balance contains information on the restricted and unrestricted components that comprise the Fund Balance.
  - Restricted Fund Balance for Risk Reserve contains the amount of Medicaid Risk Reserve that is restricted by statute and not accessible to the LME/MCO.
  - Restricted Fund Balance – State Statute, Prepaids & Investments in Fixed Assets represents amounts of funds already expended but not yet expensed or fully depreciated that are not readily available for use by the LME/MCO.
  - Unrestricted Fund Balance (Including Board Commitments) are funds available for use.
  - Total Fund Balance represents the sum of the restricted and unrestricted fund balances.
- Section 3 Current Cash Position contains information on cash that is available for use and cash that is restricted by state statute and is not available for use.
  - Current Cash in Bank (Including Risk Reserve) represents Vaya's total cash and investments including the Medicaid Risk Reserve, that is restricted by state statute and unavailable for use by the LME/MCO.
  - Less Risk Reserve Cash – Set Aside is the amount of Medicaid Risk Reserve that is restricted by state statute and unavailable for use by the LME/MCO.
  - Total Operating Cash is the amount of cash and investments that are available for the LME/MCO to use. It does not include funds that are unavailable to the LME/MCO such as the Medicaid Risk Reserve.
- Section 4 Estimated Services Incurred But Not Yet Reported (IBNR) represents an estimate based on historical claims patterns for services that have been received by recipients, but have not yet been billed by providers or, received and paid by the LME/MCO.

## VAYA HEALTH TOTAL SPENDABLE CASH

This report starts with the Total Operating Cash contained in Section 3 of the Fiscal Monitoring Report and adds or subtracts items that will be paid or received in the future. It also subtracts an amount equal to 30 days operating cash (approximately \$1.1 million per calendar day) to show the amount of unrestricted cash that is prudently available for use should there be unforeseen interruptions in revenue

Total Cash (Excluding Risk Reserve) ties to Total Operating Cash in Section 3 of the Fiscal Monitoring Report.

Less Accounts Payable represents the total amount of the items to be paid for both services (claims incurred but not reported or paid) and items to be paid for non-service items.

Plus Accounts Receivable represents the total amount of funds to be collected in the future.

Less Annual Leave Payout represents the liability for unused annual leave to be taken or paid out if the employee leaves the company.

Less Post Employment Benefits represents the liability for vested retirement benefits.

Less 30 Days Cash represents a minimal period of time to keep a cushion of cash to continue operations should there be unforeseen interruptions in revenue. The current level of cash used for operations (including services and administration) is approximately \$1.1 million per calendar day.



Whereas	Primary Government Unit Madison County
and	Discretely Presented Component Unit (DPCU) (if applicable)
and	Auditor Mauldin & Jenkins, PLLC

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending 06/30/18	and originally due on	Audit Report Due Date 10/31/18
-----	--------------------------------	-----------------------	-----------------------------------

hereby agree that it is now necessary that the contract be modified as follows.

<input checked="" type="checkbox"/> Modification to due date:	Original due date 10/31/18	Modified due date 05/31/19
<input checked="" type="checkbox"/> Modification to fee:	Original fee 47,500	Modified fee 79,700

### EXPLANATION OF MODIFIED CONTRACT TERMS

*Please provide an explanation for the modification of terms. If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years.*

The fee was modified to include additional time and expenses associated with (1) increase in number of major programs required outside the original scope of the audit contract; (2) unanticipated restatements in the financial statements; (3) additional assistance and training in preparation of the schedule of expenditures of federal and state awards; and (4) work incurred outside the original scope of the audit.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm Mauldin & Jenkins, PLLC	
Authorized Firm Representative (typed or printed) Adam M. Fraley	Signature
Date 04/30/19	Email Address afraley@mjcpa.com

**GOVERNMENTAL UNIT**

Governmental Unit Madison County	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

**\*ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT\***

*(Pre-audit certificate not required for charter schools or hospitals)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Primary Governmental Unit Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**  
**\*ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT\***  
*(Pre-audit certificate not required for charter schools or hospitals)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

The	Governing Board Board of Directors
of	Primary Government Unit Madison County
and	Discretely Presented Component Unit (DPCU) (if applicable)

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Mauldin & Jenkins, PLLC
	Auditor Address 200 Galleria Parkway, Suite 1700 Atlanta, Georgia 30339

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/19	Audit Report Due Date 10/31/19
-----	--------------------------------	-----------------------------------

*Must be within four months of FYE*

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
- At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

**County and Multi-County Health Departments:** The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on

eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

10. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

If the OSA designates certain programs to be audited as major programs, as discussed in Item 2, a turnaround document and a representation letter addressed to the OSA shall be submitted to LGC Staff.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

21. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

22. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

23. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

24. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).
27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.
28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.



### FEES FOR AUDIT SERVICES

For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

**20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.**

#### PRIMARY GOVERNMENT FEES

Primary Government Unit	Madison County
Audit	\$ 43,500
Writing Financial Statements	\$ 4,000
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$ 35,625.00

#### DPCU FEES (if applicable)

Discretely Presented Component Unit	
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Mauldin & Jenkins, PLLC	
Authorized Firm Representative (typed or printed) Adam M. Fraley	Signature
Date 04/30/19	Email Address afraley@mjcpa.com

GOVERNMENTAL UNIT

Governmental Unit Madison County	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**  
*(Pre-audit certificate not required for charter schools)*

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Primary Governmental Unit Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

LGC-205

**CONTRACT TO AUDIT ACCOUNTS****SIGNATURE PAGE – DPCU**  
(complete only if applicable)**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**  
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_  
Date: \_\_\_\_\_

County: Madison  
LEA: Madison County Schools 570  
Address: 5738 US 25/70 Hwy. Marshall, NC

Contact Person: Michael Wallin  
Title: CFO  
Phone: 828-649-9276

Project Title: Madison County Alternative High School  
Location: 5740 US Hwy. 25/70 behind High School Marshall, NC 28753  
Type of Facility: School Building

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: This is a metal building that is being built to house the alternative school.

Estimated Costs:

Purchase of Land _____	\$ _____
Planning and Design Services _____	_____
New Construction _____	250,000.00
Additions / Renovations _____	_____
Repair _____	_____
Debt Payment / Bond Payment _____	_____
<b>TOTAL _____</b>	<b>\$ 250,000.00</b>

Estimated Project Beginning Date: 4/15/2019 Est. Project Completion Date: 9/30/2019

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 250,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners) \_\_\_\_\_ (Date) 4-29-19  
(Signature — Chair, Board of Education) \_\_\_\_\_ (Date) \_\_\_\_\_

**Madison County  
Board of Commissioners**

**2019 Budget Amendment # 13  
May 14, 2019**

Description	Line Item	Debit	Credit
<b>Ad Valorem Taxes</b>			
Vehicle Taxes	10.3100.1000		\$ 50,000.00
Ad Valorem Tax - Interest	10.3100.1700	\$ 65,000.00	
Ad Valorem Tax - Late Listing	10.3100.1800		\$ 3,500.00
2006 Ad Valorem Taxes	10.3100.2006		\$ 110.00
2009 Ad Valorem Taxes	10.3100.2009	\$ 5,000.00	
2010 Ad Valorem Taxes	10.3100.2010	\$ 10,000.00	
2011 Ad Valorem Taxes	10.3100.2011	\$ 10,000.00	
2012 Ad Valorem Taxes	10.3100.2012	\$ 20,000.00	
2013 Ad Valorem Taxes	10.3100.2013	\$ 20,000.00	
2014 Ad Valorem Taxes	10.3100.2014	\$ 31,200.00	
Sale of Tax Maps	10.3100.6000		\$ 200.00
To adjust tax revenue projections based on actual receipts.			
<b>Sales Taxes</b>			
1% Sales Tax	10.3232.3000		\$ 89,402.00
1st 1/2% Sales Tax	10.3232.3100		\$ 50,000.00
2nd 1/2% Sales Tax	10.3232.3110		\$ 20,000.00
Ec Dev Sales Tax	10.3232.3116		\$ 30,000.00
To adjust tax revenue projections based on actual receipts.			
<b>Refunds</b>			
Gas Tax Refunds	10.3325.3520		\$ 3,000.00
To adjust tax revenue projections based on actual receipts.			
<b>Board of Elections</b>			
Misc Income	10.3417.1100		\$ 5.00
Voter Reg List	10.3417.8920	\$ 50.00	
To adjust revenue projections based on actual receipts.			
<b>Register of Deeds</b>			
Marriage Licenses	10.3418.4110		\$ 1,500.00
To adjust revenue projections based on actual receipts.			
<b>Sheriff's Department</b>			
Housing of Federal Inmates	10.3431.2100	\$ 63,896.00	
Transport of Federal Inmates	10.3431.2200	\$ 5,223.00	
Drug Tax/Cerk of Court	10.3431.2310		\$ 215.00

Gun Permits/Renewals	10.3431.2500		\$	7,000.00
Fingerprint Fees	10.3431.2600		\$	1,000.00
Background Checks	10.3431.2700		\$	362.00
Housing of State Inmates	10.3431.3000		\$	32,000.00
Housing Other Inmates	10.3431.3010		\$	24,430.00
Inmate Phone Commissions	10.3431.8000		\$	5,000.00
Vehicle Impound	10.3431.8100	\$	1,000.00	
Misc Income	10.3431.8230		\$	112.00
To adjust revenue projections based on actual receipts.				

**Animal Control**

Misc Fees	10.3438.2500		\$	850.00
To adjust revenue projections based on actual receipts.				

**Transportation**

Passenger Donation	10.3452.5110	\$	1,000.00	
Senior Citizen Donation	10.3452.5211		\$	200.00
Nursing Home - Elderberry	10.3452.5290		\$	3,000.00
Medicaid	10.3452.5310		\$	35,000.00
EDTAP: State	10.3452.8470		\$	6,248.00
General Public Assistance	10.3452.8490	\$	16.20	
To adjust revenue projections based on actual receipts.				

**Tax Collector**

Salaries	10.4140.1210		\$	2,500.00
Temp Salaries	10.4140.1260	\$	4,500.00	
To reallocate salaries to temp salaries to reflect budget needs				

**Tax Assessor**

Salaries	10.4141.1210		\$	7,000.00
FICA	10.4141.1810		\$	800.00
Retirement	10.4141.1820		\$	500.00
To reallocate lapsed salaries to other areas.				

**Maintenance**

Salaries	10.4261.1210		\$	4,000.00
FICA	10.4261.1810		\$	500.00
Retirement	10.4261.1820		\$	300.00
Telephone	10.4261.3210	\$	469.00	
Electricity	10.4261.3310	\$	4,261.00	
To reallocate lapsed salaries to other areas.				

Building Repairs	10.4261.3510	\$	15,000.00	
To allocate additional funds for cleanup of flood damage at Barnard Park and the Island.				

**Inspections**

Salaries	10.4350.1210		\$	10,500.00
----------	--------------	--	----	-----------

FICA	10.4350.1810		\$	1,000.00
Retirement	10.4380.1820		\$	1,000.00

To reallocate lapsed salaries to other areas.

**Nutrition**

Home Delivered Program	10.3555.8410	\$	200.00	
United Way	10.3555.8455	\$	100.00	
Misc Rev	10.3555.8460			\$ 519.25

To adjust revenue projections based on actual receipts.

**Library**

Dues (Books)	10.3611.4100	\$	2,000.00	
Dues (Audio Visual)	10.3611.4150	\$	1,000.00	
E-Rate Reimbursement	10.3611.4445			\$ 402.06

To adjust revenue projections based on actual receipts.

**Parks & Rec**

Event Programming	10.3770.3380			\$ 4,000.00
Barnard Park Maint	10.3770.3500			\$ 400.00
Event Programming	10.6130.3580	\$	2,500.00	

To adjust projections based on actual receipts.

**Interest Earned**

Interest Earned	10.3831.4910			\$ 10,000.00
-----------------	--------------	--	--	--------------

To adjust revenue projections based on actual receipts.

**Misc Income**

Misc Income	10.3836.1100			\$ 800.00
-------------	--------------	--	--	-----------

To adjust revenue projections based on actual receipts.

**Information Technology**

Salaries	10.4931.1210			\$ 2,500.00
FICA	10.4931.1810			\$ 191.00
Retirement	10.4931.1820			\$ 196.00
Vehicle Parts	10.4931.2510	\$	300.00	
Motor Fuels & Lubricants	10.4931.2510	\$	300.00	
Software	10.4931.4000	\$	950.00	

To reallocate lapsed salaries to other areas.

**Health Department**

Maternal Health	10.3513.3350			\$ 5,528.00
Drugs	10.5110.2380	\$	500.00	
Office Supplies	10.5110.2610	\$	400.00	
Telephone	10.5110.3210	\$	500.00	
Liability Ins	10.5110.4540	\$	949.00	
Project Lazarus	10.5110.3406	\$	3,179.00	

Project Lazarus funding was restored.

Medicaid Maximization	10.3513.3540		\$	179,693.00
State Food & Lodging	10.3513.3500		\$	4,214.00
Telephone	10.5110.3210	\$	2,000.00	
Motor Fuels	10.5110.2510	\$	350.00	
Misc Supplies	10.5110.2990	\$	1,864.00	

Cost settlement funds for FY17 and FY18 have been received.

DFC Grant	10.3513.7015		\$	6,832.68
DFC Grant	10.5110.7015	\$	6,832.68	

To budget for grant carryforward funds.

Std - Medicaid	10.3513.3519		\$	550.00
Medicaid - Immunizations	10.3513.3520		\$	2,000.00
Medicaid - Family Planning	10.3513.3521		\$	8,000.00
Medicaid - Child Health	10.3513.3523		\$	3,000.00
Medicaid - Maternal Health	10.3513.3524	\$	7,000.00	
Medicaid - OB Care Manager	10.3513.3526	\$	5,000.00	
Medicaid - Adult Health	10.3513.3528		\$	3,000.00
Medicaid - Dental	10.3513.3530	\$	21,000.00	
Adult Health Insurance	10.3513.3561		\$	6,000.00
Maternal Health	10.3513.3570	\$	4,500.00	
Maternal Health Ins	10.3513.3571		\$	500.00
Family Planning	10.3513.3580	\$	9,000.00	
Family Planning Insurance	10.3513.3581		\$	7,000.00
On Site Wastewater Fees	10.3513.3590	\$	10,000.00	
New Well Permits	10.3513.3605	\$	5,000.00	
Flu Vaccines	10.3513.3610	\$	640.00	
Communicable Disease Fees	10.3513.3620	\$	7,500.00	
Communicable Disease Insurance	10.3513.3621		\$	14,000.00
Dental Fees	10.3513.3630	\$	20,000.00	
Dental Insurance	10.3513.3631		\$	5,000.00
Child Health Fees	10.3513.3640	\$	2,000.00	
Child Health Ins	10.3513.3641		\$	2,000.00

To adjust revenue projections based on actual receipts.

Salaries	10.5110.1210		\$	10,500.00
Prof Services - Other	10.5110.1990	\$	10,500.00	

To reallocate lapsed salaries and to add funds for a temporary dentist.

Kith & Kin	10.3513.3670	\$	5,089.00	
Salary	10.5185.1210		\$	4,942.42
FICA	10.5181.1810		\$	433.00
Retirement	10.5181.1820		\$	206.00
Life Insurance	10.5181.1890		\$	24.00
Program Materials	10.5181.2310	\$	757.15	



Misc Supplies	10.5181.2990		\$	113.52
Travel	10.5185.3110		\$	127.21

The funding for Kith and Kin was reduced and Employee reduced her hours to offset.

Misc Inc	10.3513.1100		\$	50.00
Focus Grant	10.5110.7017	\$	50.00	

FBEMC donated funds towards the Focus grant.

**Finance**

Professional Services - Accountin	10.4130.1990	\$	26,200.00	
-----------------------------------	--------------	----	-----------	--

Additional costs are required for the audit fee due to 4 prior period adjustments and additional testing required for the single audit.

Salaries	10.4310.1210		\$	4,000.00
FICA	10.4310.1810		\$	750.00
Retirement	10.4310.1820		\$	200.00

To reallocate lapsed salaries to other areas.

**Management Admin**

JCPC - Team Success	10.3511.3353		\$	1,486.00
JCPC - Team Success	10.5211.6873	\$	1,486.00	

Team Success was awarded discretionary funding for FY19 - no additional County funds required.

**Planning & Development**

Grant Matching	10.4930.9001		\$	15,000.00
----------------	--------------	--	----	-----------

To reallocate budget to cover flood damage.

**Education**

Lottery Funds	10.3591.0000		\$	250,000.00
Lottery Funds	10.5911.6340	\$	250,000.00	

The School is requesting additional lottery funds for a metal building for the alternative school. After this allocation the ending balance in Lottery Funds available will be \$278,171.92

**Forest Timber Sales**

National Timber Receipts	10.3313.2400		\$	8,862.61
Forest Service Funds	10.5911.6700	\$	8,862.61	

**Medical Examiner**

Medical Examiner	10.4360.1930	\$	2,500.00	
------------------	--------------	----	----------	--

Additional budget for medical examinations is necessary.

**Fund Balance**

Transfer from Fund Balance	10.3000.1000	\$	240,625.43	
----------------------------	--------------	----	------------	--

To reduce FB allocation due to other budget adjustments

**Contingency**

Contingency	10.7000.0000	\$	36,004.68	
		\$	954,254.75	\$ 954,254.75
	Difference			\$ -

Net effect of all budget amendments

General	Revenues	\$	313,931.97
	Expenses	\$	313,931.97

**Madison County  
Board of Commissioners**

**2019 Budget Amendment # 13B  
May 14, 2019**

Description	Line Item	Debit	Credit
<b>Debt Services</b>			
School Debt	10.7000.7550	\$ 218,037.65	
Transfer In from Fund 38	10.9800.0038		\$ 218,037.65
Transfer out from Fund 38	38.9900.0038	\$ 218,037.65	
Transfer from Fund Balance	38.3000.0000		\$ 218,037.65

The QSCB project has been completed, and the remaining available balance was paid toward the balance of the loan.

**Health Department**

Salaries	10.5110.1210		\$ 3,022.25
FICA	10.5110.1810		\$ 231.20
Retirement	10.5110.1820		\$ 236.94
DFC Grant	10.5110.7015	\$ 8,657.71	
DFC Grant	10.3513.7015		\$ 5,167.32

To correct additional DFC grant carryforward and correct the salaries paid from the grant.

**Sheriff's Department**

Capital - Vehicles	10.4310.5110	\$ 25,000.00	
Building Repairs	10.4310.3520	\$ 50,000.00	
Salaries	10.4310.1210	\$ 15,239.42	
FICA	10.4310.1810	\$ 1,165.81	
Retirement	10.4310.1820	\$ 1,194.77	

To allocate additional budget to for Detention officers, a vehicle, and other items.

**Contingency**

Contingency	10.7000.0000		\$ 92,600.00
-------------	--------------	--	--------------

\$ 537,333.01 \$ 537,333.01

Difference \$ -

**Net effect of all budget amendments**

General Fund	Revenues	\$ 223,204.97
	Expenses	\$ 223,204.97
Fund 38	Revenues	\$ 218,037.65
	Expenses	\$ 218,037.65

**MEMORANDUM OF AGREEMENT**

**NORTH CAROLINA DEPARTMENT OF  
NATURAL AND CULTURAL  
RESOURCES - STATE LIBRARY**

**AND**

**COUNTY OF MADISON**

**THIS AGREEMENT** is made and entered into on the last date executed below, by and between the North Carolina Department of Natural and Cultural Resources, an agency of the State of North Carolina, hereinafter referred to as "DNCR" and the State Library, a Division of DNCR, hereinafter referred to as "Agency," and the County of Madison, hereinafter referred to as "County," each referred to herein individually as "Party" and collectively as "the Parties."

**WITNESSETH**

**WHEREAS**, K-12 students who are assigned homework requiring access to the internet, but who do not have home internet access, fall into what is called the "homework gap," which can limit students' educational opportunities outside the classroom; and,

**WHEREAS**, grant funded pilot projects have been successful in addressing the homework gap by equipping North Carolina library systems with training, resources, connectivity and hotspots loaned to students to provide the at-home internet access needed to complete homework assignments; and

**WHEREAS**, the Agency has determined that students will benefit from other pilot projects that will break down barriers and close the homework gap for students by enhancing resources in local libraries, public schools and rural communities, towns, cities. The Agency will enhance existing resources with funding support to: acquire Wi-Fi hotspots and Wi-Fi equipped laptop computers to be loaned to students; equip school buses and bookmobiles with Wi-Fi connectivity; obtain equipment and training for digital literacy, enhance Wi-Fi connectivity across rural towns, cities and communities; and additionally, provide funding support for other pilot projects that may benefit the health, wellbeing and success of students.

**NOW THEREFORE**, and in consideration of the promises and covenants contained in this **AGREEMENT** and the mutual benefits derived therefrom, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1) DUTIES OF THE PARTIES**

a. DNCR and Agency

- i. Will work with County to improve digital literacy and address the homework gap in rural counties by providing funding support for improving internet access to K-12 students, providing digital literacy training and providing equipment for improved access and connectivity to the internet. The partnership may include working with local schools to identify families without internet service to participate in a program to loan Wi-Fi hotspots or Wi-Fi equipped laptops for an entire school semester and receive digital literacy training sessions, working with counties and local municipalities to enhance Wi-Fi connectivity that is free and accessible and providing support to other pilot projects that benefit the health, wellbeing and success of students in rural counties.
- ii. Will work with the Broadband Infrastructure Office of the North Carolina Department of Information Technology to provide technical assistance and expertise to the Parties in carrying out the terms of this agreement.

b. County

- i. Will work with the Agency to enhance existing resources through funding support to: acquire Wi-Fi hotspots and Wi-Fi equipped laptop computers to be loaned to students; equip school buses and bookmobiles with Wi-Fi connectivity; obtain equipment and training for digital literacy, enhance Wi-Fi connectivity across rural towns, cities and communities; or, participate in other pilot projects that may benefit the health, wellbeing and success of students; and

## **2) ALLOCATION OF FUNDS**

DNCR agrees to pay the County a total not to exceed \$50,000.00. Payment under this Agreement will be made upon receipt of an original invoice setting forth the amount due and payable pursuant to this Agreement. It is the responsibility of the County to determine the accuracy of the invoices and actual performance of the project. All invoices shall be submitted via mail or email to:

Address: Accounts Payable  
North Carolina Department of Natural and Cultural Resources  
4605 Mail Service Center  
Raleigh, NC 27699-4605  
Email Address: [DNCRaccounts payable@ncdcr.gov](mailto:DNCRaccounts payable@ncdcr.gov)

## **3) AVAILABILITY OF FUNDS**

All terms and conditions of this Agreement are dependent upon and subject to the allocation of funds for the purposes set forth and the Agreement shall automatically terminate if funds cease to be available.

## **4) ADDITIONAL PROVISIONS**

This AGREEMENT and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements. Any modification to this AGREEMENT shall be agreed upon in writing by both Parties prior to being implemented.

- a) This AGREEMENT shall remain in effect for the time necessary to perform the required work unless either Party provides a thirty (30) day written notice to the executing Parties of the AGREEMENT requesting termination.
- b) If, through any cause, the County shall fail to fulfill its obligations under this AGREEMENT, DNCR shall have the right to terminate this Contract by giving written notice to the County and specifying the effective date thereof. Unexpended funds held by the County shall revert to DNCR upon termination of this AGREEMENT.
- c) The County shall hold and save the Agency, DNCR, and the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or

supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the County in the performance of this agreement and that are attributable to the negligence or intentionally tortious acts of the County.

- d) This AGREEMENT shall be interpreted under the laws of the State of North Carolina, resolving any ambiguities and questions of the validity of specific provisions so as to give maximum effect to the values and purposes sought to be set forth herein.
- e) The State Auditor and DNCR Internal Auditors shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with N.C.G.S §. 147-64.7. The County shall retain all records for a period of five years following completion of the AGREEMENT, or until all audit exceptions have been resolved, whichever is longer.

IN WITNESS WHEREOF, this AGREEMENT has been executed, in duplicate, the day and year heretofore set out, on the part of the County, DNCR, and the Agency by authority duly given.

NCGS § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

**COUNTY OF MADISON**

  
\_\_\_\_\_  
Forrest Gilliam

County Manager

  
\_\_\_\_\_  
Date

**STATE LIBRARY OF NORTH CAROLINA**

\_\_\_\_\_  
Timothy Owens

State Librarian

\_\_\_\_\_  
Date



**NORTH CAROLINA DEPARTMENT OF NATURAL AND CULTURAL RESOURCES**

---

Staci T. Meyer

---

Date

Deputy Secretary

**APPROVED AS TO AVAILABILITY OF FUNDS**

Company Account Center

4601-532199-1410209

---

Joshua Davis

---

Date

Chief Financial Officer

**APPROVED FOR CONTRACT**

---

DNCR Purchasing and Contract

---

Date

**Attachment A**  
**Notice of Certain Reporting and Audit Requirements**

The County shall comply with the all rules and reporting requirements established by State statute or administrative rules. For convenience, the requirements are set forth in this Attachment.

**Reporting Thresholds.**

There are three reporting levels established for recipients receiving State financial assistance. Reporting levels are based on the level of State financial assistance from all funding sources. The reporting levels are:

- (1) Level I – A recipient that receives, holds, uses, or expends State financial assistance in an amount less than twenty-five thousand dollars (\$25,000) within its fiscal year.
- (2) Level II - A recipient that receives, holds, uses, or expends State financial assistance in an amount of at least twenty-five thousand (\$25,000) or greater, but less than five hundred thousand dollars (\$500,000) within its fiscal year.
- (3) Level III – A recipient that receives, holds, uses, or expends State financial assistance in an amount equal to or greater than five hundred thousand dollars (\$500,000) within its fiscal year.

Reporting requirements for recipients that meet the following reporting standards on an annual basis:

- (1) All recipients shall provide a certification that State financial assistance received or, held was used for the purposes for which it was awarded.
- (2) All recipients shall provide an accounting of all State financial assistance received, held, used, or expended.
- (3) Level II and III recipients shall report on activities and accomplishments undertaken by the County, including reporting on any performance measures established in this Contract.
- (4) Level III recipients shall have a single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book.

All reports shall be filed with the Agency in the format and method specified by the Agency no later than three months following the end of the County's fiscal year. Audits must be provided to the funding Agency no later than nine months following the end of the County's fiscal year. The County shall use the reporting package forms provided by the Agency in making and submitting reports to the Agency.

Unless prohibited by law, the costs of audits made in accordance with the provisions of this Contract shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2 CFR Part 200. The cost of any audit not conducted in accordance with this Contract shall not be charged to State awards.

Notwithstanding the provisions of this Contract, a recipient may satisfy the reporting requirements of this Contract by submitting a copy of the report required under federal law with respect to the same funds.

MEMORANDUM OF AGREEMENT

STATE OF NORTH CAROLINA

DEPARTMENT OF PUBLIC SAFETY

AND

MADISON COUNTY SHERIFF'S OFFICE AND JAIL

**THIS AGREEMENT (MOA)** is entered into between the North Carolina Department of Public Safety, (hereinafter referred to as the "Department,"); and Madison County, (hereinafter referred to separately as "County"); and the Madison County Sheriff, (hereinafter referred to as "Sheriff"), with the County and the Sheriff (being hereinafter referred to collectively as "Contractor"), for the provision of services described herein; thus

**WITNESSETH:**

**WHEREAS**, the parties hereby desire to put the terms of their agreement to writing;

**NOW THEREFORE**, in consideration of the mutual promises contained herein, the Department and the Contractor agree as follows:

**I. TERM OF AGREEMENT:** The term of this Agreement shall commence on 1 July, 2019 and terminate on 30 June, 2020. By mutual agreement, this Agreement may be renewed for two (2) additional years in increments of one (1) year each renewal, provided that, for each renewal the mutual agreement is executed on or before the **(TBD)**, immediately preceding the renewal period.

**II. SCOPE OF SERVICES/RESPONSIBILITIES:**

**Part I: Detention Services for Juveniles**

1. **Detention Services:** Pursuant to North Carolina General Statute § 153A-218, contractor will provide adequate housing and detention services for juvenile's ordered to be kept in secure custody while awaiting adjudication of juvenile charges or transfer to Superior Court for trial as an adult. Contractor will ensure that these facilities meet all state and federal standards of a detention or confinement facility as required by law. *See* N.C.G.S. § 153A-221, N.C.G.S. § 143B-819 and 28 C.F.R. § 115.14.

Contractor will ensure that all federal and state regulations for confinement facilities are followed and that all juveniles housed in their respective facility. Contractor will ensure that all juveniles are confined separately from adult inmates at all times, to include no sight, sound or contact of any type with adult offenders being housed in other parts of the facility.

Contractor will ensure that the juveniles are properly supervised at all times and that all Department of Public Safety, Division of Juvenile Justice policies and procedures concerning confinement of juveniles are followed by all staff, contractors or volunteers who enter the facilities.

Contractors will ensure that the confidentiality of the juveniles housed within the facility is maintained at all times, and will ensure that juveniles will be kept in locations not accessible to the general public or visitors to the facility, without proper authorization or prior consent.

Contractor will allow Department to visit the location periodically to inspect the facility and will abide by all reasonable requests of the Department in terms of juvenile housing and confinement.

2. **Prohibited Acts:** The NC Department of Public Safety (“DPS”) is committed to a standard of zero-tolerance pertaining to unduly familiar or sexually abusive behavior either by another juvenile or by staff, volunteer, vendor, contractor or party. Staff, volunteers, vendors, contractors or parties are strictly prohibited from engaging in personal dealings or any conduct of a sexual nature with a juvenile. Conversation and conduct with a juvenile must be professional at all times. Any sexual act between a juvenile and staff, volunteer, vendor, contractor or party violates the federal Prison Rape Elimination Act of 2003 (a/k/a PREA) and is punishable, at a minimum, as a Class E felony in North Carolina. Under North Carolina and federal law no juvenile can consent to engage in sexual activity with staff, volunteers, vendors, contractors or parties. Any such activity is considered to be against the will of the juvenile in the eyes of the law – without respect to what the juvenile might say.

Additionally, it is a crime to sell or give a juvenile any intoxicating drink, barbiturate or stimulate drug, or any narcotic, poison or poisonous substance, except under the prescription of a physician; to convey to or take from a juvenile any letters, or verbal messages; to convey any weapon or instrument by which to effect an escape, or that will aid in an assault or insurrection; to trade with a juvenile for clothing or stolen goods or to sell a juvenile any article forbidden by rules or DPS policies. All parties agree to comply with applicable State and federal laws which make it a crime to: (i) sell or give a juvenile any intoxicating drink, barbiturate or stimulant drug, or any narcotic, poison or poisonous substance, except upon the prescription of a physician; (ii) convey to or take from a juvenile any letters, or verbal messages; to convey any weapon or instrument by which to effect an escape, or that will aid in an assault or insurrection; or (iii) trade with a juvenile for clothing or stolen goods or to sell a juvenile any article forbidden by rules or DACJJ policies.

3. **Billing and Compensation:** Contractor will bill Department on the 10<sup>th</sup> of each month for services rendered for the previous month and Department agrees to reimburse Contractor at the rate listed in Attachment “A”, attached hereto and incorporated herein by reference. Each bill will be due upon receipt. Notwithstanding any of the provisions set forth in this agreement or Attachment “A”, it is specifically understood between the parties hereto that; (1) The Contractor will provide and guarantee a minimum of nineteen (19) beds available for DPS juveniles on a daily basis during the term of this Contract; and (2) the Department shall be responsible for and pay a minimum amount each month for the fifteen (15) of the nineteen (19) available beds on a daily basis at the rates set forth in Attachment “A” even if the State does not use those fifteen (15) beds.

### III. CONTRACT ADMINISTRATION:

- A. JAMES SPEIGHT, Director of Juvenile Facilities Operations, North Carolina Department of Public Safety, 3010 Hammond Business Place, Raleigh, NC 27603, (919) 324-6425, is

designated as the Contract Officer for the Department, with responsibilities for all matters relating to this AGREEMENT.

- B. JAMES HARWOOD, is designated as the Contract Administrator for the Contractor, with responsibilities for all matters relating to this AGREEMENT including, but not limited to, timely invoice preparation and reports.
- C. **Contract Monitoring:** The general purpose of monitoring will be to ensure that contractor is abiding by all state and federal laws and Departmental, Division, and Section policies and procedures with regard to housing juveniles in their confinement facility. Monitoring will be utilized to identify and resolve problems or concerns at the facility at an early stage.

Specifically, contract monitoring may include but are not limited to the following areas;

- Verify contractor performance for purposes of payment;
- Identify material breach of contract by assessing the difference between contract performance and material non-performance;
- Determine if corrective action is necessary and take such action if required;
- Determine if all applicable laws and policies are being adequately followed.

Monitoring contractor compliance shall be the responsibility of the NC Department of Public Safety, Division of Juvenile Justice. Contract monitoring shall occur for an on-going basis throughout the term of the contract.

#### **IV. NORTH CAROLINA GENERAL CONTRACT TERMS AND CONDITIONS:**

1. **Performance and Default:** If, through any cause, contractor shall fail to fulfill in timely and proper manner the obligations under this contract, the Department shall have the right to terminate this contract by giving written notice to the contractor and specifying the effective date thereof. Contractor shall receive payment for proper services rendered up to the date of termination of the contract, however; contractor shall not be relieved of liability to the Department for damages sustained by the Department by virtue of any breach of this contract, and the Department may withhold any payment due the contractor for the purpose of setoff until such time as the exact amount of damages due the Department from such breach can be determined.
2. **Availability of Funds:** Any and all payments to the contractor shall be dependent upon and subject to the availability of funds to the Department for the purpose set forth in this contract.
3. **Taxes:** Any applicable taxes shall be invoiced as a separate item.
4. **Situs:** The place of this Contract, its situs and forum, shall be North Carolina, where all matters, whether sounding in Contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined.
5. **Governing Laws:** This Contract is made under and shall be governed, construed and enforced in accordance with the laws of the State of North Carolina, without regard to conflict of laws rules.
6. **Payment:** Payment to contractor will be made no later than 30 days after receipt of correct invoice

for services rendered. The Department is responsible for all payments to the Contractor under the Contract.

- 7. Affirmative Action:** The contractor will take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or disability.
- 9. Access to persons and records:** During and after the term hereof, the State Auditor and any internal auditors of the Department shall have access to persons and records related to this Contract to verify accounts and data affecting fees or performance under the Contract, as provided in N.C.G.S. § 143-49(9).
- 10. Assignment:** No assignment of the contractor's obligations nor the contractor's right to receive payment hereunder shall be permitted. In no event shall the State be obligated to anyone other than the contractor and the contractor shall remain responsible for fulfillment of all Contract obligations. Any purported assignment made in violation of this provision shall be void and a material breach of this Contract.
- 11. Insurance Coverage:** During the term of the Contract, the contractor at its sole cost and expense shall provide proper insurance of such type and with such terms and limits as may be reasonably associated with the Contract. Providing and maintaining adequate insurance coverage is a material obligation of the contractor. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the contractor shall not be interpreted as limiting the contractor's liability and obligations under the Contract. As a minimum, the contractor shall provide and maintain the following coverage and limits:

  - a. Worker's Compensation:** The contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Vendor's employees who are engaged in any work under the Contract. If any work is sub-contracted, the Vendor shall require the sub-Contractor to provide the same coverage for any of his employees engaged in any work under the Contract.
  - b. Commercial General Liability:** General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$1,000,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)
  - c. Automobile:** Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Contract. The minimum combined single limit shall be \$250,000.00 bodily injury and property damage; \$250,000.00 uninsured/under insured motorist; and \$2,500.00 medical payment.
- 15. General Indemnity to the fullest extent as allowed by law:** The contractor shall hold and save the State, Department of Public Safety, its officers, agents, and employees, harmless from liability

of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the contractor in the performance of this Contract and that are attributable to the negligence or intentionally tortious acts of the contractor provided that the contractor is notified in writing within thirty (30) days that the State/Department has knowledge of such claims.

- 16. Independent Contractor:** Contractor shall be considered to be an independent contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this contract.
- 17. Subcontracting:** Work proposed to be performed under this contract by the contractor or its employees shall not be subcontracted without prior written approval of the Department's assigned Contract Administrator.
- 18. Termination:** Either party may terminate this contract at any time by providing 180 days' notice in writing to the other party. If the contract is terminated by the Department as provided in this section, the State shall pay for services satisfactorily completed by the contractor, less any payment or compensation previously made. The Department may terminate this contract immediately for cause, without prior notice. Violations of the prohibited acts section of this memorandum constitutes just cause for immediate termination.
- 19. Confidentiality:** Any State information, data, documents, records or reports given, prepared or assembled by or provided to the contractor under this contract shall be kept as confidential, used only for the purpose(s) required to perform this contract and not divulged or made available to any individual or organization without the prior written approval of the Department.
- 20. Care of property:** The contractor agrees that it shall be responsible for the proper custody and care of any property furnished it by the State for use in connection with the performance of this contract or purchased by or for the State for this contract, and contractor will reimburse the State for loss or damage of such property while in contractor's custody.
- 21. Compliance with laws:** Contractor shall comply with all laws, ordinances, codes, rules, regulations, policies, procedures and requirements that are applicable to the conduct and its performance in accordance with this contract, including those of federal, state, and local agencies having jurisdiction and/or authority.
- 22. Entire agreement:** This MOA and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This MOA, any addenda thereto, are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

- 23. Amendments:** This contract may be amended only by a written amendment duly executed by the Department and the Contractor.
- 24. Waiver:** The failure to enforce or the waiver by the State of any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
- 25. Force Majeure:** Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
- 26. Sovereign Immunity:** Notwithstanding any other term or provision in this contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity that otherwise would be available to the State under applicable law.
- 27. Alcohol/Drug Free work place policy:** A copy of the Department's Alcohol/Drug Free Work Place Policy is attached (Attachment B) to this solicitation. The contractor shall use reasonable and good faith efforts to ensure that employees/staff are aware of the Department's policy. The contractor understands that its employees/staff are required to abide by these standards. The contractor further understands that possession, use, manufacture, or distribution of illegal drugs or alcohol in violation of this policy, by employees/staff participating in the performance of this contract, may result in immediate termination of this contract for cause.
- 28. PREA:** "The NC Department of Public Safety is committed to a standard of zero-tolerance pertaining to unduly familiar or sexually abusive behavior either by an inmate or by staff, volunteer, vendor, contractor or party. Staff, volunteers, vendors, contractors or parties are strictly prohibited from engaging in personal dealings or any conduct of a sexual nature with any inmate or juvenile. Conversation and conduct with any inmate or juvenile must be professional at all times. Sexual acts between a juvenile or inmate and staff, volunteer, vendor, contractor or party may violate North Carolina law. Additionally, sexual acts between a juvenile or inmate and staff member will contradict the standards of the federal Prison Rape Elimination Act of 2003 (PREA). Such acts also may be punishable, at a minimum, as a Class E felony in North Carolina. Under North Carolina law, consent of the inmate or juvenile may not available as a defense for an individual who is charged criminally based on sexual conduct with the inmate or juvenile. Also, pursuant to PREA standards, no juvenile or inmate can consent to engage in sexual activity with staff, volunteers, vendors, contractors or parties. Any contractual party will comply with the national standards to prevent, detect, and respond to PREA (115.12, 212, 312) and permit the Department to monitor this aspect of the contract to ensure compliance with the PREA standards.

As a valued partner with DPS, it is important to remember that if you become aware of a report of any incident of unduly familiar or sexually abusive behavior or sexual harassment, you have a duty to report this information immediately to your contact person with the Agency, by email to [prea@ncdps.gov](mailto:prea@ncdps.gov), or the DPS Communications office at (800) 368-1985.

Additionally, it may violate North Carolina law to sell or give an inmate or juvenile any alcoholic



beverages, barbiturate or stimulant drug, or any narcotic, poison or poisonous substance, except upon the prescription of a physician; and it may violate North Carolina law to give an inmate or juvenile any tobacco or tobacco products, alcohol, or cell phones. It may also violate NCDPS policy to convey to or take from any juvenile or inmate any letters, or verbal messages; to convey any weapon or instrument by which to effect an escape, or that will aid in an assault or insurrection; to trade with any inmate or juvenile for clothing or stolen goods or to sell any inmate or juvenile any article forbidden by NCDPS policy.

By signing this document, you acknowledge that you understand and will abide by this policy as outlined above.”

**I. EXECUTION OF AGREEMENT:**

By executing this Agreement, the undersigned contractor certifies that it has read and understands all terms and conditions set forth in this agreement and agrees to abide by the same. By execution of this Agreement, the undersigned certifies, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

CONTRACTOR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO (800)
PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

If any or all parts of this AGREEMENT are accepted, an authorized representative of Department of Public Safety shall affix their signature hereto and this document and the provisions and special terms and conditions specific to this AGREEMENT, the specifications, and the North Carolina General Contract Terms and Conditions shall then constitute the written agreement between the parties. A copy of this AGREEMENT will be forwarded to the Contractor(s).

<p><b><u>FOR DEPARTMENT OF PUBLIC SAFETY USE ONLY</u></b></p> <p>Offer accepted on this ____ day of _____, 20____, as indicated on attached certification or purchase order,</p> <p>By _____ (Authorized representative of the Department of Public Safety)</p>
---

**Attachment A: State Subsidy to County Detention Facilities**

**Cfda#**

**State Subsidy to County Detention Facilities**

---

**State Authorization:**

**II. North Carolina General Statutes 143B-820  
State Subsidy to County Detention Facilities**

**Department of Public Safety  
(1) *Division of Adult Correction and Juvenile Justice***

---

**(a) Agency Contact Person - Program**

James Speight  
Director of Juvenile Facility Operations  
919-324-6425

**Agency Contact Person - Financial**

Jim Cherokee  
Controller  
919-324-6016

---

**Brief Description of Program:**

**I. PROGRAM OBJECTIVES**

In accordance to the North Carolina General Statutes 143B-820, State Subsidy to County Detention Facilities, the Division shall administer a State subsidy program to pay a county that provides juvenile detention services and meets State standards a certain per diem per juvenile. In general, this per diem should be fifty percent (50%) of the total cost of caring for a juvenile from within the county and one hundred percent (100%) of the total cost of caring for a juvenile from another county. Any county placing a juvenile in a detention facility in another county shall pay fifty percent (50%) of the total cost of caring for the juvenile to the Division.

**II. PROGRAM PROCEDURES**

Juvenile Detention Subsidy Payment Requests from the county-operated detention facility are submitted to the Division of Juvenile Justice/Detention Services section by the 10<sup>th</sup> of each month. The requests are reviewed for any errors in the number of days a juvenile was detained and the county responsible for the bill. The county-operated facility is paid at the rate of \$122.00 per day, for its own juveniles. Juveniles from other counties are charged at the rate of \$244.00 per day, per juvenile with the appropriate county billed for one half the costs.

**Organizations Funded:**     Private         Local Government         Both

**Source of Funds:**         State             Federal

### III. COMPLIANCE REQUIREMENTS

1. Activities Allowed or Unallowed: N/A
2. Allowable Costs/Cost Principles: N/A
3. Cash Management: N/A
4. Conflict of Interest: N/A
5. Eligibility: N/A
6. Equipment and Real Property Management: N/A
7. Matching, Level of Effort, Earmarking: N/A
8. Period of Availability of Federal Funds: N/A
9. Procurement and Suspension and Debarment: N/A
10. Program Income: N/A
11. Real Property Acquisition and Relocation Assistance: N/A
12. Reporting: N/A
13. Sub-Recipient Monitoring

NC-JOIN is a program/system and is the sub-recipient monitoring tool used to enter juveniles as they enter DPS Juvenile Detention Centers, Youth Development Centers, or any other applicable treatment program. Admissions and releases, as well as other vital information concerning juveniles, are entered into NC-JOIN. This enables those individuals authorized to use the program access to any information that is vital to the placement of a juvenile.

14. Special Tests and Provisions:
  - a) Verify that checks received from DPS are for actual resident days.
  - b) Does the amount of check received balance to the amount invoiced?
  - c) Test actual data from NC-JOIN to the facility data. (Verify names and dates)
  - d) Verify the amount billed reconciles to the approved rate for the facility.

## **Attachment B: DPS Alcohol / Drug Free Work Place Policy**

### POLICY

It is the policy of the Department of Public Safety to provide a work environment free of alcohol and drugs in order to ensure the safety and well being of employees, correctional clientele, and the general public. All employees of the Department of Public Safety, including permanent full-time, trainee, permanent part-time, permanent hourly, probationary, and temporary shall abide by this policy.

### PURPOSE

This document is intended to advise managers and employees of the guidelines of an alcohol/drug free work place, and to set out the penalties for violation(s) of the guidelines.

### PROCEDURES/OPERATIONAL GUIDELINES

All employees of the Department of Public Safety are expected to be physically and mentally prepared and able to perform their assigned duties throughout the workday. No employee shall report to the work site impaired by or suffering from the effects of drugs or alcohol.

Individuals reporting for work under the influence or the effects of alcohol and/or drugs shall be issued discipline, up to and including dismissal, consistent with the policy governing personal conduct.

No employee shall manufacture, distribute, or dispense controlled substances (drugs/alcohol) at the work site or away from the work site. No employee shall use "across the counter" medication to the point of impairment while at the work site, or in any situation which may bring discredit to the Department. Use or abuse shall be viewed as personal misconduct and shall be cause for immediate disciplinary action up to and including dismissal.

Possession of an illegal substance in any situation, at work or away from the work site shall be cause for discipline. Possession of controlled substances, i.e. Prescription medication or alcohol, must be in compliance with existing laws. Violations will result in discipline up to and including dismissal based on personal misconduct. Employees who are arrested, detained, or served a warrant for any alcohol/drug related incident, at the work site or away from the work site have 24 hours to file a written report of the situation with the work unit supervisor/manager, i.e. Warden, Superintendent, Branch Manager. The work unit supervisor/manager shall make a recommendation for appropriate disciplinary action based on the facts of the case after conducting a thorough investigation.

If sufficient facts cannot be obtained due to pending litigation, the work unit supervisor/manager shall request, in writing, that any recommendation for disciplinary action be delayed until the court has disposed of the matter. Once the legal proceedings have been completed, the employee shall furnish a certified copy of the court disposition within 48 hours of the judgment. The recommendation for discipline shall be made at this time, if not previously addressed.

Any conviction of a drug or alcohol related offense, which occurred at the work site, shall be reported to the federal government by the Personnel Office; therefore, such offenses shall be reported to the Personnel Office by the appropriate manager so that the Personnel Office may comply with the requirement.

The Department of Public Safety utilizes the State Employee Assistance Program (EAP) administered through the Office of State Personnel. The EAP provides employees with a comprehensive referral service to aid in coping with or overcoming personal problems, including drug and alcohol problems. Consultants with the State EAP will provide managerial/supervisory training and coordinate employee orientation.

This policy shall be posted in an accessible area for employee review and shall be periodically reviewed in staff meetings and at line up. In addition, each present employee and all new employees shall be given a copy of this policy for their information.