

REPORT ON SINGLE AUDIT
PARTNERSHIP FOR CHILDREN OF CUMBERLAND
COUNTY, INC.
FAYETTEVILLE, NORTH CAROLINA
JUNE 30, 2014

BOARD OF DIRECTORS
BUCK WILSON, BOARD CHAIR

ADMINISTRATIVE OFFICER
EVA HANSEN, PRESIDENT

Partnership for Children of Cumberland County, Inc.

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Independent Auditor's Report on Compliance For Each
Major Federal Program; Report on Internal Control Over
Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by OMB Circular A-133

Board of Directors
Partnership for Children of Cumberland County, Inc.
Fayetteville, North Carolina

We have audited Partnership for Children of Cumberland County, Inc. (Cumberland County Partnership)'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cumberland County Partnership's major federal programs for the year ended June 30, 2014. Cumberland County Partnership's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cumberland County Partnership's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cumberland County Partnership's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cumberland County Partnership's compliance.

Opinion on Each Major Federal Program

In our opinion, Cumberland County Partnership complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Cumberland County Partnership is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cumberland County Partnership's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cumberland County Partnership's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Cumberland County Partnership as of and for the year ended June 30, 2014, and have issued our report thereon dated January 9, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Charlotte, North Carolina
January 9, 2015

Partnership for Children of Cumberland County, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal and State Grantor/Pass-through Grantor/Program	Type	Federal CFDA Number	Contract Number	Receipts	Expenditures
Federal Awards:					
United States Department of Health and Human Services					
Pass through from the North Carolina Department of Health and Human Services					
Division of Child Development and Early Education					
Pass-through from Southwestern Child Development Commission, Inc.					
Child Care and Development Block Grant	A - Major	93.575	005-14	\$ 301,037	\$ 301,037
Child Care and Development Block Grant	A - Major	93.575	005-13	-	(12)
Child Care and Development Block Grant	A - Major	93.575	005-14-SA	61,493	60,648
Child Care and Development Block Grant	A - Major	93.575	005-13-SA	-	(6,028)
Child Care and Development Block Grant	A - Major	93.575	005-14-IT	111,471	104,537
Child Care and Development Block Grant	A - Major	93.575	005-13-IT	-	(1,173)
Child Care and Development Block Grant	A - Major	93.575	005-14-HSB	99,617	86,738
Child Care and Development Block Grant	A - Major	93.575	005-13-HSB	-	(17,763)
				<u>573,618</u>	<u>527,984</u>
United States Department of Health and Human Services					
Administration for Children and Families					
Pass-through from the Mid-Carolina Area Agency on Aging					
Bio Monitoring Programs for State Public Health Laboratories -					
North Carolina Family Caregiver Support Program					
	B - Non Major	93.062	N/A	<u>3,003</u>	<u>3,000</u>
Total United States Department of Health and Human Services				<u>576,621</u>	<u>530,984</u>
United States Department of Education					
Pass-through from Southwestern Child Development Commission, Inc.					
Race to the Top - Early Learning Challenge Grant					
	B-Non Major	84.412	005-14-RTT/ELC 1 & 2 Stars	27,085	27,085
Race to the Top - Early Learning Challenge Grant					
	B-Non Major	84.412	005-14-RTT/ELC Enhanced Core	<u>221,022</u>	<u>218,845</u>
				<u>248,107</u>	<u>245,930</u>
United States Department of Education					
Pass through from the North Carolina Department of Health and Human Services					
Pass-through from the North Carolina Partnership for Children, Inc.					
Race to the Top - Early Learning Challenge Grant					
	B-Non Major	84.412	320-13-14-026	<u>5,000</u>	<u>411</u>
Total United States Department of Education				<u>253,107</u>	<u>246,341</u>
Total Federal Awards				<u>\$ 829,728</u>	<u>\$ 777,325</u>

**PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

NOTE 1 - REPORT ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal award programs of the Cumberland County Partnership for Children, Inc. (Cumberland County Partnership) for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the modified cash basis of accounting as fully described in the Summary of Significant Accounting Policies accompanying the Cumberland County Partnership's basic financial statements.

NOTE 3 - RELATION TO BASIS FINANCIAL STATEMENTS AND FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Cumberland County Partnership's basic financial statements and the related federal financial reports submitted by the Cumberland County Partnership.

NOTE 4 - UNEXPENDED FUNDS

For the Child Care and Development Block Grant, the unexpended balances are subject to reversion to Southwestern Child Development Commission, Inc. (SWCDC). The Cumberland County Partnership has returned \$20,658 of these contracts to the SWCDC based on financial status reports submitted to SWCDC subsequent to June 30, 2014.

PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance for major programs Unmodified

Identification of Major Programs:

CFDA Number	Name of Federal Program
93.575	Child Care and Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee? X Yes No

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

***PARTNERSHIP FOR CHILDREN OF CUMBERLAND COUNTY, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014***

There were no matters involving noncompliance reported in the prior year's audit.