



Watkins Uiberall, PLLC
Certified Public Accountants & Financial Advisors

Independent Member of BKR International



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

To the Chairperson and Members of the
Shelby County Board of Commissioners and
Mayor of Shelby County, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 3, 2014. Our report includes a reference to other auditors who audited the financial statements of the Shelby County Health Care Corporation, Agricenter International, Inc., Emergency Communications District of Shelby County, Tennessee, and Shelby County Retirement System, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. The audit for the fiscal year ended June 30, 2014 revealed a cash shortage of \$1,020 in the general sessions court and a theft of \$195 in the vital records department (reference number 2014-1). The cash shortage was reported to the State of Tennessee Division of County Audit; however, a guilty party was not determined. The theft of \$195 resulted in an employee termination. In both instances, the County was unable to recover any of the funds. These matters were detected by the County in the normal operation of their internal controls and internal audit functions.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Memphis, Tennessee
December 3, 2014



Watkins Uiberall, PLLC
Certified Public Accountants & Financial Advisors
Independent Member of BKH International



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Chairperson and Members of the
Shelby County Board of Commissioners and
Mayor of Shelby County, Tennessee

Report on Compliance for Each Major Federal Program

We have audited Shelby County, Tennessee (the "County")'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 the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's financial statements include the operations of the Shelby County Health Care Corporation and the Shelby County Board of Education (component units of the County), which received \$4,224,840 and \$197,699,042 in federal awards, respectively, which are not included in the schedule of expenditures of federal and state awards for the year ended June 30, 2014. Our audit did not include the operations of the Shelby County Health Care Corporation because the entity engaged another auditor to perform an audit in accordance with OMB Circular A-133. The results of our audit for the Shelby County Board of Education are included in a separate report.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the 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 our opinion on compliance 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 the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Walter Wickert, Ph.D.

Banks, Judy, White & Co.

Memphis Tennessee
December 3, 2014

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Department of Agriculture			
TN Department of Health/ WIC Program	10.557	GG-133450800	\$ 5,847,320
TN Department of Human Services/ CACFP	10.558	03-47-64531-00-1	1,379,081
<i>Food Distribution Cluster</i>			
TN Department of Health/ Supplemental Food	10.565	GG-1237333	320,083
TN Department of Health/ Supplemental Food	10.565	GG-133538300	114,060
<i>Total Food Distribution Cluster</i>			<u>434,143</u>
Total Department of Agriculture			7,660,544
Department of Housing and Urban Development			
Direct Award/ Community Development Block	14.218	B-11-UC-47-0002	447,033
Direct Award/ Community Development Block	14.218	B-12-UC-47-0002	318,375
Direct Award/ CDBG Disaster Grant	14.218	B-10-UF-47-0001	1,204,978
Direct Award/ CDBG Disaster Grant	14.218	B-13-US-47-0001	2,105,314
			<u>4,075,700</u>
Direct Award/ Home Entitlement - HUD	14.239	M-10-UC-47-002	1,857
Direct Award/ Home Entitlement - HUD	14.239	M-11-UC-47-0205	43,796
Direct Award/ Home Entitlement - HUD	14.239	M-12-UC-47-0205	27,409
Direct Award/ Home Entitlement - HUD	14.239	M-08-UC-47-0205	161,367
Direct Award/ Home Entitlement - HUD	14.239	B-08-UN-47-0001	13,705
			<u>248,134</u>
Direct Award/ HUD Regional Planning Grant	14.703	TNRIP0069-11	1,342,677
Direct Award/ Federal Lead Based Paint Grant	14.900	TNLHB0442-09	453,550
Direct Award/ City Lead Grant Program	14.900	28920	180,360
Direct Award/ City Lead Grant	14.900	28887	1,500
			<u>635,410</u>
Total Department of Housing and Urban Development			6,301,921
Department of Justice			
TN Department of Children's Services/ Juvenile Accountability	16.523	GG-09-26434-00	74,403
TN Office of Criminal Justice Programs/ State Of Tennessee Grant	16.575	19703	458,082
Direct Award/ Adult Drug Court Enhancement Program	16.585	2011-DC-BX-0030	97,499
TN Office of Violence Against Women/ Stop Grant Sex Crimes	16.588	19127	39,446
Direct Award/ Arrest Policies-Blueprint For Safety	16.590	2011-WE-AX-K002	36,043
Direct Award/ SCAAP State Alien Assistance	16.606	2013-AP-BX-0837	173,181
Direct Award/ Bulletproof Vest Partnership	16.607	CA 145507	15,273
Direct Award/ Project Safe Neighborhood-Gun Crime	16.609	2010-GP-BX-0049	9,927
Direct Award/ DOJ-Defending Childhood Initiative	16.730	2011-MU-MU-K005	742,614
<i>JAG Program Cluster</i>			
Direct Award/ Byrne Justice Assistance Grant	16.738	2011-DJ-BX-3445	124,257
Direct Award/ Justice Assistance Grant	16.738	2012-DJ-BX-0077	218,283

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Direct Award/ Justice Assistance Grant	16.738	2013-DJ-BX-0333	440,789
Direct Award/ JAG MGU Grant	16.738	22973	84,165
TN Office of Criminal Justice Programs/ Drug Task Force	16.738	4034	131,088
TN Department of Mental Health/ Mentally Ill Inmate Services	16.803	GG-10-28271	143,237
Direct Award/ Justice Assistance Grant	16.803	2010-DJ-BX-1563	229,328
<i>Total JAG Program Cluster</i>			<u>1,371,147</u>
Total Department of Justice			3,017,615
Department of Transportation			
Direct Award/ Rideshare Project	20.205	080030	675,525
MS Department of Transportation/ Transportation Planning MDOT	20.205	76008-0700410	441,559
MS Department of Transportation/ Transportation Planning MDOT	20.205	106460-118000	200,977
TN Department of Transportation/ Transportation Planning TDOT	20.205	GG1237135-1	1,424,618
TN Department of Transportation/ Transportation Planning TDOT	20.205	GG1337261	194,389
TN Department of Transportation/ County Schools Bus Retrofit	20.205	11004	317,993
TN Department of Transportation/ CMAQ Intersection Improvement Grant	20.205	CA1314427	1,808,668
TN Department of Transportation/ Safe Routes To School	20.205	CA1314451	81,180
TN Department of Transportation/ Metro Planning FTA	20.205	GG-07-26824-00	36,845
			<u>5,181,754</u>
TN Department of Transportation/ State and Community Highway Safety	20.600	PT-14-43	15,246
Direct Award/ Alcohol Countermeasures	20.607	154AL-13-207	58,749
Direct Award/ Alcohol Countermeasures	20.607	154AL-14-99	264,935
Direct Award/ GHSO Network Coordinator	20.607	PT-13-48	2,109
			<u>325,793</u>
Total Department of Transportation			5,522,793
Environmental Protection Agency			
Direct Award/ Air Pollution	66.001	A-00408210-04	454,398
Direct Award/ Air Pollution	66.001	A-00408210-05	229,284
			<u>683,682</u>
Direct Award/ Air Pollution-Roadside Agreement	66.034	XA-95495812-0	156,968
Direct Award/ Air Pollution Special Studies	66.034	XA-95490112-0	165,865
Direct Award/ Special Air Pollution	66.034	PM-96497508-9	106,554
			<u>429,387</u>
Total Environmental Protection Agency			1,113,069
Department of Energy			
TN Housing Development Agency/ Weatherization Assistance	81.042	WAP-12-09	474,116
Department of Health and Human Services			
Direct Award/ Medical Reserve Corps	93.008	MRC-11-0150/13-0150	1,236
TN Commission on Aging/ Aging Program	93.042	GG-10-29077-00	50,100
TN Commission on Aging/ Aging Program	93.043	GG-10-29077-00	54,401

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
<i>Aging Cluster</i>			
TN Commission on Aging/ Aging Program	93.044	GG-10-29077-00	1,633,914
TN Commission on Aging/ Aging Program	93.045	GG-10-29077-00	1,329,263
TN Commission on Aging/ Aging Program	93.053	GG-10-29077-00	235,516
<i>Total Aging Cluster</i>			<u>3,198,693</u>
TN Commission on Aging/ Aging Program	93.052	GG-10-29077-00	344,210
US Department of Homeland Security/ Homeland Security	93.074	GG-14-38207-00	1,017,533
Direct Award/ Project MOST Program-Year 1/3	93.086	90FK003703	388,432
Direct Award/ Project MOST Program-Year 2/3	93.086	90FK003702	215,009
			<u>603,441</u>
TN Department of Mental Health/ Just Care Family Network	93.104	30843-GG1238239	1,486,207
TN Department of Health/ TB Outreach	93.116	133425400	56,902
TN Department of Health/ TB Outreach	93.116	GG-14-39990-0	1,474,612
			<u>1,531,514</u>
TN Department of Health/ Immunization	93.268	1239788	281,721
TN Department of Health/ Immunization	93.268	GG13-37212-00	289,577
			<u>571,298</u>
TN Department of Health/ CDC Antiterrorism Grant	93.283	GG13-35406	10,902
TN Department of Health/ Tobacco Risk	93.283	GG1239790	9,384
TN Department of Health/ Tobacco Risk	93.283	GG-1437970	31,622
TN Department of Health/ Public Health Emergency Services	93.283	GG133968100	85,252
TN Department of Health/ Breast And Cervical Cancer	93.283	GG-13-39492	125,040
			<u>262,200</u>
TN Commission on Aging/ Aging Program	93.324	GG-10-29077-00	140,518
TN Governor's Office of Children's Care/ Parenting Success	93.500	GG1136105	755,707
TN Department of Health/ Tenndercare Outreach	93.505	GG-13-38283	132,845
TN Department of Human Services/ Title IV-D(Process Paper)Grant	93.563	GG-11-32442	849
TN Department of Human Services/ DHS IV-D Child Support Service	93.563	GG-1339728	1,528,759
			<u>1,529,608</u>
TN Department of Human Services/ LIHEAP	93.568	Z-05-021704-09	9,564,032
TN Department of Human Services/ Community Service Block Grant	93.569	Z-05-020698-06	1,961,956
Direct Award/ Head Start	93.600	04CH3447	21,237,848
TN Department of Human Services/ Direct Appropriation	93.667	CA075023	22,050
TN Department of Health/ HIV	93.733	GG-1336394-00	24,251
TN Department of Health/ Infant Mortality Coordinator	93.778	GG-11-32226	270,029
Direct Award/ Ryan White MAI	93.914	6 H89HA11464-05-02	444,624
Direct Award/ Ryan White MAI	93.914	6 H89HA11464-06-01	148,148
Direct Award/ Ryan White Part A	93.914	6 H89HA11464-05-02	4,306,722
Direct Award/ Ryan White Part A	93.914	6 H89HA11464-06-01	1,525,525
			<u>6,425,019</u>

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Federal Agency/Pass-Through Agency/Program	CFDA Number	Contract Number	Total Expenditures
Direct Award/ Healthy Start Initiative	93.926	H49MC00036-12-00	55,257
Direct Award/ Healthy Start Initiative	93.926	H49MC00036-13-01	620,975
			<u>676,232</u>
TN Department of Health/ HIV Case Management-COE	93.940	GG-1336912-00	51,595
TN Department of Health/ HIV Case Management-COE	93.940	GG-1332870-00	21,628
TN Department of Health/ Rapid HIV Testing	93.940	GG-1334348-00	180,130
TN Department of Health/ HIV	93.940	GG-1336394-00	539,411
TN Department of Health/ HIV Prevention & Intervention	93.940	CA1311825	239,977
			<u>1,032,741</u>
TN Department of Health/ HIV	93.944	GG-1237993-00	937,445
TN Department of Health/ HIV	93.944	GG-1336394-00	112,630
			<u>1,050,075</u>
TN Department of Health/ Chronic Disease Mgmt - School Health	93.945	GG-14-41730-00	22,010
TN Department of Health/ Health Risk Reduction	93.991	G-13-39680	113,904
TN Department of Health/ Childhood Lead Paint Prevent	93.994	GU-13-32848	203,300
TN Department of Health/ Children's Special Services	93.994	GG-13-33273	739,232
			<u>942,532</u>
TN Department of Health/ HIV	93.977	GG-1336394-00	329,473
Total Department of Health and Human Services			55,351,663
Office of National Drug Control Policy			
Direct Award/ HIDTA Parcel Post	95.001	G10GC0005A	39,037
Direct Award/ HIDTA Grant	95.001	G12GC0005A	68,879
Direct Award/ HIDTA Grant	95.001	G13GC0005A	44,523
			<u>152,439</u>
Department of Homeland Security			
Direct Award/ Federal Hazard Mitigation Grant	97.039	CA1211935-1	10,316
Direct Award/ EMPG	97.042	34101-09414	144,000
Direct Award/ MMRS	97.067	CA136721	277,917
Direct Award/ Citizen Corp	97.067	CA136721	6,549
Direct Award/ Homeland Security	97.067	34101-18213	375,270
Direct Award/ Homeland Security UASI	97.067	34101-19512	705,781
			<u>1,365,517</u>
Total Department of Homeland Security			1,519,833
Total federal awards			81,113,993

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended June 30, 2014

Contract Number	Program Name	Grantor Agency	Total Expenditures
CA-131075	Child Support Mediation	TN Administrative Office of the Courts	10,472
31602-13019	Aging Program	TN Commission on Aging and Disability	2,395,972
GG-1235222	At Risk Youth	TN Department of Children's Services	67,688
CA131075	Court Appointed Spec Advocates	TN Department of Children's Services	9,000
N/A	Offender Re-Entry Program	TN Department of Corrections	109,221
GG-09-25326-00	Household Hazardous Waste	TN Department of Environment and Conservation	84,530
CA123779	Tire Recycling	TN Department of Environment and Conservation	513,093
CA1315540	Shelby Farms Trailhead	TN Department of Environment Conservation	35,579
N/A	BCS Enrollments and Deferrals	TN Department of Health	9,380
GG13-35406	CDC Antiterrorism Grant	TN Department of Health	81,900
GG-13-33806-00	Family Planning	TN Department of Health	1,029,685
GU-13-39494	Fetal Infant Mortality Review	TN Department of Health	328,800
GG-1237993-00	HIV	TN Department of Health	38,954
GG-1336394-00	HIV	TN Department of Health	36,698
N/A	HMEP	TN Department of Health	917,800
GG-13-38496	Home Visiting Services	TN Department of Health	546,631
GG-12-35950-00	New born Outreach	TN Department of Health	20,100
GG1334701	Project Diabetes Initiative	TN Department of Health	19
GG-1339493	TennCare Dental Prevention	TN Department of Health	1,668,357
GG-13-38283	Tenndercare Outreach	TN Department of Health	1,111,330
N/A	Tobacco Settlement Funds 2014	TN Department of Health	4,278
GG-1339444	DHS Advocacy Services	TN Department of Human Services	248,839
N/A	Down Payment Assistance	TN Department of Human Services	253,273
GG-11-32442	Title IV-D Process Paper Grant	TN Department of Human Services	488,299
33392	Residential Drug Treatment	TN Department of Mental Health and Substance Abuse	510,726
N/A	State Aid Program Ward Rd. Bridge	TN Department of Transportation	85,606
CA136693	State Aid Road and Bridge Maintenance	TN Department of Transportation	1,206,891
Z13LIT079	Roadside Grant	TN Highway Beautification Office	217,527
Total state awards			<u>12,030,648</u>
Total federal and state awards			<u><u>\$ 93,144,641</u></u>

See independent auditor's report and accompanying notes to schedule.

SHELBY COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2014

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal and state awards includes the transactions related to the receipt of federal funds by Shelby County, Tennessee (the "County"). The Shelby County Board of Education, a component unit of the County, issues a separate financial report under OMB Circular A-133 and is not included in this schedule.

The schedule of expenditures of federal and state awards is presented on the modified accrual basis of accounting, consistent with accounting for governmental type funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"), which is generally when the allowable program expenditures are incurred. Expenditures and transfers out are recorded when the related program liability is incurred, except for certain compensated absences.

NOTE 2 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS TO THE FINANCIAL STATEMENTS

The following is a reconciliation of expenditures per the schedule of expenditures of federal and state awards to the expenditure balances in the grant fund, per the County's financial statements:

Totals per schedule of expenditures	\$ 93,144,641
Add: Expenditures not shown on this schedule	1,397,645
Add: County matching	<u>12,095,300</u>
Total grant fund expenditures	<u><u>\$ 106,637,586</u></u>

SHELBY COUNTY, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2014

NOTE 3 – AMOUNTS AWARDED TO SUBRECIPIENTS

The following amounts were awarded to subrecipients during the fiscal year ended June 30, 2014:

CFDA Number(s)	Program	Amount
16.523	Juvenile Accountability	\$ 44,577
16.590	Blueprint for Safety	27,471
16.730	Defending Childhood Initiative	616,302
16.738/ 16.803	JAG Program Cluster	461,864
20.205	Highway Planning and Construction	397,491
93.044/ 93.045 / 93.053	Aging Cluster	2,497,867
93.104	Just Care Family Network	344,377
93.500	Parenting Success	667,196
93.600	Head Start	5,076,792
93.940	HIV	390,000
95.001	HIDTA Grant	62,488
97.067	Homeland Security	527,980
Total amounts awarded to subrecipients		<u>\$ 11,114,405</u>

SHELBY COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Shelby County, Tennessee.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 - CFDA 14.218 – Community Development Block Grants
 - CFDA 93.568 – Low-Income Home Energy Assistance
 - CFDA 93.914 – HIV Emergency Relief Project Grants
 - CFDA 97.067 – Homeland Security Grant Program
8. The threshold for distinguishing between Type A and B programs was \$2,433,420.
9. Shelby County, Tennessee qualifies as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SHELBY COUNTY, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2014

None