



# STATE OF NORTH CAROLINA

**FINANCIAL STATEMENT AUDIT REPORT OF  
MCDOWELL COUNTY PARTNERSHIP FOR CHILDREN  
AND FAMILIES, INC.**

**MARION, NORTH CAROLINA**

**FOR THE YEAR ENDED JUNE 30, 2001**

**OFFICE OF THE STATE AUDITOR**

**RALPH CAMPBELL, JR.**

**STATE AUDITOR**

**FINANCIAL STATEMENT AUDIT REPORT OF**  
**MCDOWELL COUNTY PARTNERSHIP FOR CHILDREN**  
**AND FAMILIES, INC.**

**MARION, NORTH CAROLINA**

**FOR THE YEAR ENDED JUNE 30, 2001**

**BOARD OF DIRECTORS**

**SARAH BUCHANAN, CO-CHAIR**

**DR. AMY ENDE, CO-CHAIR**

**ADMINISTRATIVE OFFICER**

**DR. ROBERT M. BOGGS, EXECUTIVE DIRECTOR**



Ralph Campbell, Jr.  
State Auditor

STATE OF NORTH CAROLINA  
**Office of the State Auditor**

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**AUDITOR'S TRANSMITTAL**

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The Honorable Michael F. Easley, Governor  
The General Assembly of North Carolina  
Board of Directors, McDowell County Partnership for Children and Families, Inc.

This report presents the results of our financial statement audit of the McDowell County Partnership for Children and Families, Inc. (McDowell Partnership) for the year ended June 30, 2001. Our audit was made by authority of Article 5A of G.S. §147.

The accounts and operations of the McDowell Partnership were subject to audit procedures as we considered necessary for us to report on the accompanying financial statements and supplementary information. The audit procedures were conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

The audit of the McDowell Partnership was made in conjunction with the Early Childhood Initiatives (Smart Start) program authorized by G.S. 143B-168.10-16. This statute created the North Carolina Partnership for Children, Inc. and required the implementation of local demonstration projects (local partnerships). The McDowell Partnership is one of these local partnerships. As such, the McDowell Partnership is a private nonprofit 501(c)(3) organization and is required by G.S. 143B-168.14(b) to have an annual financial and compliance audit conducted by the State Auditor.

The purpose of this report is to present the results of our audit on the accompanying financial statements. A summary of our reporting objectives and audit results are:

- 1. Objective** - Express an opinion on the accompanying financial statements and supplementary information.

**Results** – The accompanying financial statements present fairly, in all material respects, the amounts and disclosures made in accordance with the regulatory basis of accounting established by the North Carolina Partnership for Children, Inc. The accompanying supplementary information presents information that is fairly stated in all material respects in relation to the basic financial statements.

## AUDITOR'S TRANSMITTAL (CONCLUDED)

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2. **Objective** - Present instances of noncompliance, if any, with laws, regulations, contracts, or grants.

**Results** - The following instance of noncompliance was detected:

**Finding**

Competitive Bidding

This matter is described in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting and the Audit Findings and Recommendations section of this report.

3. **Objective** - Present significant deficiencies, if any, in internal control over financial reporting which could adversely affect the McDowell Partnership's ability to record, process, summarize, and report financial data in the financial statement.

**Results** - Our tests disclosed no material weaknesses in the internal control over financial reporting which require disclosure herein under *Government Auditing Standards*.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.



Ralph Campbell, Jr.  
State Auditor

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**INDEPENDENT AUDITOR'S REPORT**

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Board of Directors

McDowell County Partnership for Children and Families, Inc.

Marion, North Carolina

We have audited the accompanying Statement of Receipts, Expenditures, and Net Assets - Regulatory Basis of the McDowell County Partnership for Children and Families, Inc. (McDowell Partnership) as of June 30, 2001, and the related Statement of Functional Expenditures - Regulatory Basis for the year then ended. These financial statements are the responsibility of the McDowell Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statements were prepared on the regulatory basis of accounting as prescribed by the North Carolina Partnership for Children, Inc., which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the McDowell County Partnership for Children and Families, Inc. as of June 30, 2001, and the results of its operations for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2002 on our consideration of the McDowell Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the independent auditor's report in considering the results of our audit.

## INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

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Our audit was made for the purpose of forming an opinion on the basic financial statements of the McDowell County Partnership for Children and Families, Inc. taken as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management of the partnership, the North Carolina Partnership for Children, Inc., the Governor, and the General Assembly and is not intended to be, and should not be, used by anyone other than these specified parties.



Ralph Campbell, Jr.  
State Auditor

June 14, 2002

**McDowell County Partnership for Children and Families, Inc.**  
**Statement of Receipts, Expenditures, and Net Assets - Regulatory Basis**  
**For the Year Ended June 30, 2001**

**Exhibit A**

	Unrestricted Funds		Temporarily Restricted Funds	Total Funds
	Smart Start Fund	Other Funds		
<b>Receipts:</b>				
State Awards (less refunds of \$30,555)	\$ 643,818	\$ 12,000	\$ 0	\$ 655,818
Private Contributions		100		100
Interest and Investment Earnings		927		927
Sales Tax Refunds		586		586
<b>Total Receipts</b>	<b>643,818</b>	<b>13,613</b>		<b>657,431</b>
<b>Expenditures:</b>				
Programs:				
Child Care and Education Quality	143,745			143,745
Child Care and Education Affordability	126,068			126,068
Health and Safety	93,474			93,474
Family Support	109,499	200		109,699
Support:				
Management and General	140,511	18,500		159,011
Program Evaluation	60,174			60,174
Other:				
Sales Tax Paid		873		873
<b>Total Expenditures</b>	<b>673,471</b>	<b>19,573</b>		<b>693,044</b>
<b>Excess of Receipts Over Expenditures</b>	<b>(29,653)</b>	<b>(5,960)</b>		<b>(35,613)</b>
<b>Net Assets at Beginning of Year</b>	<b>30,450</b>	<b>24,828</b>		<b>55,278</b>
<b>Restatement (Note 8)</b>		<b>(4,476)</b>	<b>4,476</b>	
<b>Net Assets at Beginning of Year After Restatement</b>	<b>30,450</b>	<b>20,352</b>	<b>4,476</b>	<b>55,278</b>
<b>Net Assets at End of Year</b>	<b>\$ 797</b>	<b>\$ 14,392</b>	<b>\$ 4,476</b>	<b>\$ 19,665</b>
<b>Net Assets Consisted of:</b>				
Cash on Deposit	\$ (251)	\$ 14,392	\$ 4,476	\$ 18,617
Refunds Due From Contractors	1,048			1,048
	<b>\$ 797</b>	<b>\$ 14,392</b>	<b>\$ 4,476</b>	<b>\$ 19,665</b>

The accompanying notes to the financial statement are an integral part of this statement.



*McDowell County Partnership for Children and Families, Inc.  
Statement of Functional Expenditures - Regulatory Basis  
For the Year Ended June 30, 2001*

*Exhibit B*

	Total	Personnel	Contracted Services	Supplies and Materials	Other Operating Expenses	Fixed Charges and Other Expenses	Property and Equipment Outlay	Services/ Contracts/ Grants	Participant Training Expense
<b>Smart Start Fund:</b>									
<b>Programs:</b>									
Child Care and Education Quality	143,745							143,745	
Child Care and Education Affordability	126,068							126,068	
Health and Safety	93,474							93,474	
Family Support	109,499							109,499	
	472,786	0	0	0	0	0	0	472,786	0
<b>Support:</b>									
Management and General	140,511		83,245	5,624	26,430	10,786	14,426		
Program Evaluation	60,174		49,335	3,942	1,220	2,400	3,277		
	200,685	0	132,580	9,566	27,650	13,186	17,703	0	0
<b>Total Smart Start Fund Expenditures</b>	<b>673,471</b>	<b>0</b>	<b>132,580</b>	<b>9,566</b>	<b>27,650</b>	<b>13,186</b>	<b>17,703</b>	<b>472,786</b>	<b>0</b>
<b>Other Funds:</b>									
<b>Programs:</b>									
Family Support	200	0	0	0	0	0	0	200	0
<b>Support:</b>									
Management and General	18,500	0	11,984	21	1,495	0	5,000	0	0
<b>Other:</b>									
Sales Tax Paid	873	0	0	873	0	0	0	0	0
<b>Total Other Funds Expenditures</b>	<b>19,573</b>	<b>0</b>	<b>11,984</b>	<b>894</b>	<b>1,495</b>	<b>0</b>	<b>5,000</b>	<b>200</b>	<b>0</b>

**MCDOWELL COUNTY PARTNERSHIP FOR CHILDREN AND FAMILIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2001**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose** - The McDowell County Partnership for Children and Families, Inc. (McDowell Partnership) is a legally separate nonprofit organization incorporated on August 25, 1994. The McDowell Partnership was established to develop and provide, through public and private means, early childhood education and developmental services for children and families. The McDowell Partnership is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code.

**B. Basis of Presentation** - The accompanying financial statements present all funds for which the McDowell Partnership's Board of Directors is responsible. In accordance with Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-For-Profit Organizations," the accompanying financial statements present information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this Statement, temporarily restricted contributions received and expended in the same year are reported as unrestricted receipts rather than as temporarily restricted receipts.

Contributions that are temporarily restricted and not expended within the year received are reported as an increase in temporarily restricted net assets. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of receipts, expenditures, and net assets as net assets released from restrictions.

The McDowell Partnership did not have any permanently restricted net assets at June 30, 2001.

**C. Basis of Accounting** - The accompanying financial statements were prepared on the regulatory basis of accounting as prescribed by the North Carolina Partnership for Children, Inc. This basis differs from generally accepted accounting principles primarily because it recognizes long lived assets and other costs which benefit more than one period as expended in the year purchased; it recognizes revenue when received rather than when earned; and it recognizes expenditures when paid rather than when incurred.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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However, unexpended advances to contractors that revert back to the State are recognized as a reduction to expenditures and an increase to net assets.

- D. Refunds Due From Contractors** - Refunds due from contractors represent the unexpended amount of advances to contractors at year end which are to be refunded back to the State. As recoveries are collected, the receivable balance is reduced. Payments to the State for the recovered advances are recorded as a reduction to the state awards balance.

### NOTE 2 - DEPOSITS

All funds of the McDowell Partnership are deposited with one commercial bank and insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Deposits over this amount subjects the McDowell Partnership to a concentration of credit risk.

### NOTE 3 - FUNDING FROM GRANT AWARDS

**Smart Start Program** - The McDowell Partnership's major source of revenue and support is from the State of North Carolina based on cost-reimbursement contracts with the North Carolina Partnership for Children, Inc. (NCPC) for the Smart Start Program. A significant reduction in the level of funding from the State could have an adverse effect on the operations of the McDowell Partnership and represents a concentration of credit risk as to the generation of revenue.

Associated with these contracts, the McDowell Partnership is responsible for developing a comprehensive, collaborative, long-range plan of services to children and families for the service-delivery area. During the year, the Department of Health and Human Services (DHHS) entered into contracts with and made payments to service providers selected by the McDowell Partnership. These service provider contracts are not reflected on the accompanying financial statement. However, a summary of the service provider contracts entered into by DHHS is presented on Schedule 2 accompanying the financial statements.

The McDowell Partnership was awarded and has received \$674,373 under a current year Smart Start contract with NCPC. The unexpended balance of this contract is subject to reversion to the State. The Partnership has returned \$1,130 of this contract to the State based on financial status reports submitted to NCPC subsequent to June 30, 2001.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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The Partnership expects to receive continued funding through new Smart Start contracts with the State.

**NOTE 4 - RELATED PARTY TRANSACTIONS**

- A. Service Provider Contracts with Board Member Organizations** - The board members of the McDowell Partnership are representative of various organizations that benefit from actions taken by the Board. It is the policy of the McDowell Partnership that board members not be involved with decisions regarding organizations they represent. During the year, the Partnership entered into contracts with board member organizations for program activities as identified on Schedule 1 accompanying the financial statements. In addition, Schedule 2 identifies contracts entered into by DHHS with board member organizations for activities funded by the Partnership's Smart Start Allocation.
- B. Management and Administrative Services** - The McDowell County School System provided management and administrative services to the McDowell Partnership. A Partnership board member is the Superintendent of the School System. Associated with these services, the following activity was recorded in the accompanying financial statements:

<u>Expenditures</u>	<u>Amount</u>
Management Services - Salaries	<u>\$ 127,072</u>

**NOTE 5 - FUNCTIONAL EXPENDITURES**

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Receipts, Expenditures, and Net Assets – Regulatory Basis. Also, the Statement of Functional Expenditures – Regulatory Basis provides detail of the functional costs by their natural classification. Following are the services associated with the functional categories presented in the accompanying financial statements:

**A. Program Functions**

**Child Care and Education Quality** - Used to account for service activities including quality enhancement grants, child care resource and referral, salary supplements, and T.E.A.C.H. support.

**Child Care and Education Affordability** - Used to account for service activities including public preschool classes and supplements for quality education.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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**Health and Safety** - Used to account for service activities including prenatal/newborn services and child abuse and neglect intervention.

**Family Support** - Used to account for service activities including family resource centers and ongoing parent education.

### B. Support Functions

**Management and General** - Expenditures that are not identifiable with a single program or fund-raising activity but are indispensable to the conduct of those activities and to an organization's existence, including expenditures for the overall direction of the organization, its general board activities, business management, general recordkeeping, budgeting, and related purposes.

**Program Evaluation** - Expenditures that are incurred to monitor the performance of service providers as to the delivery of services and adherence to the specific terms and conditions of the contracts.

### NOTE 6 - COMMITMENTS AND CONTINGENCIES

The following is a schedule by years of future minimum rental payments required under leases that have noncancelable lease terms as of June 30, 2001:

<u>Fiscal Year</u>	<u>Operating Leases</u>
2002	\$ 12,402
2003	11,803
2004	6,804
2005	<u>3,838</u>
<b>Total Minimum Lease Payments</b>	<b><u>\$ 34,847</u></b>

Total rental expenditure for all operating leases was \$11,675 for the year ended June 30, 2001.

### NOTE 7 - RESTRICTIONS ON NET ASSETS

**Temporarily Restricted Net Assets** - Temporarily restricted net assets at June 30, 2001 are available for the following purposes:

<u>Purpose</u>	<u>Amount</u>
Family Support	<u>\$ 4,476</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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### NOTE 8 - PRIOR PERIOD RESTATEMENT

Our review of beginning net asset balances noted an item that was incorrectly classified between funds. Funds remaining from a private grant reported as unrestricted funds should have been restricted for a specific purpose. As a result, the net assets in the accompanying financial statement have been restated as follows:

	Smart Start Fund	Other Funds	Temporarily Restricted Funds	Total
Net Assets June 30, 2000 as previously reported	\$ 30,450	\$ 24,828	\$ 0	\$ 55,278
Reclassification of Private Grant		(4,476)	4,476	
<b>Net Assets Restated</b>	<u>\$ 30,450</u>	<u>\$ 20,352</u>	<u>\$ 4,476</u>	<u>\$ 55,278</u>

***McDowell County Partnership for Children and Families, Inc.  
Schedule of Contract and Grant Expenditures - Regulatory Basis  
For the Year Ended June 30, 2001***

***Schedule 1***

Organization Name	Smart Start Fund		Other Funds	
	Amount Advanced	Refund Due	Amount Advanced	Refund Due
McDowell County Schools	100,000			
McDowell Technical Community College	170,605	(792)		
North Carolina Cooperative Extension	19,883			
The Endowment Fund of the Public Schools of McDowell County, North Carolina	49,379		200	
The McDowell Hospital	93,486	(12)		
Western Carolina Center Foundation	40,481	(244)		
	<b>473,834</b>	<b>(1,048)</b>	<b>200</b>	<b>0</b>

\* These organizations are represented on the Partnership's Board as described in Note 4A - Service Provider Contracts with Board Member Organizations.

***McDowell County Partnership for Children and Families, Inc.  
Schedule of State Level Service Provider Contracts  
For the Year Ended June 30, 2001***

***Schedule 2***

<b>Organization Name</b>		<b>DHHS Contracts</b>	
McDowell County Department of Social Services	*	<b>664,618</b>	
*These organizations are represented on the Partnership's Board as described in Note 4A - Service Provider Contracts with Board Member Organizations.			
The information on this schedule provides a listing of service provider contracts entered into by the Department of Health and Human Services (DHHS) as described in Note 3 - Funding From Grant Awards.			



**McDowell County Partnership for Children and Families, Inc.**

**Schedule of State Awards - Regulatory Basis**

**For the Year Ended June 30, 2001**

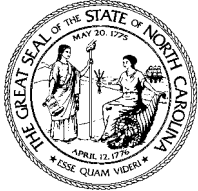
*Schedule 3*

State Grantor/Pass-through Grantor/Program	Contract #	Receipts	Expenditures
<b>State Awards:</b>			
North Carolina Department of Health and Human Services			
Division of Child Development			
Pass-through from the North Carolina Partnership for Children, Inc.			
Early Childhood Initiatives Program (Prior Years)	*	Various	\$ (30,555)      \$ 229
Early Childhood Initiatives Program (Current Year)	*	1-01-4-10-001	674,373      673,242
Multi-Partnership Accounting and Contracting Grant (Current Year)		N/A	12,000      11,983
<b>Total State Awards</b>		<b>\$ 655,818</b>	<b>\$ 685,454</b>

\*Programs with compliance requirements that have a direct and material effect on the financial statement.

<i>McDowell County Partnership for Children and Families, Inc.</i>			
<i>Schedule of Property and Equipment</i>			
<i>For the Year Ended June 30, 2001</i>			<i>Schedule 4</i>
	Furniture and Non-Computer Equipment	\$	6,277
	Computer Equipment/Printers		21,718
	Leasehold Improvements		7,523
	<b>Total Property and Equipment</b>	<b>\$</b>	<b>35,518</b>
	Note: The information on this schedule provides a summary of property and equipment with acquisition or donated cost of \$500 or more which were held by the Partnership at year end. On the regulatory basis of accounting, these items are expensed in the year purchased.		

<i>McDowell County Partnership for Children and Families, Inc.</i>			
<i>Schedule of Qualifying Match (Non-GAAP)</i>			
<i>For the Year Ended June 30, 2001</i>			<i>Schedule 5</i>
<b><i>Match Provided at the Partnership Level:</i></b>			
Cash		\$	100
In-Kind Goods and Services			5,937
			<u>5,937</u>
		\$	<u>6,037</u>
<b><i>Match Provided at the Contractor Level:</i></b>			
Cash		\$	122,252
In-Kind Goods and Services			28,926
			<u>28,926</u>
		\$	<u>151,178</u>
<p>Note: This schedule is presented in accordance with the program match requirement as provided for by North Carolina Session Law 1999-237, Section 11.48(l). The law allows for volunteer services to be valued for match purposes, a concept that deviates from generally accepted accounting principles.</p>			



Ralph Campbell, Jr.  
State Auditor

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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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Board of Directors  
McDowell County Partnership for Children and Families, Inc.  
Marion, North Carolina

We have audited the financial statements of the McDowell County Partnership for Children and Families, Inc. (McDowell Partnership) as of and for the year ended June 30, 2001, and have issued our report thereon dated June 14, 2002. We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether the McDowell Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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, which are reported in the Audit Findings and Recommendations section of this report, disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

**Finding**

Competitive Bidding

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the McDowell Partnership's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements and not to provide assurance on the

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (CONCLUDED)**

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internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the partnership, the North Carolina Partnership for Children, the Governor, and the General Assembly and is not intended to be, and should not be, used by anyone other than these specified parties.



Ralph Campbell, Jr.  
State Auditor

June 14, 2002

## AUDIT FINDINGS AND RECOMMENDATIONS

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### **Matter Related to Financial Reporting**

*Current Year Finding and Recommendation* - The following finding and recommendation was identified during the current audit and represents noncompliance with laws, regulations, contracts, or grants.

#### COMPETITIVE BIDDING

We noted instances where documentation was not available to support compliance with the competitive bidding requirements for the purchase of goods and services.

*Recommendation:* We recommend that the McDowell Partnership maintain documentation to support compliance with the legislatively mandated bid requirements.

*Partnership's Response:* In regard to documentation to support compliance with competitive bidding requirements for the purchase of goods and services:

- McDowell County Financial Policy F-013 will be revised effective July 1, 2002, to include...“documentation proving compliance with legislatively mandated bidding procedures must be maintained and filed with the contract or invoice for audit purposes.”
- All contracting for goods and services will be bid out according to the revised Financial Policy F-013 and in accordance with NC Statute 143B-168.10 Section 11.48.

## DISTRIBUTION OF AUDIT REPORT

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In accordance with G.S. § 147-64.5 and G.S. § 147-64.6(c)(14), copies of this report have been distributed to the public officials listed below. Additional copies are provided to other legislators, state officials, the press, and the general public upon request.

### EXECUTIVE BRANCH

The Honorable Michael F. Easley	Governor of North Carolina
The Honorable Beverly M. Perdue	Lieutenant Governor of North Carolina
The Honorable Richard H. Moore	State Treasurer
The Honorable Roy A. Cooper, III	Attorney General
Mr. David T. McCoy	State Budget Officer
Mr. Robert L. Powell	State Controller
Ms. Carmen Hooker Odom	Secretary, Department of Health and Human Services
Mr. Ashley Thrift	Chairman, Board of Directors North Carolina Partnership for Children, Inc.
Ms. Karen Ponder	Executive Director North Carolina Partnership for Children, Inc.

### LEGISLATIVE BRANCH

Appointees to the Joint Legislative Commission on Governmental Operations

Senator Marc Basnight, Co-Chairman	Representative James B. Black, Co-Chairman
Senator Charlie Albertson	Representative Martha B. Alexander
Senator Frank W. Ballance, Jr.	Representative Flossie Boyd-McIntyre
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August 1, 2002



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