

**NORTH CAROLINA OUTWARD BOUND
SCHOOL**

**SCHEDULE OF EXPENDITURES OF THE
DELINQUENCY PREVENTION PROGRAM
AND RELATED COMPLIANCE REPORTS**

As of and for the Year Ended March 31, 2020

And Reports of Independent Auditor

NORTH CAROLINA OUTWARD BOUND SCHOOL

TABLE OF CONTENTS

REPORT OF INDEPENDENT AUDITOR 1

Schedule of Expenditures of the Delinquency Prevention Program..... 2

Notes to Schedule of Expenditures of the Delinquency Prevention Program 3

**Report of Independent Auditor on Compliance for the Delinquency Prevention
Program and on Internal Control over Compliance Required by Chapter 10.650,
Rules of the Auditor General..... 4-5**

Schedule of Findings and Questioned Costs 6-7

Summary Schedule of Prior Audit Findings 8

Report of Independent Auditor

To the Audit Committee
North Carolina Outward Bound School
Asheville, North Carolina

Report on the Schedule of Expenditures of the Delinquency Prevention Program

We have audited the accompanying Schedule of Expenditures of the Delinquency Prevention Program (the “schedule”) of North Carolina Outward Bound School (“NCOBS”) for the year ended March 31, 2020, and the related notes to the schedule.

Management’s Responsibility for the Schedule of Expenditures of the Delinquency Prevention Program

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on this schedule based on our audit. We conducted our audit 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 the audit requirements of Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General. Those standards, Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the expenditures of the Delinquency Prevention Program of NCOBS for the year ended March 31, 2020, in accordance with accounting principles generally accepted in the United States of America.



Greenville, South Carolina
December 21, 2020

NORTH CAROLINA OUTWARD BOUND SCHOOL
SCHEDULE OF EXPENDITURES OF THE DELINQUENCY PREVENTION PROGRAM

YEAR ENDED MARCH 31, 2020

<u>State Agency/State Project</u>	<u>State CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
State of Florida Department of Juvenile Justice			
Direct Program			
Delinquency Prevention Program	80.029	10099	\$ 957,223
Total State of Florida Department of Juvenile Justice			<u>\$ 957,223</u>
Total Expenditures of State Awards			<u><u>\$ 957,223</u></u>

The accompanying notes are an integral part of this Schedule.

NORTH CAROLINA OUTWARD BOUND SCHOOL
SCHEDULE OF EXPENDITURES OF THE DELINQUENCY PREVENTION PROGRAM

YEAR ENDED MARCH 31, 2020

Notes:

- 1) **Scope of Schedule:** The accompanying Schedule of Expenditures of the Delinquency Prevention Program (the "schedule") includes all Florida state grant activity of North Carolina Outward Bound School ("NCOBS") for the year ended March 31, 2020.
- 2) **Basis of Presentation:** The accompanying schedule is presented on the accrual basis of accounting, with expenditures limited to the extent to the awarded amount. The information in the schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes.
- 3) **Contingency:** The grant amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of NCOBS. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable state laws and regulations.

**Report of Independent Auditor on Compliance for the
Delinquency Prevention Program and on Internal Control over
Compliance Required by Chapter 10.650, Rules of the Auditor General**

To the Audit Committee
North Carolina Outward Bound School
Asheville, North Carolina

Report on Compliance for the Delinquency Prevention Program

We have audited North Carolina Outward Bound School's ("NCOBS") compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on its Delinquency Prevention Program (the "project") for the year ended March 31, 2020.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for NCOBS's project 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 Chapter 10.650, Rules of the Auditor General. Those standards and Chapter 10.650, Rules of the Auditor General 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 the project occurred. An audit includes examining, on a test basis, evidence about NCOBS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for NCOBS's project. However, our audit does not provide a legal determination of NCOBS's compliance.

Opinion on the Delinquency Prevention Program

In our opinion, NCOBS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the project for the year ended March 31, 2020.

Report on Internal Control over Compliance

Management of NCOBS 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 NCOBS's internal control over compliance with the types of requirements that could have a direct and material effect on the project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, 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 NCOBS'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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project 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 preceding paragraph 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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Greenville, South Carolina
December 21, 2020

NORTH CAROLINA OUTWARD BOUND SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
DELINQUENCY PREVENTION PROGRAM

YEAR ENDED MARCH 31, 2020

Part I - Summary of Auditor's Results

Financial Statement Section - Schedule of Expenditures of the Delinquency Prevention Program

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Awards Section

Internal control over major state projects:

Material weakness(es) identified? yes x no

Significant deficiency(ies) identified? yes x none reported

Type of auditor's report on compliance for project-specific grant: Unmodified

Any audit findings disclosed that are required Chapter 10.650, Rules of the Auditor General? yes x no

**NORTH CAROLINA OUTWARD BOUND SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
DELINQUENCY PREVENTION PROGRAM**

YEAR ENDED MARCH 31, 2020

Part I - Summary of Auditor's Results (continued)

State Awards Section (continued)

Identification of project-specific grant:

Name of State Project	CSFA Number
State of Florida Department of Juvenile Justice Delinquency Prevention Program	80.029
Dollar threshold used to determine Type A project (used to determine grant subject to project-specific audit):	\$300,000

Part II - Schedule of Financial Statement Findings

The project-specific audit of the Delinquency Prevention Program did not include an audit of NCOBS's financial statements in accordance with *Government Auditing Standards*. Accordingly, there are no financial statement findings to be reported.

Part III - Delinquency Prevention Program Findings and Questioned Costs

This section identifies the audit findings required to be reported by Section 215.97, Florida Statutes (for example, significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings that are material to the project-specific grant.

There were no audit findings required to be reported in accordance with Section 215.97, Florida Statutes. Accordingly, a management letter is not presented.

NORTH CAROLINA OUTWARD BOUND SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED MARCH 31, 2020

Prior Audit Findings and Questions Costs - Major State Projects

Finding Number: 2019-002 Allowable Costs

Sponsoring State Agency: Department of Juvenile Justice

CSFA #: 80.029

Program Name: Delinquency Prevention

Condition: During allowable costs testing, we noted three instances out of a sample of 98 transactions where disbursement lacked required documentation of formal approval. This results in an estimate of 64 transactions when extended to the total population of 2,081 transactions.

Auditor's Recommendation: Controls should be developed and implemented to ensure that program expenditures have proper management approval.

Current Status: Corrected.