

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2011

NORTHAMPTON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2011

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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 Board of County Commissioners
Northampton County, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2011, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Northampton County ABC Board, as described in our report Northampton County's financial statements. The financial statements of the Northampton County ABC Board and the Northampton County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Northampton County, North Carolina, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Northampton County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northampton County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Northampton County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies, 2011-01 and 2011-02, described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northampton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned costs as items 2011-03 and 2011-04.

We noted certain matters that we reported to management of Northampton County, North Carolina, in a separate letter dated December 9, 2011.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
December 9, 2011

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Commissioners
Northampton County, North Carolina

We have audited Northampton County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Northampton County's management. Our responsibility is to express an opinion on Northampton County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 Northampton 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. Our audit does not provide a legal determination of Northampton County's compliance with those requirements.

In our opinion, Northampton County complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2011-05.

Internal Control Over Compliance

Management of Northampton County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants, applicable to federal programs. In planning and performing our audit, we considered Northampton County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures 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 Northampton County's internal control over compliance.

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 significant deficiencies or material weaknesses and; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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, non-compliance 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 reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items, 2011-02 and 2011-05, to be material weaknesses.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Northampton County's responses and; accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise Northampton County's basic financial statements and have issued our report thereon dated December 9, 2011. We did not audit the financial statements of the Northampton County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us and; our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board, is based solely on the report of the other auditors. Our audit was performed for the purpose of forming an opinion of the financial statements that collectively comprise Northampton County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information 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 management, others within the organization, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
December 9, 2011

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Report On Compliance With Requirements That Could Have A Direct and Material Effect On Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Commissioners
Northampton County, North Carolina

Compliance

We have audited Northampton County's compliance with the types of compliance requirements described in applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2011. The County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Northampton County's management. Our responsibility is to express an opinion on Northampton County's compliance based on our audit.

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; applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Northampton 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. Our audit does not provide a legal determination of Northampton County's compliance with those requirements.

In our opinion, Northampton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Northampton County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants, applicable to State programs. In planning and performing our audit, we considered Northampton County's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 Northampton County's internal control over compliance.

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 significant deficiencies or material weaknesses and, therefore; there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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, non-compliance 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 reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, as item 2011-02, to be a material weakness.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Northampton County's responses and; accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 9, 2011. We did not audit the financial statements of the Northampton County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us and; our opinion, insofar as it relates to the amounts included for the Northampton County ABC Board, is based solely on the report of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Northampton County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act, and is not a required part of the basic financial statements. Such information 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 management, others within the organization, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
December 9, 2011

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness identified? Yes
- Significant deficiency identified? No

Non-compliance material to financial statements noted? Yes

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes
- Significant deficiency identified? No

Type of auditors' report issued on compliance for major federal programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Temporary Assistance for Needy Families Cluster	93.558
Medicaid Cluster	93.778
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Child Care Development Fund Cluster	93.596, 93.575, 93.713
Low Income Home Energy Assistance Block Grant	93.568

Dollar threshold used to distinguish between Type A and Type B Programs \$879,689

Auditee qualified as low-risk auditee? No

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

1. Summary of Auditors' Results (continued):

State Awards

Internal control over major State programs:

- Material weakness identified? Yes
- Significant deficiency identified? No

Type of auditors' report issued on compliance for major State programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? Yes

Identification of major State programs:

Program Name

Medicaid Cluster

Subsidized Child Care Cluster

State/County Special Assistance for Adults

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

2. Findings Related to the Audit of the Basic Financial Statements

Finding 2011-01

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: Financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board (GAAP) requires a level of technical expertise not possessed by the County's personnel with regards to drafting full accrual, full disclosure GAAP financial statements.

Context: During our planning procedures, we noted that County personnel do not possess the technical expertise required to comply with financial reporting requirements discussed above.

Effect: Material misstatements of the financial statements could result.

Cause: Financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board (GAAP) requires a level of technical expertise not possessed by the County's personnel with regards to drafting full accrual, full disclosure GAAP financial statements.

Recommendation: The cost of acquiring the technical expertise to comply with the financial reporting requirements discussed above appears prohibitive. Therefore, the County should exercise due care in reviewing the financial statements drafted by the external auditor as the County is responsible for the accuracy of the audited financial statements.

Name of Contact Person: Dot Vick

Corrective Action/Management Response: Management is aware of the weakness; but, due to the cost benefit analysis, they will continue to rely on the external auditor to draft the year-end financial statements. The County will exercise due care in reviewing the financial statements drafted by the external auditor. The County acknowledges and accepts responsibility for the accuracy of the audited financial statements.

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

2. Findings Related to the Audit of the Basic Financial Statements (continued):

Finding 2011-02

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. The existence of such material adjustments indicates that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

Context: While performing our audit procedures, significant audit adjustments were required to report the County's financial statements in accordance with Generally Accepted Accounting Principles.

Effect: Material misstatements of the financial statements could result.

Cause: Year-end adjustments include adjustments required for drafting full accrual, full disclosure GAAP financial statements which requires a level of technical expertise not possessed by the County's personnel with regards to drafting full accrual, full disclosure GAAP financial statements.

Recommendation: Management should examine the adjustments required as a result of our audit and assess the cost/benefit of improving the internal control system to prevent the adjustments in the future, given the available financial and intellectual resources. Management should acknowledge inherent limitations in the internal control system caused by limited resources, and modify their oversight function accordingly.

Name of Contact Person: Dot Vick

Corrective Action/Management Response: Management is aware that year-end audit adjustments are typically required. Management will examine controls in place to see if they can be strengthened, given available resources, thus, reducing the number of audit adjustments required at year-end. In the areas where the cost/benefit does not justify improving the control system, management will exercise due caution in performing their oversight function

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

2. Findings Related to the Audit of the Basic Financial Statements (continued):

Finding 2011-03

Criteria: North Carolina General Statutes preclude units from having funds that operate in a deficit. Management should have a control system in place to reduce the likelihood that violations of General Statutes occur and go undetected.

Condition: In the current year, there was a violation of the General Statutes regarding deficit fund equity.

Context: While reviewing a draft of the financial statements, we noted that the County had several funds operating in a deficit.

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County had expenditures in excess of revenues and other financing sources in several funds.

Recommendation: The County should secure revenues and other financing sources sufficient to cover all expenditures and other financing uses prior to incurring obligations of County resources.

Name of Contact Person: Dot Vick

Management's Response/Corrective Action: In the future, management will secure revenues and other financing sources sufficient to cover all expenditures and other financing uses prior to incurring obligations of County resources. The County is also evaluating revenue sources to cover expenditures in the funds operating in a deficit.

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

2. Findings Related to the Audit of the Basic Financial Statements

Finding 2011-04

Criteria: North Carolina General Statutes require that the County have policies and procedures in place to monitor budgetary compliance throughout the year. Management should have a control system in place to reduce the likelihood that violations of General Statutes occur and go undetected.

Condition: In the current year, there were several violations of the General Statutes regarding expenditures exceeding appropriations.

Context: While reviewing a draft of the financial statements, we noted that the County expended more than was budgeted in several project funds.

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County had expenditures in excess of budgeted amounts per the budget ordinance, and budget amendments had not been made for these items.

Recommendation: Implement stringent budgetary preparation controls and monitoring controls to prevent expenditures exceeding appropriations. Management should review its policies and procedures regarding budget amendments to determine if modifications are necessary.

Name of Contact Person: Dot Vick

Management's Response/Corrective Action: Management concurs with the condition and the recommendation. Management will review existing policies and procedures regarding the monitoring of budgetary compliance for project funds to determine where existing policies and procedures can be strengthened.

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

3. Findings and Questioned Costs Related to the Audit of Federal Awards

See Finding 2011-02 above.

Finding 2011-05

Criteria: All participants in the Low Income Energy Assistance Program must have countable income at or below 110% of the current poverty level.

Condition: During our review of participants for enrollment in the Low Income Energy Assistance Program, we noted one participant that was receiving funds who was above 110% of the current poverty level.

Questioned Cost: \$178.

Context: Of the 25 case files we examined to ensure that proper income limits were adhered to, one participant receiving funds was deemed ineligible.

Effect: Funds were issued to a participant who was determined ineligible for the Low Income Energy Assistance Program.

Cause: The supervisor failed to correctly include income as required by program guidelines regarding the release of public funds.

Recommendation: Procedures should be put into place to verify income determination is performed correctly for all participants receiving public funds.

Name of Contact Person: Pam Riddick

Corrective Action: Upon notification of the finding regarding the ineligibility of the participant discussed above, the County filed an 8201, the County's Recovery for Overpayment Form. Management is also reviewing existing internal controls to determine where controls can be strengthened to avoid instances like this in the future.

4. Findings and Questioned Costs Related to the Audit of State Awards

See Finding 2011-02 above.

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

Finding 2010-01 – Modified and repeated as Finding 2011-01.

Finding 2010-02 – Modified and repeated as Finding 2011-02.

Finding 2010-03 – During the fiscal year the County resolved this issue; therefore, the finding is not repeated.

Finding 2010-04 – During the fiscal year the County resolved this issue; therefore, the finding is not repeated.

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
Federal Awards:			
<u>U.S. Department of Agriculture:</u>			
Passed-Through NC Department of Agriculture Food Distribution	10.550	\$ 75,690	\$ -
<u>Emergency Food Assistance Cluster</u>			
Passed-Through N.C. Department of Agriculture Emergency Food Assistance Program - Administrative Cost	10.568	7,542	-
Total Emergency Food Assistance Cluster		83,232	-
Passed-Through the N.C. Department of Health and Human Services:			
<u>Division of Social Services:</u>			
Administration:			
<u>Supplemental Nutrition Assistance Program Cluster</u>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	372,628	-
Total Supplemental Nutrition Assistance Program Cluster		372,628	-
Passed-Through the N.C. Department of Health and Human Services:			
<u>Division of Public Health:</u>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	165,485	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	320,151	-
Total Women, Infants, and Children		485,636	-
<u>Office of Rural Business - Cooperative Service</u>			
USDA Equipment Grant	10.778	110,000	-
Total Office of Rural Business		110,000	-
Total U.S. Department of Agriculture		1,051,496	-
<u>U.S. Department of Housing and Urban Development:</u>			
<u>CDBG - State-Administered CDBG Cluster</u>			
Passed-Through N.C. Department of Commerce:			
Community Development Block Grants	14.228	152,055	-
Total Community Development Block Grant Cluster		152,055	-
<u>U.S. Department of Homeland Security</u>			
Passed-Through N.C. Department of Crime Control and Public Safety:			
<u>Division of Emergency Management:</u>			
Emergency Management Performance	97.042	25,745	-
Total Homeland Security		25,745	-

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>U.S. Election Assistance Commission</u>			
Help America Vote Act Requirements Payments			
Elections - One-Stop Voting Grants	90.401	5,778	-
Total Election Assistance Commission		5,778	-
<u>U.S. Department of Health and Human Services:</u>			
<u>Administration on Aging</u>			
<u>Aging Cluster:</u>			
Passed-Through Region L Council of Governments:			
Access Title III B	93.044	13,179	775
In-Home Title III B	93.044	60,328	3,549
Title III C Nutrition	93.045	16,277	957
Home Delivered Meals	93.045	44,298	2,606
Congregate Nutrition ARRA	93.707	723	43
Total Aging Cluster		134,805	7,930
SSBG	93.667	33,827	966
Family Caregiver Title III-E	93.052	16,611	1,107
Nutrition Services Incentive Program	10.570	9,109	-
State Caregiver Match	N/A	-	4,544
Access Services	N/A	-	18,137
In-Home Services	N/A	-	76,193
Home-Delivered Meals	N/A	-	18,565
Total Administration on Aging		194,352	127,442
<u>Administration for Children and Families</u>			
Passed-Through the N.C. Department of Health and Human Services:			
<u>Division of Social Services:</u>			
<u>Temporary Assistance for Needy Families Cluster:</u>			
Temporary Assistance for Needy Families - Administration	93.558	521,605	-
Temporary Assistance for Needy Families - Direct Benefit Payments	93.558	256,803	(18)
Total Temporary Assistance for Needy Families Cluster		778,408	(18)
<u>Foster Care and Adoption Cluster:</u>			
Title IV-E Foster Care	93.658	100,121	10,029
Adoption Assistance - Administration	93.659	758	-
Foster Care - Direct Benefit Payments	93.658	10,697	2,469
Adoption Assistance - Direct Benefit Payments	93.659	42,656	10,005
Total Foster Care and Adoption Cluster		154,232	22,503
Low Income Home Energy Assistance Block Grant:			
Administration	93.568	27,566	-
Direct Benefit Payments	93.568	338,696	-
Crisis Intervention Program	93.568	407,927	-
Total Low Income Home Energy Assistance Block Grant		774,189	-

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
AFDC - Direct Benefit Payments	93.560	(476)	(130)
Child Support Enforcement-IVD	93.563	444,881	6
CSE Incentive Recovery	93.563	3,819	-
Family Preservation	93.556	1,051	-
Child Welfare Services - Permanency Planning	93.645	5,696	-
Social Services Block Grant	93.667	237,289	75,440
LINKS	93.674	6,394	1,599
LINKS - Direct Benefit	93.674	2,241	-
<u>Subsidized Child Care Cluster:</u>			
<u>Child Care Development Fund Cluster:</u>			
Division of Social Services			
Child Care Development Fund-Administration	93.596	80,800	-
Division of Child Development			
Child Care and Development Fund -- Discretionary	93.575	229,464	-
Child Care and Development Fund -- Mandatory	93.596	104,847	-
Child Care and Development Fund -- Match	93.596	106,814	58,056
ARRA - Child Care and Development Block Grant	93.713	8,515	-
Total Child Care Fund Cluster		<u>530,440</u>	<u>58,056</u>
Social Services Block Grant	93.667	2,962	-
Temporary Assistance for Needy Families	93.558	78,457	-
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs	93.714	38,568	-
Smart Start		-	4,574
State Appropriations		-	64,498
TANF-MOE		-	40,037
Total Subsidized Child Care Cluster		<u>650,427</u>	<u>167,165</u>
Total Administration for Children and Families		<u>3,058,151</u>	<u>266,565</u>
<u>Centers for Medicare and Medicaid Services</u>			
<u>Medicaid Cluster</u>			
<u>Division of Public Health</u>			
<u>Division of Medical Assistance</u>			
Medical Assistance Program	93.778	27,764	10,711
Passed-Through the N.C. Department of Health and Human Services			
<u>Division of Medical Assistance</u>			
Direct Benefit Payments:			
Medical Assistance Program	93.778	23,804,371	9,898,884
<u>Division of Social Services</u>			
Administration:			
Medical Assistance Program	93.778	524,514	25,097
Total Medicaid Cluster		<u>24,356,649</u>	<u>9,934,692</u>
N.C. Health Choice	93.767	15,964	928
Total Centers for Medicare and Medicaid Services		<u>24,372,613</u>	<u>9,935,620</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>Immunization Cluster</u>			
Immunization Program	93.268	9,980	-
Total Immunization Cluster		9,980	-
<u>Centers for Disease Control and Prevention</u>			
Passed-Through the N.C. Department of Health and Human Services:			
<u>Division of Public Health</u>			
Public Health Emergency Preparedness	93.069	16,471	-
CDC Prevention and Investigation	93.283	133,315	40
HIV State Funds-STD Communicable Disease Expansion Budget	93.940	39,161	-
Preventive Health and Health Services	93.991	24,785	-
<u>Administration of Children and Families</u>			
Passed-Through N.C. Department of Health and Human Services			
<u>Division of Social Services</u>			
Temporary Assistance for Needy Families	93.558	4,368	-
<u>Health Resources and Services Administration</u>			
Passed-Through N.C. Department of Health and Human Services			
<u>Division of Public Health</u>			
Healthy Start Communities: Baby Love Plus Initiative	93.926	109,634	-
Maternal and Child Health Block Grant	93.994	78,189	58,649
<u>Office of Population Affairs</u>			
Passed-Through the N.C. Department of Health and Human Services			
<u>Office of Population Affairs</u>			
Family Planning Services	93.217	46,883	-
Total U.S. Department of Health and Human Services		28,087,902	10,388,316
Total Federal awards		\$ 29,322,976	\$ 10,388,316
State Awards:			
<u>N.C. Department of Health and Human Services:</u>			
Division of Social Services:			
State/County Special Assistance for Adults - Direct Benefit Payment		-	410,382
SFHF Maximization - Direct Benefit		-	11,533
State Foster Home - Direct Benefit		-	8,284
CWS Adoption Subsidy / Vendor Payments - Direct Benefit		-	63,450
DCD Smart Start		-	6,061
AFDC Incentive/Program Integrity		-	89
TANF Incentive/Program Integrity		-	881
Total Division of Social Services		-	500,680

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
Division of Public Health:			
General		-	134,538
Public Health Nurse Training		-	404
Communicable Disease		-	2,464
Tuberculosis		-	32,075
AIDS-State		-	505
Risk Reduction/Health Promotion		-	7,233
Women's Preventative Health		-	4,651
Breast and Cervical Cancer Control		-	7,678
Total Division of Public Health		-	189,548
Total N.C. Department of Health and Human Services		-	690,228
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Soil and Water Conservation:			
Soil & Water Conservation Grant		-	16,877
Total Division of Soil and Water Conservation		-	16,877
Total N.C. Department of Environment and Natural Resources		-	16,877
<u>N.C. Department of Transportation</u>			
Elderly and Disabled Transportation	DOT-16CL	-	66,574
Rural General Public Program	DOT-16CL	-	64,741
Work Fist	DOT-16CL	-	15,811
Highway Construction Project	DOT-18	-	512,147
Total N.C. Department of Transportation		-	659,273
<u>N.C. Department of Corrections</u>			
Criminal Justice Partnership Program		-	75,124
<u>N.C. Department of Commerce</u>			
Rural Center Grant		-	292,500
<u>N.C. Department of Cultural Resources</u>			
NCARTS Council			
Arts Grant		-	9,856
<u>N.C. Department of Crime Control and Public Safety</u>			
Emer. Man/Surry Nuclear Power		-	700
<u>Office of the Governor</u>			
Office of Juvenile Justice			
Gang Violence Prevention		-	17,191
Total Office of the Governor		-	17,191

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund		-	930,000
<u>N.C. Department of Administration</u>			
Veterans Service		-	2,000
Total State Awards		-	2,693,749
Total Federal and State Awards		<u>\$ 29,322,976</u>	<u>\$ 13,082,065</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of Northampton County and is presented on the modified accrual basis of accounting. 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, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

Program Clusters

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Subsidized Child Care and Foster Care and Adoption

Loans Outstanding

Northampton County had the following loan balances outstanding at June 30, 2011. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Program Title	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Amount Outstanding</u>