

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2010

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

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

NORTHAMPTON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2010

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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 unit, each major fund and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2010, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 26, 2010. 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 were not audited in accordance with *Government Auditing Standards*.

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 Responses, 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, 2010-01, 2010-02, and 2010-03, described in the accompanying Schedule of Findings and Responses to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northampton County, North Carolina'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 no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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.
October 26, 2010

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

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, 2010. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Responses. 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, 2010.

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 Responses as items 2010-02 and 2010-04 to be material weaknesses.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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 unit, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise Northampton County's basic financial statements and have issued our report thereon dated October 26, 2010. 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.
October 26, 2010

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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

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, 2010. The County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Responses. 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, 2010.

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 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 State 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 Responses as items 2010-02 and 2010-04 to be material weaknesses.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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 unit, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 26, 2010. 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.
October 26, 2010

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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? No

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>
Supplemental Nutrition Assistance Program	10.561
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557
Subsidized Child Care Cluster	93.596, 93.575, 93.713

Dollar threshold used to distinguish between Type A and Type B Programs \$1,054,784

Auditee qualified as low-risk auditee? No

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

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

Medical Assistance Program
State/County Special Assistance for Adults
Subsidized Child Care Cluster
Rail Industrial Access Program
Highway Construction Project

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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

Finding 2010-01

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 RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Finding 2010-02

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 RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Finding 2010-03

Criteria: Internal control concepts require segregation of duties as the duties relate access to the County's books and records.

Condition: During a walkthrough performed at the Water and Sewer Department we noted that not all adjustments to water and sewer accounts were approved by someone other than the individual posting the adjustment.

Context: While performing a walkthrough at the Water and Sewer Department we noted that not all adjustments to water and sewer accounts were approved by someone other than the individual posting the adjustment.

Effect: The employee can originate, complete, and post an adjustment without conflict.

Cause: Lack of segregation of duties.

Recommendation: Require all adjustments to be approved by the department head or someone other than the individual posting the adjustment. Review all adjustments to water and sewer accounts on a monthly basis.

Name of Contact Person: Dot Vick

Corrective Action: Approval procedures for adjustments were implemented in 2010 which improved the County's internal controls over the approval of adjustments. However, the process of approving all adjustments was insufficient. The County recognizes that the process for recording any adjustment to customer accounts needs additional review prior to posting. The County will require that all adjustments, no matter the dollar amount, will be approved by someone other than the individual posting the adjustment, prior to the posting of any adjustment. The department head will review adjustments to water and sewer accounts on a monthly basis.

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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

See Finding 2010-02 above.

Finding 2010-04

Criteria: All participants participating in the Subsidized Child Care Program must have eligibility determined on an annual basis. This requires that the form DCD-0456 be signed and completed on an annual basis before a participant receives public funds.

Condition: During our review of the application for enrollment for participation in the Subsidized Child Care Program (DCD-0456), we noted three participants, who were receiving public funds, who had not had an annual eligibility review performed in a timely manner.

Questioned Cost: None

Context: Of the 25 case files we examined for eligibility determination, the eligibility of three participants was not redetermined in a timely manner.

Effect: Public funds were issued to participants in which eligibility was not redetermined in a timely manner which is not in compliance with standards regarding release of public funds.

Cause: The caseworker failed to perform eligibility reviews and update the required documentation (DCD-0456) in a timely manner.

Recommendation: Procedures should be put in place to verify that eligibility redeterminations are performed in a timely manner for all participants receiving public funds.

Name of Contact Person: Dot Vick

Corrective Action: Upon notification of the finding regarding eligibility redetermination, caseworkers performed eligibility redeterminations of the participants that were not in compliance. Caseworkers redetermined eligibility back to the date in which eligibility had ran out for the participants, discovering that none of the participants were ineligible to receive benefits during the time period in which they received benefits that they were not supposed to. Procedures regarding the review of caseworkers' files for eligibility redetermination were examined and are continuing to be enforced so that this issue will not occur in the future.

4. Findings Related to the Audit of State Awards

See Finding 2010-02 above.

See Finding 2010-04 above.

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEARS' AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

Finding 2009-01 – Modified and repeated as Finding 2010-01.

Finding 2009-02 – Modified and repeated as Finding 2010-02.

Finding 2009-03 – Modified and repeated as Finding 2010-03.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<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>			
<u>Food and Nutrition Service</u>			
Passed-through N.C. Dept. of Agriculture:			
Food Distribution	10.550	79,236	-
Administrative cost	10.568	7,948	-
Total Food and Nutrition Service		<u>87,184</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
Supplemental Nutrition Assistance Program Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	279,796	-
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	<u>59,836</u>	<u>-</u>
Total Supplemental Nutrition Assistance Program Cluster		<u>339,632</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	140,059	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	<u>375,330</u>	<u>-</u>
Total Women, Infants, and Children		<u>515,389</u>	<u>-</u>
Total U.S. Department of Agriculture		<u>942,205</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Passed-through N.C. Dept. of Commerce:			
Community Development Block Grants	14.228	<u>9,584</u>	<u>-</u>
Total Community Development Block Grant		<u>9,584</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development		<u>9,584</u>	<u>-</u>
<u>Homeland Security</u>			
Passed-through N.C. Dept. of Crime Control and Public Safety:			
Division of Emergency Management:			
Byrne Justice Assistance Grants	16.738	-	-
Emergency Management Performance	97.042	<u>21,834</u>	<u>-</u>
Total Homeland Security		<u>21,834</u>	<u>-</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>U.S. Department of Health & Human Services:</u>			
<u>Administration on Aging</u>			
Aging Cluster:			
Passed-through Region L Council of Governments:			
Access Title III B	93.044	12,766	751
In-Home Title III B	93.044	60,123	3,537
SSBG	93.667	33,712	963
Title III C Nutrition	93.045	18,449	1,085
Congregate Nutrition ARRA	93.707	8,658	509
Home Delivered Meals	93.045	37,855	2,227
Home Delivered Meals ARRA	93.705	4,263	251
Family Caregiver Title III-E	93.052	15,437	1,029
Nutrition Services Incentive Program	10.570	8,700	-
State Caregiver Match	N/A	-	4,528
Access Services	N/A	-	17,569
In-Home Services	N/A	-	75,935
Home-Delivered Meals	N/A	-	15,865
Total Administration on Aging		<u>199,963</u>	<u>124,249</u>
 <u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
AFDC - Direct Benefit Payments	93.560	(2,051)	(562)
Temporary Assistance for Needy Families - Direct Benefit Payments	93.558	322,361	(349)
Temporary Assistance for Needy Families - Administration	93.558	<u>531,862</u>	-
Total Temporary Assistance for Needy Families		<u>852,172</u>	<u>(911)</u>
Child Support Enforcement-IVD	93.563	345,709	-
CSE Incentive Recovery	93.563	101,435	-
Family Preservation	93.556	679	-
Low Income Home Energy Assistance Block Grant:			
Administration	93.568	40,484	-
Direct Benefit Payments	93.568	257,457	-
Crisis Intervention Program	93.568	<u>416,740</u>	-
Total Low Income Home Energy Assistance Block Grant		<u>714,681</u>	-
Child Welfare Services - Permanency Planning	93.645	<u>6,068</u>	<u>1,643</u>
Child Welfare Services:			
Foster Care and Adoption Cluster:			
Title IV-E Foster Care	93.658	82,794	9,930
Foster Care - Direct Benefit Payments	93.658	25,557	6,147
Adoption Assistance - Direct Benefit Payments	93.659	<u>29,273</u>	<u>6,335</u>
Total Foster Care and Adoption Cluster		<u>137,624</u>	<u>22,412</u>
Social Services Block Grant	93.667	261,967	55,432
LINKS	93.674	7,820	1,955
LINKS - Direct Benefit	93.674	2,920	-

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
Subsidized Child Care Cluster:			
Child Care Development Fund Cluster:			
Division of Social Services			
Child Care Development Fund-Administration	93.596	80,000	-
Division of Child Development			
Child Care and Development Fund -- Discretionary	93.575	307,350	-
Child Care and Development Fund -- Mandatory	93.596	118,478	-
Child Care and Development Fund -- Match	93.596	123,414	66,347
ARRA - Child Care and Development Block Grant	93.713	51,005	-
Total Child Care Fund Cluster		680,247	66,347
Social Services Block Grant	93.667	9,585	-
Temporary Assistance for Needy Families	93.558	96,470	-
Smart Start		-	5,676
State Appropriations		-	69,824
TANF-MOE		-	68,262
Total Subsidized Child Care Cluster		786,302	210,109
Total Administration for Children and Families		3,217,377	290,640
<u>Centers for Medicare and Medicaid Services</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	29,735,645	10,415,471
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	478,030	27,362
NC Health Choice	93.767	13,188	952
Total Centers for Medicare and Medicaid Services		30,226,863	10,443,785
<u>Health Resources and Services Administration</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
First Time Motherhood	93.110	12,000	-
Family Planning Services	93.218	49,001	-
Immunization Program	93.268	16,014	-
CDC Prevention and Investigation	93.283	167,626	-
Temporary Assistance for Needy Families	93.558	4,325	-
ARRA - Immunizations	93.712	10,087	-
Health Services to Residents of Public Housing	93.927	110,265	-
HIV State Funds-STD Communicable Disease Expansion Budget	93.940	12,296	-
Preventive Health and Health Services	93.991	24,540	-
Maternal and Child Health Block Grant	93.994	135,483	-
Total Division of Public Health		541,637	-
Total U.S. Department of Health and Human Services		34,185,840	10,858,674
Total Federal awards		35,159,463	10,858,674

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
State Awards:			
<u>N.C. Dept. of Health and Human Services:</u>			
Division of Social Services:			
State/County Special Assistance for Adults - Direct Benefit Payment	-	-	399,620
Foster Care Special Provision-Direct Benefit	-	-	1,059
F/C At Risk Maximazation Direct Benefit	-	-	7,752
SFHF Maximization - Direct Benefit	-	-	8,012
State Foster Home - Direct Benefit	-	-	25,553
CWS Adoption Subsidy / Vendor Payments - Direct Benefit	-	-	66,673
DCD Smart Start	-	-	6,074
AFDC Incentive/Program Integrity	-	-	286
TANF Incentive/Program Integrity	-	-	2,113
Total Division of Social Services	-	-	517,142
Division of Public Health:			
General	-	-	104,240
Minority Health	-	-	86,866
Public Health Nurse Training	-	-	400
Communicable Disease	-	-	2,440
Tuberculosis	-	-	30,475
AIDS-State	-	-	33,200
Risk Reduction/Health Promotion	-	-	7,161
Women's Preventative Health	-	-	4,605
TB Medical Services	-	-	1,282
Breast and Cervical Cancer Control	-	-	14,025
Wisewoman	-	-	9,225
Preparedness and Response	-	-	39,899
LHD Smokefree Law	-	-	435
Total Division of Public Health	-	-	334,253
Office of Minority Care:			
Disparities Initiative Grant	-	-	57,900
Total N.C. Dept. of Health and Human Services	-	-	909,295
<u>N.C. Dept. of Environment and Natural Resources</u>			
Division of Soil and Water Conservation:			
Administration	-	-	4,000
Soil & Water Conservation Grant	-	-	16,877
Total Division of Soil and Water Conservation	-	-	20,877
Division of Environmental Health:			
Environmental Health Serv	-	-	5,250
Food/Lodging Fee Collecti	-	-	2,481
Total Division of Environmental Health	-	-	7,731

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
Division of Parks and Recreation:			
PARTF(Parks and Rec Trust)		-	149,913
Total Division of Parks and Recreation		-	149,913
Division of Waste Management:			
White Good Fund-SWMGT		-	3,503
Total Division of Parks and Recreation		-	3,503
Total N.C. Dept of Environment and Natural Resources		-	182,024
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation	DOT-16CL	-	67,215
Rural General Public Program	DOT-16CL	-	66,099
Work Fist	DOT-16CL	-	13,165
Rail Industrial Access	DOT-23	-	331,980
Highway Construction Project	DOT-18	-	899,375
Total N.C. Dept. of Transportation		-	1,377,834
<u>N.C. Dept. of Corrections</u>			
Criminal Justice Partnership Program		-	75,460
<u>N.C. Dept. of Cultural Resources</u>			
NCARTS Council			
Arts Grant		-	9,779
<u>Office of the Governor</u>			
Office of Juvenile Justice:			
JCPC		-	94,114
Gang Violence Prevention		-	20,012
Total Office of the Governor		-	114,126
<u>N.C. Dept. of Administration</u>			
Veterans Service		-	2,000
Total State awards		-	2,670,518
Total Federal and State awards		\$ 35,159,463	\$ 13,529,192

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.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>

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, 2010. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Emergency Economics Development Assistance Loan	NA	NA	60,000.00