

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2012

**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, 2012

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Compliance Section: | |
| Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1-2 |
| 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 Implementation Act | 3-5 |
| 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 Implementation Act | 6-8 |
| Schedule of Findings, Responses, and Questioned Costs | 9-13 |
| Summary Schedule of Prior Year's Audit Findings | 14 |
| Schedule of Expenditures of Federal and State Awards | 15-20 |

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 aggregate 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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2012. 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, Responses, 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, 2012-01 and 2012-02, described in the accompanying Schedule of Findings, Responses, 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, Responses, and Questioned costs as items 2012-03.

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, 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.
November 15, 2012

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, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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, 2012.

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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise Northampton County's basic financial statements and have issued our report thereon dated November 15, 2012, which contained an unqualified opinion on those financial statements. 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 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards 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.
November 15, 2012

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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, 2012. The County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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, 2012.

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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Northampton County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 15, 2012. 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 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards 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.
November 15, 2012

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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? No
- 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? No

Identification of major federal programs:

| <u>Program Name</u> | <u>CFDA#</u> |
|------------------------------------|----------------|
| Medicaid Cluster | 93.778 |
| Childcare Development Fund Cluster | 93.596, 93.575 |

Dollar threshold used to distinguish between Type A and Type B Programs \$928,665

Auditee qualified as low-risk auditee? No

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Summary of Auditors' Results (continued):

State Awards

Internal control over major State programs:

- Material weakness identified? No
- 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? No

Identification of major State programs:

Program Name

Medicaid Cluster

Subsidized Childcare Cluster

State/County Special Assistance for Adults

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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

Finding 2012-01

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, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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

Finding 2012-02

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, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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

Finding 2012-03

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
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

2011-01 – Modified and repeated as Finding 2012-01.

Finding 2011-02 – Modified and repeated as Finding 2012-02.

Finding 2011-03 – Modified and repeated as Finding 2012-03.

Finding 2011-04 – Corrected

Finding 2011-05 – Corrected

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| <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 Dept of Agriculture Food Distribution | 10.550 | 49,303 | - |
| Passed-Through NC Dept of Agriculture Community Facilities Loans and Grants (Note 2) | 10.780 | 47,507 | - |
| <u>Emergency Food Assistance Cluster</u> | | | |
| Passed-through N.C. Dept. of Agriculture Emergency Food Assistance Program - Administrative Cost | 10.568 | 7,427 | - |
| <u>Total Emergency Food Assistance Cluster</u> | | <u>7,427</u> | <u>-</u> |
| Passed-through the N.C. Dept. 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 | 390,120 | - |
| <u>Total Supplemental Nutrition Assistance Program Cluster</u> | | <u>390,120</u> | <u>-</u> |
| Passed-through the N.C. Dept. of Health and Human Services: | | | |
| <u>Division of Public Health:</u> | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 157,400 | - |
| ACA Maternal, Infant and Early Childhood Home Visiting Program | 93.505 | 40,180 | - |
| Direct Benefit Payments: | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 331,324 | - |
| Total Women, Infants, and Children | | <u>528,904</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | <u>1,023,262</u> | <u>-</u> |
| <u>U.S. Department of Housing and Urban Development:</u> | | | |
| <u>CDBG - State-Administered CDBG Cluster</u> | | | |
| Passed-through N.C. Dept. of Commerce: Community Development Block Grants | 14.228 | 230,111 | - |
| Total Community Development Block Grant Cluster | | <u>230,111</u> | <u>-</u> |

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| <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 Homeland Security</u> | | | |
| Passed-through N.C. Dept. of Crime Control and Public Safety: | | | |
| <u>Division of Emergency Management:</u> | | | |
| Emergency Management Performance | 97.042 | 29,223 | - |
| Total Homeland Security | | 29,223 | - |
| <u>U.S. Election Assistance Commission</u> | | | |
| Help America Vote Act Requirements Payments | | | |
| Elections - One Stop Voting Grants | 90.401 | 4,225 | - |
| Total Election Assistance Commission | | 4,225 | - |
| <u>U.S. Department of Health & 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 | 17,460 | 1,027 |
| In-Home Title III B | 93.044 | 54,520 | 3,207 |
| Title III C Nutrition | 93.045 | 22,667 | 1,333 |
| Home Delivered Meals | 93.045 | 38,631 | 2,272 |
| <u>Total Aging Cluster</u> | | 133,278 | 7,839 |
| SSBG | 93.667 | 17,128 | 489 |
| Family Caregiver Title III-E | 93.052 | 19,426 | 1,295 |
| Nutrition Services Incentive Program | 10.570 | 8,447 | - |
| State Caregiver Match | N/A | - | 4,748 |
| Access Services | N/A | - | 14,685 |
| In-Home Services | N/A | - | 99,691 |
| Home-Delivered Meals | N/A | - | 27,564 |
| Total Administration on Aging | | 178,279 | 156,311 |
| <u>Administration for Children and Families</u> | | | |
| Passed-through the N.C. Dept. 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 | 527,427 | - |
| Temporary Assistance for Needy Families - Direct Benefit Payments | 93.558 | 245,055 | (98) |
| <u>Total Temporary Assistance for Needy Families Cluster</u> | | 772,483 | (98) |
| <u>Foster Care and Adoption Cluster:</u> | | | |
| Title IV-E Foster Care | 93.658 | 113,403 | 9,930 |
| Adoption Assistance - Administration | 93.659 | 2,427 | - |
| Foster Care - Direct Benefit Payments | 93.658 | 24,579 | 5,680 |
| Adoption Assistance - Direct Benefit Payments | 93.659 | 41,597 | 11,204 |
| <u>Total Foster Care and Adoption Cluster</u> | | 182,006 | 26,814 |

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| <u>Grantor / Pass-through Grantor / Program Title</u> | <u>CFDA Number</u> | <u>Expenditures</u> | |
|--|------------------------|---------------------|--------------|
| | | <u>Federal</u> | <u>State</u> |
| Low Income Home Energy Assistance Block Grant: | | | |
| Low Income Home Energy Assistance | 93.568 | 89,600 | - |
| Administration | 93.568 | 28,441 | - |
| Direct Benefit Payments | 93.568 | (316) | - |
| Crisis Intervention Program | 93.568 | 309,917 | - |
| Total Low Income Home Energy Assistance Block Grant | | 427,642 | - |
| AFDC - Direct Benefit Payments | 93.560 | (466) | (128) |
| Child Support Enforcement-IVD | 93.563 | 451,776 | 3,008 |
| Family Preservation | 93.556 | 877 | - |
| Child Welfare Services - Permanency Planning | 93.645 | 5,028 | 885 |
| Social Services Block Grant | 93.667 | 304,683 | 63,184 |
| LINKS | 93.674 | 6,202 | 1,550 |
| LINKS - Direct Benefit | 93.674 | 720 | - |
| <u>Subsidized Child Care Cluster:</u> | | | |
| <u>Child Care Development Fund Cluster:</u> | | | |
| Division of Social Services | | | |
| Child Care Development Fund-Administration | 93.596 | 80,000 | - |
| Division of Child Development | | | |
| Child Care and Development Fund -- Discretionary | 93.575 | 241,499 | - |
| Child Care and Development Fund -- Mandatory | 93.596 | 84,563 | - |
| Child Care and Development Fund -- Match | 93.596 | 156,466 | 68,191 |
| <u>Total Child Care Fund Cluster</u> | | 562,528 | 68,191 |
| Temporary Assistance for Needy Families | 93.558 | 99,584 | - |
| State Programs | 93.714 | 4,202 | |
| Foster Care Title IV-E | 93.658 | 3,075 | |
| Smart Start | | - | 42 |
| State Appropriations | | - | 50,298 |
| TANF-MOE | | - | 41,208 |
| <u>Total Subsidized Child Care Cluster</u> | | 669,389 | 159,739 |
| Total Administration for Children and Families | | 2,820,340 | 254,955 |
| <u>Centers for Medicare and Medicaid Services</u> | | | |
| <u>Medicaid Cluster</u> | | | |
| <u>Division of Public Health</u> | | | |
| Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program: | 93.919 | 18,372 | 10,200 |
| Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups | 93.943 | 24,403 | |
| ARRA Preventing Healthcare-Associated Infections | 93.717 | 2,330 | |
| <u>Division of Medical Assistance</u> | | | |
| Medical Assistance Assistance Program | 93.778 | 33,111 | 12,774 |

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| <u>Grantor / Pass-through Grantor / Program Title</u> | <u>CFDA Number</u> | <u>Expenditures</u> | |
|---|------------------------|---------------------|--------------|
| | | <u>Federal</u> | <u>State</u> |
| Passed-through the N.C. Dept. of Health and Human Services | | | |
| <u>Division of Medical Assistance</u> | | | |
| Direct Benefit Payments: | | | |
| Medical Assistance Program | 93.778 | 25,666,639 | 15,468,164 |
| <u>Division of Social Services</u> | | | |
| Administration: | | | |
| Medical Assistance Program | 93.778 | 580,457 | 30,912 |
| <u>Total Medicaid Cluster</u> | | 26,280,207 | 15,511,850 |
| NC Health Choice | 93.767 | 16,662 | 874 |
| Total Centers for Medicare and Medicaid Services | | 26,341,974 | 15,522,925 |
| | | | |
| <u>Immunization Cluster</u> | | | |
| Immunization Program | 93.268 | 10,986 | - |
| <u>Total Immunization Cluster</u> | | 10,986 | - |
| | | | |
| <u>Centers for Disease Control and Prevention</u> | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | |
| <u>Division of Public Health</u> | | | |
| Public Health Emergency Preparedness | 93.069 | 38,986 | - |
| CDC Prevention and Investigation | 93.283 | 12,625 | - |
| HIV State Funds-STD Communicable Disease Expansion Budget | 93.940 | 20,625 | - |
| | | | |
| <u>Administration of Children and Families</u> | | | |
| passed through NC Dept of Health and Human Services | | | |
| <u>Division of Social Services</u> | | | |
| Social Service Block Grant | 93.667 | | 500 |
| Temporary Assistance for Needy Families | 93.558 | 4,325 | - |
| | | | |
| <u>Health Resources and Services Administration</u> | | | |
| passed through NC Dept of Health and Human Services | | | |
| <u>Division of Public Health</u> | | | |
| Healthy Start Communities: Baby Love Plus Initiative | 93.926 | 110,785 | - |
| Maternal and Child Health Block Grant | 93.994 | 80,575 | 177,190 |
| | | | |
| <u>Office of Population Affairs</u> | | | |
| passed through the NC Dept of Health and Human Services | | | |
| <u>Office of Population Affairs</u> | | | |
| Family Planning Services | 93.217 | 49,171 | - |
| Total U.S. Department of Health and Human Services | | 29,668,671 | 15,963,409 |
| Total Federal awards | | 30,955,492 | 15,963,409 |

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| <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 | | - | 430,495 |
| SFHF Maximization - Direct Benefit | | - | 17,609 |
| State Foster Home - Direct Benefit | | - | 10,327 |
| CWS Adoption Subsidy / Vendor Payments - Direct Benefit | | - | 52,792 |
| DCD Smart Start | | - | 3,008 |
| AFDC Incentive/Program Integrity | | - | 38 |
| TANF Incentive/Program Integrity | | - | 340 |
| Total Division of Social Services | | - | 514,608 |
| Division of Public Health: | | | |
| General | | - | 104,240 |
| Mosquito-Public Health Pesticide | | - | 2,500 |
| Environmental Health | | - | 4,000 |
| Communicable Disease | | - | 2,440 |
| Tuberculosis | | - | 30,475 |
| TB Medical Services | | - | 1,282 |
| Risk Reduction/Health Promotion | | - | 9,536 |
| General Aid-to-County | | - | 7,242 |
| Women's Preventative Health | | - | 4,605 |
| Food and Lodging Fees | | - | 1,483 |
| Total Division of Public Health | | - | 167,803 |
| Total N.C. Dept. of Health and Human Services | | - | 682,411 |
| <u>N.C. Dept. 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. Dept of Environment and Natural Resources | | - | 16,877 |
| <u>N.C. Dept. of Transportation</u> | | | |
| Elderly and Disabled Transportation | DOT-16CL | - | 55,933 |
| Rural General Public Program | DOT-16CL | - | 46,706 |
| New Access Road to NCCAR Facility | DOT-18 | - | 80,478 |
| Work First | DOT-16CL | - | 11,607 |
| Total N.C. Dept. of Transportation | | - | 194,724 |

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| <u>Grantor / Pass-through Grantor / Program Title</u> | <u>CFDA Number</u> | <u>Expenditures</u> | |
|---|------------------------|----------------------|----------------------|
| | | <u>Federal</u> | <u>State</u> |
| <u>N.C. Dept. of Corrections</u> | | | |
| Criminal Justice Partnership Program | | - | 75,640 |
| <u>N.C. Dept. of Cultural Resources</u> | | | |
| NCARTS Council | | | |
| Arts Grant | | - | 8,519 |
| <u>N.C. Dept. of Crime Control and Public Safety</u> | | | |
| Emer. Man/Surry Nuclear Power | | - | 700 |
| <u>Office of the Governor</u> | | | |
| <u>Office of Juvenile Justice</u> | | | |
| Gang Violence Prevention | | - | 26,692 |
| Total Office of the Governor | | - | 26,692 |
| <u>N/C. Department of Public Instruction</u> | | | |
| Public School Building Capital Fund | | - | 250,000 |
| Total N.C. Office of State Treasurer | | - | 250,000 |
| <u>N.C. Dept. of Administration</u> | | | |
| Veterans Service | | - | 1,452 |
| Total State awards | | - | 1,257,015 |
| Total Federal and State awards | | \$ 30,955,492 | \$ 17,220,424 |

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

1. 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.

2. Loans Outstanding

Northampton County had the following loan balance outstanding at June 30, 2012.

The amount included in the federal expenditures presented above represents current year draw downs only.

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Amount Outstanding</u> |
|---------------------------------------|------------------------|--|-------------------------------|
| Community Facilities Loans and Grants | 10.780 | NA | \$ 356,825 |

3. 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