

LINCOLN COUNTY

NORTH CAROLINA



COMPLIANCE LETTERS

**For the Fiscal Year Ended
June 30, 2009**

**LINCOLN COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

LINCOLN COUNTY, NORTH CAROLINA
Compliance Letters
For the Fiscal Year Ended June 30, 2009

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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 Commissioners
Lincoln County, North Carolina

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 Lincoln County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 26, 2009. We did not audit the financial statements of the Lincoln County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lincoln County ABC Board is based solely on the reports of the 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. The financial statements of the Lincoln 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 Lincoln County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 2009-01 and 2009-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of Lincoln County in a separate letter dated October 26, 2009.

This report is intended solely for the information and use of the board of commissioners, management, and 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, 2009

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Report On Compliance With Requirements Applicable To 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
Lincoln County, North Carolina

Compliance

We have audited the compliance of Lincoln County, North Carolina, 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 are applicable to each of its major federal programs for the year ended June 30, 2009. Lincoln County's major federal programs are identified in the summary of auditor's 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 Lincoln County's management. Our responsibility is to express an opinion on Lincoln 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; and 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 noncompliance 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 Lincoln 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 on Lincoln County's compliance with those requirements.

In our opinion, Lincoln County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lincoln County's internal control over compliance with 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, 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 the County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and responses as item 2009-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

Lincoln County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and accordingly, we express no opinion on it.

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 Lincoln County as of and for the year ended June 30, 2009 and have issued our report thereon dated October 26, 2009. We did not audit the financial statements of the Lincoln County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lincoln County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln 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 the board of commissioners, management, and federal 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, 2009

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Report On Compliance With Requirements Applicable To 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
Lincoln County, North Carolina

Compliance

We have audited the compliance of Lincoln County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that are applicable to each of its major State programs for the year ended June 30, 2009. Lincoln County's major State programs are identified in the summary of auditor's 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 Lincoln County's management. Our responsibility is to express an opinion on Lincoln 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; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of *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 noncompliance 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 Lincoln 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 on Lincoln County's compliance with those requirements.

In our opinion, Lincoln County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered Lincoln County's internal control over compliance with 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, 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 the County's internal control over compliance.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

Lincoln County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

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 Lincoln County as of and for the year ended June 30, 2009 and have issued our report thereon dated October 26, 2009. We did not audit the financial statements of the Lincoln County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lincoln County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln 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 the board of commissioners, management, 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, 2009

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

1. Summary of Auditors' Results

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified No
- Significant deficiencies identified that are not considered to be material weaknesses Yes

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified No
- Significant deficiencies identified that are not considered to be material weaknesses Yes

Noncompliance material to federal awards 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:

Federal Program/Cluster Name	CFDA#
Title XIX Medicaid Cluster	93.778
Subsidized Child Care Cluster	93.575
	93.596
Temporary Assistance to Needy Families	93.558
Food Stamp Cluster	10.551
	10.561

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

Dollar threshold used to distinguish between
Type A and Type B Programs \$2,212,997

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major State programs:

- Material weaknesses identified No
- Significant deficiencies identified that are not
considered to be material weaknesses Yes

Noncompliance material to State awards 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:

Title XIX Medicaid Cluster
SC/SA Domiciliary Care
Subsidized Childcare Cluster
Temporary Assistance to Needy Families
Parks and Recreation Trust Fund
Public School Building Capital Fund

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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

Finding 2009-01:

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

Condition: While documenting internal controls relating to the general ledger/journal entries, we noted that all finance employees have access to all financial reporting modules and the ability to post journal entries in the financial accounting system. Furthermore, there is no formal review process in place for journal entries posted to the system.

Cause: Failure to limit access rights to areas necessary to perform job descriptions. Failure to implement a formal review process for the posting of journal entries.

Effect: Errors may occur and may not be detected in a timely manner.

Recommendation: Employees should only have access rights to modules that they need to perform their daily functions. Read-only access can be granted for other modules as necessary. Furthermore, in order to ensure adequate segregation of duties and prevent overrides of internal controls currently in place, management should restrict journal entry access to only those employees for whom it is required. Policy should restrict the same individual from initiating, approving and posting a journal entry.

Management's Response/Corrective Action: Management concurs with the finding. Individuals will be prohibited from initiating, approving and posting journal entries.

Finding 2009-02:

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

Condition: While documenting internal controls over cash collections, we noted areas in the utilities department where controls should be strengthened. There is currently no review process in place for the adjustments that are made to customers' accounts.

Cause: Lack of a formal policy with regards to authorizing write-offs or adjustments.

Effect: Unauthorized write-offs or adjustments could occur.

Recommendation: Implement a proactive review policy for adjustments made to customer accounts. Adjustments should be reviewed prior to posting to customer accounts.

Management's Response/Corrective Action: Management concurs with the finding, and a review system is being implemented for adjustments to customer accounts.

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

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

See item 2009-01 above.

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

See item 2009-01 above.

LINCOLN COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

There were no prior year audit findings.

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster:</u> ²					
Food Stamp Program - Noncash	10.551		\$ 10,863,671	\$ -	\$ -
State Administrative Matching Grants for					
Food Stamp Admin	10.561		338,601	-	338,601
Food Stamp E&T & Depend Care	10.561		2,445	-	2,445
Food & Nutrition SVCS Recovery (ARRA)	10.561		2,006	-	-
Food Stamp Fraud Admin	10.561		19,603	-	19,603
Total Food Stamp Cluster			<u>11,226,326</u>	<u>-</u>	<u>360,650</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children	10.557		1,098,794	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children	10.557		292,473	-	-
AGRI-SFP Food Program Meal	10.559		1,004	-	-
Passed-through Centralina Council of Governments					
USDA Supplement	10.570		5,417	-	565
Total U.S. Department of Agriculture			<u>12,624,015</u>	<u>-</u>	<u>361,215</u>
<u>U.S. Dept. of Housing & Urban Development</u>					
Passed-through N.C. Division of Community Assistance					
CDBG Small Cities Program (Scattered-Site Housing)	14.218		395,596	-	-
Total U.S. Dept. of Housing & Urban Development			<u>395,596</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Bulletproof Vest Partnership Grant	16.607		14,751	-	-
Passed-through N.C. Dept. of Crime Control and					
Public Safety:					
State Criminal Alien Assistance Program (SCAA)	16.606		13,775	-	-
Total U.S. Dept. of Justice			<u>28,526</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>					
American Recovery and Reinvestment Act 2009					
Passed-through the N.C. Department of Transportation					
Formula Grant Public Transportation Admin	20.509	36233.128.1.1	80,768	5,048	-
Formula Grant Public Transportation Capital	20.509	36233.128.1.3	3,345	418	-
Total U.S. Dept. of Transportation			<u>84,113</u>	<u>5,466</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Division of Emergency Management					
State Domestic Preparedness Equipment Support Program					
Homeland Security Grant	97.042	EMPG-2008-37109	37,933	-	-
Homeland Security Grant	97.046	Evans Rd Fire Hyde Cty	15,239	-	-
Homeland Security Buffer Zone Protection Program	97.078	2007-BZ-T7-0034-9002	88,073	-	-
Passed-through City of Charlotte					
Homeland Security Disaster Assistance	97.073	Urban Assistance	36,558	-	-
Total U. S. Department of Homeland Security			<u>177,803</u>	<u>-</u>	<u>-</u>

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>U.S. Dept. of Health & Human Services</u>					
<u>Administration on Aging</u>					
<u>Division of Social Services</u>					
Passed-through Centralina Council Governments					
<u>Aging Cluster:</u> ²					
Special Programs for the Aging - Title III B					
Disease Prevention and Health Promotion Services	93.043		5,177	305	685
Supportive Services and Senior Center					
Access	93.044		52,027	40,105	11,682
In-Home	93.044		40,168	184,735	28,218
Nutrition Services	93.045		73,039	11,224	8,714
National Family Caregiver Support	93.052		25,130	1,675	5,314
Total Aging Cluster			195,541	238,044	54,613
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
<u>Foster Care and Adoption Cluster:</u> ²					
IV-E Child Protective Services	93.658		224,168	41,051	183,117
IV-E Admin County Paid to CCI/	93.658		32,421	16,211	16,211
IV-E Family Foster Max	93.658		118	(10)	59
IV-E Optional	93.659		13,269	-	10,190
IV-E Foster Care	93.658		146,851	28,102	37,809
IV-E Foster Care In Excess	93.658		30,946	3,935	9,425
IV-E Max Level III	93.658		105	(9)	52
IV-E Foster Care TRN	93.658		2,600	-	867
IV-E Foster Care/Off TRN	93.658		164,048	-	164,048
IV-E Adoption Subsidy & Vendor	93.659		280,143	52,962	72,681
Total Foster Care and Adoption Cluster			894,670	142,241	494,459
Work First Administration	93.558		80,096	35,767	79,835
Work First Service	93.558		506,640	178,127	397,589
Work First Demonstration Grant	93.558		52,869	-	-
Family Preservation	93.556		1,440	-	-
TANF Domestic Violence	93.558		15,884	-	-
WF Funct Assess	93.558		3,000	-	-
TANF Payments & Penalties	93.558		379,299	(204)	-
AFDC Payments & Penalties	93.560		(453)	(124)	(124)
N. C. Child Support Enforcement Section	93.563		470,617	244,305	1,866
CSE Incentive Recovery (ARRA)	93.563		18,607	(244,305)	253,890
Administration	93.568		28,568	-	-
Energy Assistance Payments- Direct Benefit Payments	93.568		334,580	-	-
Crisis Intervention Payments	93.568		166,202	-	-
Permanency Planning - Regular	93.645		16,010	5,336	-
Permanency Planning - Special	93.645		4,752	-	1,584
SSBG - Other Service and Training	93.667		151,303	15,683	55,662
Independent Living Grant	93.674		23,322	4,440	-
Adoption/Foster Care			84,465	-	51
County Funded Programs			-	-	219,640
Child Protective Services Expansion State			-	126,617	-
DCD Smart Start			-	70,000	-
Energy Assistance Private Grants			-	505	-
State County Special Assistance			-	-	37,009
Work First Non Reimbursable			-	-	280,187
State Adult Protective Service			-	54,322	-
IV-D Offset Fees-ESC			470	-	242
IV-D Offset Fees-Federal			4,575	-	2,357
AFDC Incent/Program Integrity			-	70	-
AFDC Unemployed Parents Assistance			(51)	(14)	(14)
Special Children Adoption			60,000	-	-
CWS Adopt Subsidy & Vendor			-	225,402	73,092
F/C At Risk Maximization			-	699	384

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
SC/SA Domiciliary Care Payment			-	552,579	554,734
State Foster Home			-	75,399	75,399
Foster Care Special Provision			-	33,273	-
SFHF Maximization			-	31,854	31,854
Foster Care at Risk			-	402	88
Total Division of Social Services			3,296,864	1,552,374	2,559,786
Division of Aging:					
Division of Social Services:					
In-Home Services	93.667		2,733	-	390
In-Home Services over 60	93.667		5,407	-	772
Adult Day Care Fund	93.667		1,408	2,484	556
Adult Day Care Fund Over 60	93.667		2,330	592	418
Total Division of Aging			11,877	3,077	2,136
Subsidized Child Care Cluster: ²					
<u>Child Care Development Fund Cluster</u>					
Division of Social Services					
Child Care Development Fund-Administration	93.596		91,266	-	-
Division of Child Development:					
Child Care and Development Fund -- Discretionary	93.575		774,885	-	-
Child Care and Development Fund -- Mandatory	93.596		293,121	-	-
Child Care and Development Fund -- Match	93.596		239,493	131,917	-
Total Child Care Fund Cluster			1,398,765	131,917	-
Social Services Block Grant	93.667		3,378	-	-
Temporary Assistance for Needy Families (TANF)	93.558		299,676	-	-
Smart Start			-	179,036	-
State Appropriations			-	31,526	-
TANF-MOE			-	16,211	-
Total Subsidized Child Care Cluster			1,701,819	358,690	-
<u>Health Care Financing Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Administration:					
North Carolina Health Choice	93.767		20,998	2,615	4,343
Adult Care Home (Case Management) and (Specialist)	93.778		64,241	32,178	32,063
Medical Assistance Admin	93.778		606,177	-	606,177
Medical Transportation Admin	93.778		64,064	-	64,064
Medical Transportation Service	93.778		12,535	6,256	656
Medical Assistance Expansion	93.778		11,121	11,121	-
Direct Benefit Payments:					
Medical Assistance Program	93.778		54,074,419	20,757,914	1,282,314
Total Division of Medical Assistance			54,853,556	20,810,084	1,989,616
Passed-through the N.C. Department of Insurance					
Division of Seniors' Health Insurance Information Program					
Centers for Medicare and Medicaid Services	93.779	SHIIP 100408-4107	4,200	-	-
<u>Health Resources and Services Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217		53,637	-	-
Immunization Program/Aid to County Funding	93.268		18,560	-	-
CDC Prevention Investigations and Tech Assistance	93.283		47,127	-	-
Temporary Assistance for Needy Families	93.558		6,312	-	-
Statewide Health Promotion Program	93.991		13,960	-	-
Maternal and Child Health Services Block Grant	93.994		253,075	-	-
Total Division of Public Health			392,671	-	-

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Division of Facility Services					
Total U.S. Dept. of Health and Human Services			60,456,527	22,962,269	4,606,151
Total federal awards			73,766,580	22,967,735	4,967,366
State Awards:					
<u>N.C. Department of Commerce</u>					
Commerce Finance Center		One NC Grant	-	25,000	-
Total N.C. Dept. of Commerce			-	25,000	-
<u>N.C. Department of Environment and Natural Resources</u>					
Division of Parks and Recreation					
Parks and Recreation Trust Fund (PARTF)		2008-562 Rock Springs Park	-	500,000	-
Division of Soil & Water					
AG Cost Share Funds			-	28,675	-
Administrative Match Funds			-	4,000	-
Division of Waste Management					
White Goods Management Program			-	12,821	-
Scrap Tire Program			-	87,467	-
Total N.C. Dept. of Environmental and Natural Resources			-	632,963	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services					
Administrative:					
State Aid to Counties			-	28,492	-
TANF Incent/Program Integrity			-	1,220	-
Administration on Aging					
Division of Social Services					
Passed through Centralina Council of Governments					
Senior Center Outreach			-	653	-
Senior Center General Purpose			-	4,363	-
Total N.C. Dept. of Health and Human Services			-	34,728	-
Division of Public Health					
General			-	100,520	-
Minority Health			-	11,632	-
AIDS			-	500	-
Communicable Disease			-	12,488	-
Risk Reduction/Health Promotion			-	6,455	-
Tuberculosis			-	1,825	-
Women's Preventable Health			-	3,538	-
Breast and Cervical Cancer Control			-	13,770	-
Public Health Nurse Training			-	1,200	-
Preparedness and Response			-	33,114	-
Healthy Carolinas Partnership Support			-	5,727	-
TB Medical Services			-	787	-
Total Division of Public Health			-	191,556	-
Total N. C. Department of Health and Human Services			-	226,284	-
<u>Dept. of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime Prevention Programs					
Administration			-	7,014	-
Strengthening Families			-	27,255	-
Home Based Services			-	70,820	-
Equine Assisted Skill Building			-	24,545	-
Take Hole of the Reins (SA)			-	17,971	-
Mediation			-	11,664	-
Multisystemic Therapy			-	7,245	-

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Total N.C. Department of Juvenile Justice			-	166,514	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund			-	455,225	-
Lottery Proceeds			-	879,025	-
Total N.C. Department of Public Instruction			-	1,334,250	-
<u>N.C. Dept. of Transportation</u>					
Transportation Administration		DOT-3	-	27,406	-
Capital Assistance Program		DOT-14	-	1,349	-
Work First		DOT-16CL	-	16,747	-
Elderly and Disabled Transportation Assistance Program (EDTAP)		DOT-16CL	-	87,622	-
(EDTAP) Rural General Public Transportation		DOT-16CL	-	97,199	-
Total N.C. Dept. of Transportation			-	230,323	-
<u>N.C. Dept. of Administration</u>					
Veterans Services			-	2,000	-
Total State awards			-	2,617,334	-
Total federal and State awards			<u>\$ 73,766,580</u>	<u>\$ 25,585,068</u>	<u>\$ 4,967,366</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 Lincoln 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 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.
- 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