

**NORTHAMPTON COUNTY
JACKSON, NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2013

NORTHAMPTON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2013

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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*

Independent Auditor's Report

To the Board of County Commissioners
Northampton County
Jackson, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America 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 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, 2013, not presented here, and the related notes to the financial statements, which collectively comprise Northampton County's basic financial statements, and have issued our report thereon dated March 17, 2014. The financial statements of Northampton County Tourism Development Authority and Northampton County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northampton County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs, we identified certain deficiencies in internal control 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 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 described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2013-001, 2013-002, and 2013-003 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 an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2013-003.

Northampton County's Responses to Findings

Northampton County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
March 17, 2014

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Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Northampton County
Jackson, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Northampton County, North Carolina, compliance with the types of compliance requirements described in the *OMB 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 Northampton County's major federal programs for the year ended June 30, 2013. Northampton County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Northampton County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Northampton County's compliance.

Opinion On Each Major Federal Program

In our opinion, Northampton County complied, in all material respects, with the types of 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, 2013.

Report On Internal Control Over Compliance

Management of Northampton County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northampton County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a 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. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

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 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Northampton County's basic financial statements. We issued our report thereon dated March 17, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
March 17, 2014

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Northampton County
Jackson, North Carolina

Report On Compliance for Each Major State Program

We have audited Northampton County, North Carolina, compliance with the types of compliance requirements described in 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 Northampton County's major State programs for the year ended June 30, 2013. Northampton County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Northampton County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of 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, *Audits of States, Local Governments, and Non-Profit Organizations* 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 on compliance for each major State program. However, our audit does not provide a legal determination of Northampton County's compliance.

Opinion On Each Major State Program

In our opinion, Northampton County complied, in all material respects, with the types of 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, 2013.

Report On Internal Control Over Compliance

Management of Northampton County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northampton County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program 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 the 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 State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

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 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Northampton County's basic financial statements. We issued our report thereon dated March 17, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
March 17, 2014

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
• Material weakness identified	Yes
• Significant deficiency identified that is not considered to be material weakness	None reported
Non-compliance material to financial statements noted	Yes

Federal Awards

Internal control over major federal programs:

• Material weakness identified	No
• Significant deficiency identified that is not considered to be material weakness	None reported

Type of auditor's report issued on compliance for major federal programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	No
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Major federal programs for Northampton County, North Carolina, for the fiscal year ended June 30, 2013, are:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.777, 93.775, 93.720
Community Facilities Loans & Grants Cluster	10.780, 10.766
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$957,700</u>
Auditee qualified as low-risk auditee	No

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weakness identified No

- Significant deficiency identified that is not considered to be material weakness None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act No

Major State programs for Northampton County, North Carolina, for the fiscal year ended June 30, 2013, are:

Program Name

Medicaid Cluster

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

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

Finding 2013-001

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, 2013

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

Finding 2013-002

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, 2013

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

Finding 2013-003

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 were violations of the General Statutes regarding deficit fund equity.

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

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

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

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

Name of Contact Person: Dot Vick

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

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

None reported.

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

None reported.

NORTHAMPTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

Finding 2012-1:

Status: Modified and repeated as Finding 2013-001.

Finding 2012-2:

Status: Modified and repeated as Finding 2013-002.

Finding 2012-3:

Status: Modified and repeated as Finding 2013-003.

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<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 Community Facilities Loans and Grants Cluster (Note 2)	10.780	\$ 3,462,526	\$ -
<u>Food Distribution Cluster</u>			
Passed-through N.C. Dept. of Agriculture Emergency Food Assistance Program - Administrative Cost	10.568	40,779	-
<u>Total Food Distribution Cluster</u>		<u>40,779</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	324,233	-
<u>Total Supplemental Nutrition Assistance Program Cluster</u>		<u>324,233</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	-
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	658,574	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	289,968	-
<u>Total Women, Infants, and Children</u>		<u>1,105,942</u>	<u>-</u>
<u>Total U.S. Department of Agriculture</u>		<u>4,933,480</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	12,000	-
<u>Total Community Development Block Grant Cluster</u>		<u>12,000</u>	<u>-</u>

NORTHAMPTON COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<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 Public Safety:			
<u>Division of Emergency Management:</u>			
Emergency Management Performance	97.042	36,386	-
Homeland Security	97.067	4,114	-
Total Homeland Security		40,500	-
<u>U.S. Department of Health and Human Services:</u>			
<u>Administration on Aging</u>			
<u>Aging Cluster:</u>			
Passed-through Region L Council of Governments:			
Access Title III Part B	93.044	25,489	1,499
In-Home Title III B	93.044	9,164	539
Title III Part C Nutrition	93.045	24,631	1,449
Home Delivered Meals	93.045	20,147	1,185
Total Aging Cluster		79,431	4,672
Family Caregiver Title III-Part E	93.052	7,177	479
Nutrition Services Incentive Program	10.570	8,735	-
State Caregiver Match	N/A	-	4,263
Access Services	N/A	-	11,849
In-Home Services	N/A	-	152,070
Home-Delivered Meals	N/A	-	49,246
Total Administration on Aging		95,343	222,579
<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	523,772	-
Temporary Assistance for Needy Families - Direct Benefit Payments	93.558	234,051	-
Total Temporary Assistance for Needy Families Cluster		757,823	-
<u>Foster Care and Adoption Cluster:</u>			
Title IV-E Foster Care	93.658	93,129	10,114
Adoption Assistance - Administration	93.659	5,767	-
Foster Care - Administration	N/A	11,736	-
Foster Care - Direct Benefit Payments	93.658	21,200	5,264
Adoption Assistance - Direct Benefit Payments	93.659	40,362	10,755
Total Foster Care and Adoption Cluster		172,194	26,133

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2013

<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	94,605	-
Administration	93.568	28,626	-
Crisis Intervention Program	93.568	214,177	-
Total Low Income Home Energy Assistance Block Grant		337,408	-
AFDC - Direct Benefit Payments	93.560	(489)	(134)
Child Support Enforcement-IVD	93.563	483,503	-
State County Special Assistance	N/A	4,686	-
Promoting Safe and Stable Families	93.556	1,381	-
Child Welfare Services - Permanency Planning	93.645	10,024	645
Social Services Block Grant	93.667	302,826	61,990
LINKS	93.674	2,335	584
LINKS - Direct Benefit	93.674	206	-
<u>Subsidized Child Care Cluster:</u>			
<u>Child Care Development Fund Cluster:</u>			
Division of Social Services			
Child Care Development Fund-Administration	93.596	77,336	-
Division of Child Development			
Child Care and Development Fund - Discretionary	93.575	215,095	-
Child Care and Development Fund - Mandatory	93.596	99,442	-
Child Care and Development Fund - Match	93.596	154,341	69,339
<u>Total Child Care Fund Cluster</u>		546,214	69,339
Social Services Block Grant	93.667	203	-
Temporary Assistance for Needy Families	93.558	129,390	-
Foster Care Title IV-E	93.658	5,788	2,829
State Appropriations		-	8,844
TANF-MOE		-	35,880
<u>Total Subsidized Child Care Cluster</u>		681,595	116,892
Total Administration for Children and Families		2,753,492	206,110
<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 Programs	93.919	18,360	10,200
PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds	93.744	3,000	-
HIV Prevention Activities-Health Department Based	93.940	51,835	-

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2013

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>Division of Medical Assistance</u>			
Direct Benefit Payments:			
Medical Assistance Program	93.778	25,990,154	14,847,505
<u>Division of Social Services</u>			
Administration:			
Medical Assistance Program	93.778	542,283	23,006
<u>Total Medicaid Cluster</u>		26,532,437	14,870,511
NC Health Choice	93.767	29,068	939
Total Centers for Medicare and Medicaid Services		26,634,700	14,881,650
<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	46,142	-
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116	5,026	-
Technical Assistance	93.283	11,068	-
Bioterrorism Grant	93.283	-	-
Immunization Grants	93.268	9,102	-
Statewide Health Promotion Program	93.991	9,640	-
<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	3,568	-
<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	109,179	-
Maternal and Child Health Block Grant	93.994	77,415	58,068
<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	43,516	-
Total U.S. Department of Health and Human Services		26,949,356	14,940,218
Total Federal awards		31,923,336	14,940,218

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2013

<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		-	441,447
SFHF Maximization - Direct Benefit		-	1,810
State Foster Home - Direct Benefit		-	2,100
CWS Adoption Subsidy / Vendor Payments - Direct Benefit		-	44,945
DCD Smart Start		-	3,008
AFDC Incentive/Program Integrity		-	853
Total Division of Social Services		-	494,163
Division of Public Health:			
General		-	104,240
Mosquito-Public Health Pesticide		-	12,373
Environmental Health		-	4,000
Public Health Nursing		-	400
Healthy Communities		-	2,840
School Nurse Funding Initiative		-	150,000
Communicable Disease		-	2,440
Tuberculosis		-	30,475
TB Medical Services		-	1,282
Risk Reduction/Health Promotion		-	6,206
Women's Health Service Fund		-	5,160
Total Division of Public Health		-	319,416
<u>N.C. Dept. of Environment and Natural Resources</u>			
Division of Soil and Water Conservation:			
Soil and Water Conservation Grant		-	18,052
Total Division of Soil and Water Conservation		-	18,052
Total N.C. Dept of Environment and Natural Resources		-	18,052
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation	DOT-16CL	-	50,461
Rural General Public Program	DOT-16CL	-	53,248
Work First	DOT-16CL	-	11,127
Total N.C. Dept. of Transportation		-	114,836
<u>NC. Dept. of Commerce</u>			
Commerce Finance Center			
Small Business and Entrepreneurial Assistance (SBEA) Grant		-	10,300
Total N.C. Dept of Commerce		-	10,300

NORTHAMPTON COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2013

<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 Cultural Resources</u>			
NCARTS Council			
Arts Grant		-	8,707
Total N.C. Dept of Cultural Resources		-	8,707
<u>N.C. Dept. of Public Safety</u>			
Treatment for Effective Community Supervision (TECS) Program		-	62,442
Emer. Man/Surry Nuclear Power		-	4,114
Total N.C. Dept. of Public Safety		-	66,556
<u>N.C. Dept. of Administration</u>			
Veterans Service		-	1,452
Total N.C. Dept of Administration		-	1,452
<u>N.C. State Board of Elections</u>			
Access Poll Grant		-	12,148
Coding Grant		-	4,973
Total N.C. State Board of Elections		-	17,121
Total State awards		-	1,864,182
Total Federal and State awards		\$ 31,923,336	\$ 16,804,400

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, 2013.

The amount included in the Federal expenditures presented above represents current year-to-date draw downs.

<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	\$ 3,845,168

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