

LINCOLN COUNTY

NORTH CAROLINA



COMPLIANCE LETTERS

**For the Fiscal Year Ended
June 30, 2012**

**LINCOLN COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

LINCOLN COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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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, 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 Lincoln County ABC Board, as described in our report on Lincoln County's financial statements. The financial statements of the Lincoln County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Lincoln County is responsible for establishing and maintaining effective 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.

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.

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

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 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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2012-01.

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

We noted a certain matter that we reported to management of Lincoln County in a separate letter dated November 15, 2012.

This report is intended solely for the information and use of the Board of Commissioners, management, 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 Federal Program And On 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
Lincoln County, North Carolina

Compliance

We have audited Lincoln 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 Lincoln County's major federal programs for the year ended June 30, 2012. Lincoln County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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 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 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, 2012.

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.

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 the 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 the County's 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 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, 2012, which collectively comprise Lincoln County, North Carolina's basic financial statements, and have issued our report thereon dated November 15, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 Expenditure 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 the Board of Commissioners, management, 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 On 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
Lincoln County, North Carolina

Compliance

We have audited Lincoln County's compliance with the types of compliance requirements described in applicable sections of OMB Circular A-133 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 its major State programs for the year ended June 30, 2012. Lincoln County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of 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; 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 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 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, 2012.

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 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 the County's internal control over compliance.

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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 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 the 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 the County's 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 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, 2012, which collectively comprise Lincoln County, North Carolina's basic financial statements, and have issued our report thereon dated November 15, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 Expenditure 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 the Board of Commissioners, management, 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

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS 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 weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X No

Non-compliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X 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 Circular A-133? _____ Yes X No

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
TANF Cluster	93.558, 93.714, 93.716

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,825,657

Auditee qualified as low-risk auditee? _____ Yes X No

LINCOLN COUNTY, NORTH CAROLINA

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

State Awards

Internal control over major State programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X No

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

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? _____ Yes X No

Identification of major State programs:

Program Name:

Medicaid
Public School Building Capital Fund-Lottery Proceeds

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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

Finding 2012-01 Deficit Fund Equity

Criteria: North Carolina General Statutes preclude units from having funds that operate in a deficit.

Condition: In the current year, there were violations of the General Statutes regarding deficit fund equity.

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

Cause: The County adopted a balance budgets however revenues were insufficient to cover the cost of operations.

Context: During our review of the drafted financial statements, we noted that the condition described above.

Recommendation: The County should reevaluate the cost of providing services and adjust charges to insure that revenues cover all related costs in the internal service fund.

Contact Person: Dianna Rios, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management will evaluate charges related to the Workers' Compensation Internal Service Fund and take measures to ensure charges cover costs.

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

None

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

None

LINCOLN COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

None reported.

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State 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>Supplemental Nutrition Assist. Program Cluster</u>				
State Administrative Matching Grants for				
the Supplemental Nutrition Assistance Program				
	10.561		\$ 406,383	\$ -
Supplemental Nutrition Asst. Program E&T & Dep.				
	10.561		38	-
Supplemental Nutrition Assistance Fraud Admin				
	10.561		31,893	-
Total Nutrition Assistance Cluster				
			438,314	-
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		358,495	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for				
Women, Infants, & Children				
	10.557		1,162,535	-
Passed-through Centralina Council of Governments				
USDA Supplement				
	10.570		8,486	-
Total U.S. Department of Agriculture				
			1,967,830	-
<u>U.S. Dept. of Justice</u>				
<u>Bureau of Justice Assistance</u>				
Public Safety Partnership & Community Policing COPS (ARRA)				
	16.710		280,755	-
Total Bureau of Justice Assistance				
			280,755	-
Passed-through N.C. Dept. of Crime Control and Public Safety				
Edward Byrne Memorial Justice Assistance (ARRA)				
	16.803	Gov Crime Comm JCPC Gang	70,608	-
Total U.S. Dept. of Justice				
			351,363	-
<u>U.S. Dept. of Transportation</u>				
American Recovery and Reinvestment Act 2009 (ARRA)				
Passed-through the N.C. Department of Transportation				
Formula Grant Public Transportation Admin				
	20.509	51003.41.3.STT1	18,914	-
Passed-through the N.C. Department of Transportation				
Formula Grant Public Transportation Admin				
	20.509	36233.114.2.1	145,505	9,094
Formula Grant Public Transportation Admin				
	20.509	36233.114.2.3	62,420	7,802
Formula Grant Public Transportation Admin				
	20.509	36233.131.2.1	32,549	2,034
Formula Grant Public Transportation Admin				
	20.509	36233.131.2.3	109,945	13,743
Total U.S. Dept. of Transportation				
			369,333	32,673

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
<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				
Emergency Management Performance				
	97.042	EMPG-2011-37109	48,753	-
Total U. S. Department of Homeland Security				
			48,753	-
<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> ⁴				
Special Programs for the Aging - Title III B				
Disease Prevention and Health Promotion Services				
	93.043		5,911	348
Supportive Services and Senior Center				
Access				
	93.044		66,563	61,566
In-Home				
	93.044		71,505	176,344
Nutrition Services				
	93.045		87,659	5,160
National Family Caregiver Support				
	93.052		27,405	1,827
Total Aging Cluster				
			259,043	245,245
Passed-through Carolinas Medical Center				
National Bioterrorism Hospital Preparedness Program				
	93.889	ASPR Grant	44,641	-
Total Carolinas Medical Center				
			44,641	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
<u>Foster Care and Adoption Cluster:</u> ⁴				
Administration:				
IV-E Adoption Training				
	93.659		2,087	-
IV-E Optional Adoption Training				
	93.659		3,414	-
IV-E Child Protective Services				
	93.658		314,197	34,483
IV-E Foster Care TRN				
	93.658		5,490	-
IV-E Foster Care/Off TRN				
	93.658		168,193	-
Direct Benefit Payments:				
IV-E Admin County Paid to CCI				
	93.658		3,254	1,627
IV-E Family Foster Max				
	93.658		58	-
IV-E Foster Care				
	93.658		51,390	13,766
IV-E Foster Care In Excess				
	93.658		14,088	3,779
IV-E Max Level III				
	93.658		4,641	-
IV-E Adoption Subsidy & Vendor				
	93.659		300,112	81,225
Total Foster Care and Adoption Cluster				
			866,924	134,880
Administration:				
LINKS				
	93.674		7,720	1,930
Family Violence Prevention				
	93.671		3,698	-
SSBG - Other Service and Training				
	93.667		158,919	15,772
Permanency Planning - Special				
	93.645		18,853	3,159
Crisis Intervention Payments				
	93.568		372,935	-
Low Income Energy Administration				
	93.568		57,207	-
Low Income Energy Assistance				
	93.568		120,400	-
IV-D Administration				
	93.563		518,115	-
TANF Contingency Job Boost				
	93.558		22,716	5,679
TANF Domestic Violence				
	93.558		21,079	-

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
Work First Administration	93.558		140,452	-
Work First Service	93.558		736,057	-
Family Preservation	93.556		4,217	-
Adoption/Foster Care	93.558		78,215	-
IV-D Offset Fees-ESC	93.563		182	-
IV-D Offset Fees-Federal	93.563		2,864	-
DCD Smart Start			-	70,000
AFDC Incent/Program Integrity			-	4
TANF Incent/Program Integrity			-	743
Direct Benefit Payments:				
Independent Living Transitional	93.674		53,356	-
Energy Assistance Payments	93.568		(194)	-
AFDC Payments & Penalties	93.560		(123)	(34)
TANF Payments & Penalties	93.558		303,442	-
CWS Adopt Subsidy & Vendor			-	299,985
F/C At Risk Maximization			-	6,230
SC/SA Domiciliary Care Payment			-	536,712
SFHF Maximization			-	53,087
State Foster Home			-	64,938
Total Division of Social Services			3,487,034	1,193,085
Division of Aging:				
Division of Social Services:				
Administration:				
In-Home Services	93.667		3,463	-
In-Home Services over 60	93.667		5,539	-
Adult Protective Services	93.667		32,122	-
Adult Day Care	93.667		2,042	1,748
Total Division of Aging			43,166	1,748
Subsidized Child Care Cluster: (2)				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services:				
Child Care Development Fund-Administration	93.596		81,782	-
Division of Child Development:				
Child Care and Development Fund -- Discretionary	93.575		617,452	-
Child Care and Development Fund -- Mandatory	93.596		217,424	-
Child Care and Development Fund -- Match	93.596		257,399	91,786
Total Child Care Fund Cluster			1,174,057	91,786
Temporary Assistance for Needy Families (TANF)	93.558		275,865	-
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families				
State Programs	93.714		51,526	-
Foster Care Title IV-E	93.658		11,416	-
Smart Start			-	53,554
State Appropriations			-	15,474
TANF-MOE			-	151,934
Total Subsidized Child Care Cluster			1,512,864	312,748

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
<u>Center for Medicare and Medicaid Services</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Medical Assistance:				
Administration:				
North Carolina Health Choice	93.767		30,461	2,931
Medical Assistance Program	93.778		72,847	28,105
Adult Care Home (Case Management) and (Specialist)	93.778		79,430	32,559
Medical Assistance Admin	93.778		725,898	-
Medical Transportation Admin	93.778		89,941	-
Medical Transportation Service	93.778		8,367	4,470
Medical Assistance Expansion	93.778		11,177	11,177
Direct Benefit Payments:				
Medical Assistance Program	93.778		51,548,486	30,145,543
Total Division of Medical Assistance			52,566,607	30,224,785
<u>Administration of Children and Families</u>				
Passed-through the N.C. Dept. of Health and Human Services				
Temporary Assistance for Needy Families	93.558		6,312	-
Social Services Block Grant	93.667		-	500
Total N.C. Office of Emergency Medical Services			6,312	500
<u>Health Resources and Service Administration</u>				
Passed-through the N.C. Dept. of Health and Human Services				
Division of Public Health				
Maternal and Child Health Services Block Grant	93.667		61,693	196,276
Total N.C. Office of Emergency Medical Services			61,693	196,276
<u>Office of Population Affairs</u>				
Passed-through the N.C. Dept. of Health and Human Services				
Office of Population Affairs				
Family Planning Services	93.217		32,313	-
Total N.C. Office of Emergency Medical Services			32,313	-
<u>Center for Disease Control and Prevention</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Public Health Emergency Preparedness	93.069		40,185	-
Immunization Grants	93.268		22,621	-
CDC Prevention Investigations and Tech Assistance	93.283		1,444	-
Cooperative Agreements for State-Based Comprehensive				
Breast and Cervical Cancer Early Detection Programs	93.919		40,037	5,100
Total Division of Public Health			104,287	5,100
Total U.S. Dept. of Health and Human Services			58,117,960	32,179,487
Total federal awards			60,855,239	32,212,160

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
State Awards:				
Division of Soil & Water				
N.C. Agriculture Cost Share Funds			-	26,490
State Administrative Match Funds			-	3,600
Division of Waste Management				
Scrap Tire Program			-	73,879
Total N.C. Dept. of Environmental and Natural Resources			-	103,969
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services				
Passed through Centralina Council of Governments				
Fan/Heat Program			-	1,921
Senior Center General Purpose			-	4,203
Total N.C. Dept. of Health and Human Services			-	6,124
Division of Public Health				
Food and Lodging			-	5,778
Environmental Aid			-	4,000
General Aid to Counties			-	106,753
General Communicable Disease Control			-	12,488
Rick Reduction/Health Promotion			-	5,447
HWTF - Teen Tobacco			-	52,338
WHSF			-	3,538
Tuberculosis			-	1,825
Total Division of Public Health			-	192,167
Total N. C. Department of Health and Human Services			-	198,291
<u>Dept. of Juvenile Justice and Delinquency Prevention</u>				
Juvenile Crime Prevention Programs				
Administration			-	12,515
CIS Strengthening Families			-	27,689
Juvenile Mediation			-	19,704
CIS Gives Back			-	30,789
CIS After School Program			-	44,876
Alexander Youth Network MST			-	7,500
Phoenix Counseling Center Substance Abuse			-	4,000
FamliFirst Centered Treatment			-	17,850
Total N.C. Department of Juvenile Justice			-	164,923
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Capital Fund				
Lottery Proceeds			-	820,381
Total N.C. Department of Public Instruction			-	820,381
<u>N.C. Dept. of Transportation</u>				
Work First		DOT-16CL	-	23,846
Program (EDTAP)		DOT-16CL	-	74,120
ROAP Rural General Public Transportation		DOT-16CL	-	77,048
Total N.C. Dept. of Transportation			-	175,014

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures
<u>N.C. Dept. of Administration</u> Veterans Services			-	2,000
Total State awards			-	1,464,578
Total federal and State awards			<u>60,855,239</u>	<u>33,676,738</u>

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

Basis of Presentation

1. 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 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. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
Aging, Foster Care and Adoption Cluster, and Subsidized Child Care.