

**PAMLICO COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2012

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

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

PAMLICO COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
Report On Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Federal Program and Internal Control Over Compliance In Accordance with OMB Circular A-133 and the State Single Audit Act	3-5
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 Implementation Act	6-8
Schedule of Findings, Responses, and Questioned Costs	9-13
Summary Schedule of Prior Year's Findings	14
Schedule of Expenditures of Federal and State Awards	15-19

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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
Pamlico 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 Pamlico County, North Carolina, as of and for the year ended June 30, 2012, not presented here, which collectively comprise Pamlico County's basic financial statements and have issued our report thereon dated October 24, 2012. Our report includes a reference to other auditors. We conducted our audit 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. Other auditors audited the financial statements of the Pamlico County ABC Board, as described in our report on Pamlico County's financial statements. The financial statements of the Pamlico County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Pamlico County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Pamlico County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pamlico County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pamlico County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and; therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies identified as 2012-01 and 2012-02, described in the accompanying Schedule of Findings, Responses, and Questioned Costs, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pamlico 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 no instance of non-compliance or other matter that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Pamlico County, North Carolina in a separate letter dated October 24, 2012.

Pamlico County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. We did not audit Pamlico County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 24, 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 Act

Independent Auditors' Report

To the Board of Commissioners
Pamlico County, North Carolina

Compliance

We have audited Pamlico 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 Pamlico County's major federal programs for the year ended June 30, 2012. Pamlico County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pamlico County's management. Our responsibility is to express an opinion on Pamlico County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pamlico 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 Pamlico County's compliance with those requirements.

In our opinion, Pamlico County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Pamlico 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 Pamlico County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 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.

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

Schedule of Expenditures of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico 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 October 24, 2012, which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Pamlico County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us and; our opinion, insofar as it relates to the amounts included for the Pamlico County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Pamlico County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, members of the Board of Commissioners, others within the entity, 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 24, 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
Pamlico County, North Carolina

Compliance

We have audited Pamlico 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 Pamlico County's major State programs for the year ended June 30, 2012. Pamlico County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Pamlico County's management. Our responsibility is to express an opinion on Pamlico 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 Pamlico 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 Pamlico County's compliance with those requirements.

In our opinion, Pamlico County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012.

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Internal Control Over Compliance

The management of Pamlico 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 Pamlico County's internal control over compliance with requirements that could have a direct and material effect on a major State program to determine the 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, as described in the Audit Manual for Governmental Auditors in North Carolina 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.

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 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.

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

Schedule of Expenditures of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico 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 October 24, 2012, which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Pamlico County ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us and; our opinion, insofar as it relates to the amounts included for the Pamlico 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 Pamlico 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 applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, members of the Board of Commissioners, others within the entity, 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 24, 2012

PAMLICO COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Non-compliance 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:	

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778, 93.777, 93.775, 93.720
Child Care Development Fund Cluster	93.575, 93.596
Special Supplement Nutrition Program for Women, Infant, and Children	10.557
Public Assistance Grant – FEMA- Hurricane Irene	97.036
Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$458,993</u>
Auditee qualified as low-risk auditee?	No

PAMLICO COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results (Continued)

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Non-compliance 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

Medicaid Cluster
Subsidized Childcare Cluster
Drinking Water State Revolving Fund

PAMLICO COUNTY, NORTH CAROLINA

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

2. Financial Statements Findings

Finding 2012-01 – Preparation of the Financial Statements

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 requires a level of technical expertise not possessed by County personnel.

Context: While conducting our audit, it was noted that County personnel cannot prepare full disclosure financial statements in accordance with generally accepted accounting principles.

Effect: The County requires assistance from the external auditor to prepare the financial statements.

Cause: The cost/benefit of hiring additional staff to comply with the financial reporting requirements discussed above is cost prohibitive.

Recommendation: The cost of acquiring sufficient staff 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: Timothy A. Buck, County Manager

Corrective Action/Management Response: Management concurs with the finding. Management, in the future, will 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.

PAMLICO COUNTY, NORTH CAROLINA

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

2. Financial Statements Findings (continued)

Finding 2012-02 – Material Audit Adjustments

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: Timothy A. Buck, County Manager

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.

PAMLICO COUNTY, NORTH CAROLINA

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

3. Federal Award Findings and Questioned Costs

None

4. State Award Findings and Questioned Costs

None

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

2011-01 – Repeated as finding 2012-01

2011-02 – Repeated as finding 2012-02

2011-03 – Corrected

PAMLICO COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
Federal Awards:			
U.S. Department of Health and Human Services:			
<u>Administration for Children and Families:</u>			
Passed-through the N.C. Department of Health and Human Services			
Division of Social Services:			
Child Support Enforcement IV-D	93.563	\$ 201,818	\$ -
Temporary Assistance for Needy Families Cluster:			
Administration	93.558	152,272	-
Direct Benefit Payment	93.558	48,511	-
Total Temporary Assistance for Needy Families		200,783	-
Foster Care and Adoption Cluster:			
Title IV-E Foster Care:			
Administration	93.658	168,942	6,585
Direct Benefit Payments	93.658	72,984	6,983
Title IV-E Adoption Assistance Program:			
Administration	93.659	135	-
Direct Benefit Payments	93.659	29,718	7,953
Total Foster Care and Adoption		271,779	21,521
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	81,692	-
Total Low-Income Home Energy Assistance Block Grant		81,692	-
LINKS	93.674	518	129
LINKS - Direct Benefit Payment	93.674	1,210	-
Social Services Block Grant	93.667	58,229	5,690
Family Preservation	93.556	1,138	-
Medical Assistance Program	93.778	311,399	10,466
Health Choice	93.767	13,035	614
Family Violence Prevention	93.671	253	-
Child Welfare Services-Permanency Planning:	93.645	3,606	-
Subtotal		389,388	16,899
Subsidized Child Care (Note 2)			
<u>Child Care Development Fund Cluster</u>			
Division of Social Services:			
CCDF-Administration	93.596	80,000	-
Division of Child Development:			
CCDF-Discretionary	93.575	217,828	-
CCDF-Mandatory	93.596	79,654	-
CCDF-Match	93.596	44,920	11,548
Total Child Care Fund Cluster		422,402	11,548
Temporary Assistance for Needy Families	93.558	90,511	-
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families			
State Programs	93.714	10,388	-
Foster Care Title IV-E	93.658	2,662	-
Smart Start		-	1,965
State Appropriations		-	35,483
TANF - MOE		-	49,173
Total Subsidized Childcare Cluster		525,963	98,169

PAMLICO COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
U.S. Department of Agriculture:			
Passed-through N.C. Department of Health & Human Services			
Division of Public Health:			
Special Supplemental Nutrition Program for			
Women Infant and Children (WIC)	10.557	71,703	-
WIC - Direct Benefit Payment	10.557	217,701	-
Total Division of Public Health		289,404	-
Health Care Financing Administration:			
Passed-through the N.C. Department of Health and Human Services			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	10,416,735	6,166,864
Total Health Care Financing Administration		10,416,735	6,166,864
U.S. Department of Agriculture:			
Passed-through N.C. Department of Health & Human Services			
Division of Social Services:			
Supplemental Nutrition Assistance Program Cluster:			
Administration:			
Supplemental Nutrition Assistance Program Administration	10.561	164,358	-
Total Supplemental Nutrition Assistance Program Cluster		164,358	-
U.S. Department of Health and Human Services:			
Centers for Medicare and Medicaid Services			
Passed through NC Dept. of Health and Human Services			
Division of Medical Assistance			
Medical Assistance Program	93.778	16,049	6,192
Total Centers for Medicare and Medicaid Services		16,049	6,192
Centers for Disease Control and Prevention			
Passed through NC Dept. of Health and Human Services			
Division of Public Health:			
Public Health Emergency Preparedness	93.069	35,902	-
Immunization Grants	93.268	6,433	-
Centers for Disease Control and Prevention - Investigations and			
Technical Assistance	93.283	570	-
ARRA - Preventing Healthcare - Associated Infections	93.717	2,110	-
Cooperative Agreements for State-Based Comprehensive Breast and			
Cervical Cancer Early Detection Programs	93.919	9,028	3,825
Total Centers for Disease Control and Prevention		54,043	3,825
Administration of Children and Families			
Passed-through N.C. Department of Health and Human Services			
Division of Social Services:			
Social Service Block Grant	93.667	-	500
Temporary Assistance for Needy Families	93.558	1,278	-
Total Administration of Children and Families		1,278	500

PAMLICO COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
Health Resources and Service Administration Passed through NC Dept. of Health and Human Services Davison of Public Health:			
Maternal and Child Health Services Block Grant	93.994	48,010	36,011
Total Health Resources and Service Administration		48,010	36,011
Office of Population Affairs Passed through NC Dept. of Health and Human Services Office of Population Affairs			
Family Planning Services	93.217	26,023	-
Total Office of Population Affairs		26,023	-
Total U.S. Department of Health and Human Services		145,403	46,528
Division of Aging:			
Aging Cluster:			
Access:			
Title III-B	93.044	545	32
In-Home Services:			
State Funds		-	58,686
Title IIIB	93.044	46,135	2,714
Congregate Nutrition:			
State Funds		-	1,258
Title III-C1	93.045	27,314	1,607
Home-Delivered Meals:			
State Funds		-	16,695
Title III-C2	93.045	18,952	1,115
Total Aging Cluster		92,946	82,107
NSIP Supplement	10.570	80,364	-
Total Division of Aging		173,310	82,107
Division of Social Services:			
Social Services Block Grant	93.667	702	20
Total Division of Social Services		702	20
U.S. Department of Homeland Security:			
Passed-through NC Department of Crime Control and Public Safety:			
FEMA - Hurricane Irene	97.036	2,085,433	-
Emergency Preparedness	97.067	8,595	-
Total Department of Homeland Security		2,094,028	-
U.S. Department of Housing and Urban Development:			
Passed-through N.C. Department of Commerce:			
Division of Community Assistance:			
Community Development Block Grant	14.228	344,396	-
Total U.S. Department of Housing and Urban Development		344,396	-
Total Federal Awards		\$ 15,299,759	\$ 6,432,108

PAMLICO COUNTY, NORTH CAROLINA

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

Grantor / Pass-Through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
State Awards:			
N.C. Department of Commerce:			
Passed-through North Carolina Rural Economic Development Center:			
Minnesota Pressure Improvement Project - Grant - FS-98433809	Note 3		3,542,464
Total N.C. Department of Commerce			3,542,464
N.C. Department of Health and Human Services:			
Division of Social Services:			
Administration			
Energy Assistance-private grants		\$	2,657
TANF Incentive/Program Integrity			150
Direct Benefit Payments			
CWS Adoption Subsidy			22,659
F/C At Risk Maximization			1,041
SC/SA Domiciliary Care Payment			91,172
State Foster Home			1,268
Total Division of Social Services			118,947
Division of Public Health:			
Food and Lodging Fees			1,668
Environmental Health			4,000
Mosquito - Public Health Pesticide			2,092
General Aid to Counties			76,423
General Communicable Disease Control			10,077
Risk Reduction / Health Promotion			9,995
WHSF			717
Tuberculosis			2,113
TB Medical Services			540
Total Division of Public Health			107,625
Total N.C. Department of Health and Human Services			226,572
N.C. Department of Environmental & Natural Resources:			
Soil & Water Conservation			34,264
Soil & Water Conservation-Admin			4,000
Total N.C. Department of Environmental & Natural Resources			38,264
N.C. Department of Transportation:			
Rural Operating Assistance Program-EDTAP			50,776
Rural Operating Assistance Program-Workfirst			9,527
Rural Operating Assistance Program-RGP			31,591
Total N.C. Department of Transportation			91,894
N.C. Department of Administration:			
Veterans Service Officer			1,452

PAMLICO COUNTY, NORTH CAROLINA

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

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
N.C. Department of Juvenile Justice and Delinquency Prevention:			
Drug Enforcement			10,252
Criminal Justice Partnership			54,127
Juvenile Crime Prevention Program			64,880
Total N.C. Department of Juvenile Justice and Delinquency Prevention			129,259
N.C. Department of Homeland Security:			
EMS Grant 911 Spec 50%			26,826
Total N.C. Department of Homeland Security			26,826
N.C. Department of Education:			
E-Communities Economic Development			9,925
Public School Building Capital Fund			107,372
Total N.C. Department of Education			117,297
Total State Awards			4,174,028
Total Federal and State Awards		\$ 15,299,759	\$ 10,606,136

Notes to the Schedule of Expenditures of Federal and State Awards:**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of Pamlico 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, 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: Subsidized Child Care and Foster Care and Adoption.

3. Loans Outstanding

Pamlico County had the following loan balances outstanding at June 30, 2012. The amount reported as State expenditures in this schedule is equal to the current year expenditures/loan proceeds.

<u>Program Title</u>	<u>Amount Outstanding</u>
NC Drinking Water State Revolving Fund Loan	\$ 3,542,464