

PAMLICO COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2010

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, 2010**

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 and Responses	9-15
Summary Schedule of Prior Years' Audit Findings	16
Schedule of Expenditures of Federal and State Awards	17-20

**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, 2010, not presented here, which collectively comprise Pamlico County's basic financial statements and have issued our report thereon dated September 29, 2010. 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

In planning and performing our audit, we considered Pamlico County, North Carolina'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 Pamlico County, North Carolina's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pamlico County, North Carolina'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 and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 2010-01, 2010-02, and 2010-07, described in the accompanying Schedule of Findings and Responses, to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies identified as 2010-03, 2010-04, 2010-05, and 2010-06, described in the accompanying Schedule of Findings and Responses to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pamlico County, North Carolina'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 instances of non-compliance or other matters that are 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 September 29, 2010.

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

This report is intended for the information and use of management, others within the organization, members of the Pamlico County 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.
September 29, 2010

**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**

To the Board of Commissioners
Pamlico County, North Carolina

Compliance

We have audited Pamlico County, North Carolina'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, North Carolina's major federal programs for the year ended June 30, 2010. Pamlico County, North Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pamlico County, North Carolina's management. Our responsibility is to express an opinion on Pamlico County, North Carolina'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, North Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pamlico County, North Carolina's compliance with those requirements.

In our opinion, Pamlico County, North Carolina 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, 2010.

Internal Control Over Compliance

Management of Pamlico County, North Carolina is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Pamlico County, North Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit 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 Pamlico County, North Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Responses as item 2010-01 to be a material weakness.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico County as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 29, 2010. 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 report of the other auditors. Our audit was performed for the purpose of forming an opinion of the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, others within the organization, members of the Pamlico County 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.
September 29, 2010

**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 OMB Circular A-133 And The State Single Audit Implementation Act**

To the Board of Commissioners
Pamlico County, North Carolina

Compliance

We have audited Pamlico County, North Carolina's compliance with the types of compliance requirements described applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Pamlico County, North Carolina's major State programs for the year ended June 30, 2010. Pamlico County, North Carolina's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Pamlico County, North Carolina's management. Our responsibility is to express an opinion on Pamlico County, North Carolina'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, *Audits of States, Local Governments, and Non-Profit Organizations* 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, North Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pamlico County, North Carolina's compliance with those requirements.

In our opinion, Pamlico County, North Carolina 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, 2010. The results of our auditing procedures disclosed no instances of non-compliance with those requirements, which are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Internal Control Over Compliance

Management of Pamlico County, North Carolina is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered Pamlico County, North Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit 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 Pamlico County, North Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Responses as item 2010-01 to be a material weakness.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico County as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 29, 2010. 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 report of the other auditors. Our audit was performed for the purpose of forming an opinion of the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, others within the organization, members of the Pamlico County 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.
September 29, 2010

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

• Material weakness identified? Yes

• Significant deficiency identified? Yes

Non-compliance material to financial statements noted No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified? Yes

• Significant deficiency 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 Yes

PAMLICO COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

1. Summary of Auditors' Results (Continued)

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
Supplemental Nutrition Assistance Program	10.551
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$472,808</u>
Auditee qualified as low-risk auditee?	No

State Awards

Internal control over major State programs:

• Material weakness identified?	Yes
• Significant deficiency 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	Yes

Identification of major State programs:

Program Name

Medical Assistance Program –
Title XIX – Medicaid

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

2. Financial Statements Findings

Finding 2010-01 – Controls over Journal Entries

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

Condition: Due to the limited number of controls in place and lack of compensating/mitigating controls, there is a heightened level of inherent risk.

Context: We noted during on testing of internal controls over journal entries that anyone in Finance has the ability to make adjusting journal entries (AJEs). We did not detect any system in place for review or approval before posting to the system. We did not detect any type of monthly review of AJEs posted to the general ledger.

Effect: Material errors could occur without being prevented or detected.

Cause: There is a lack of controls associated with general ledger access and AJE posting

Recommendation: Limit the personnel who have password authority to post AJEs. Provide the County Manager or Board members with monthly AJE report for review.

Name of Contact Person: Mary Jane Westphal, Finance Officer

Management's Response: Management concurs and will implement recommendations.

Finding 2010-02 – 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.

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Name of Contact Person: Timothy A. Buck, County Manager

Management's 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.

Finding 2010-03 – Cash Receipts - Register of Deeds

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

Condition: Due to the limited number of controls in place and lack of compensating/mitigating controls, there is a heightened level of inherent risk.

Context: During our testing of internal controls over cash receipts at the Register of Deeds and our observation of daily procedures, we noted that all cashiers at Register of Deeds operate out of the same cash register drawer. This lack of segregation of duties prevents the County from detecting the person responsible for irregularities (should they occur) in cash collections.

Effect: Errors could occur without being prevented or detected.

Cause: There are a limited number of personnel for certain functions, especially when there is a shortened staff or other situation that require convergence of responsibilities.

Recommendation: Review the procedures at the Register of Deeds' office to determine changes that could be made to provide for individual cash drawers and collection reports for each person collecting funds in the department.

Name of Contact Person: Mary Jane Westphal, Finance Director

Management's Response: Management concurs and will implement cost effective changes.

Finding 2010-04 – Customer Adjustments - Water Department

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

Condition: Due to the limited number of controls in place and lack of compensating/mitigating controls, there is a heightened level of inherent risk.

Context: We noted during our testing of internal controls at the Water Department and observation of procedures that one individual records adjustments to water customer accounts, and there is no procedure in place to require an approval or review of those adjustments.

Effect: Errors could occur without being prevented or detected.

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Cause: There are not adequate internal control procedures in place over the function of customer adjustments.

Recommendation: Require adjustments to be approved by the department supervisor before they are posted to a customer's account. Require an adjustments report to be reviewed and approved on a monthly basis by the department supervisor.

Name of Contact Person: Mary Jane Westphal, Finance Director

Management's Response: Management concurs and will implement cost effective changes.

Finding 2010-05 – Reconciliation of Subsidiary Reports to General Ledger - Water

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

Condition: Due to the limited number of controls in place and lack of compensating/mitigating controls, there is a heightened level of inherent risk.

Context: During our testing of internal controls at the Water Department and our observation of procedures, we noted that water accounts receivable and water customer security deposits are not reconciled to the general ledger on a monthly basis.

Effect: Errors could occur without being prevented or detected.

Cause: Inadequate design of control procedures over water accounts receivable and water security deposits.

Recommendation: Require the Water Department and the Finance Department to reconcile the detail subsidiary reports for water accounts receivable and water security deposits to the related general ledger control accounts on a monthly basis. Timely completion of this procedure is inherent to the proper design of the internal control system. Reporting limitations or staff limitations should not restrict the County from implementing the recommendation.

Name of Contact Person: Mary Jane Westphal, Finance Director

Management's Response: Management concurs and will implement cost effective changes.

Finding 2010-06 - Reconciliation of Subsidiary Reports to General Ledger - Tax

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

Condition: Due to the limited number of controls in place and lack of compensating/mitigating controls, there is a heightened level of inherent risk.

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Context: We noted during our testing of internal controls over the Tax Department and observation of procedures that property taxes receivable (County and Fire District taxes) are not reconciled to the general ledger on a monthly basis.

Effect: Errors could occur without being prevented or detected.

Cause: Inadequate design of control procedures over taxes receivable.

Recommendation: Require the Tax Department and the Finance Department to reconcile the detail subsidiary reports for taxes (County and Fire District) receivable to the related general ledger control accounts **at least four times a year**. Timely completion of this procedure is inherent to the proper design of the internal control system. Reporting limitations or staff limitations should not restrict the County from implementing the recommendation.

Name of Contact Person: Mary Jane Westphal, Finance Director

Management's Response: Management concurs and will implement cost effective changes.

2010-07 - Material Prior Period Adjustments

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

Condition: In the current year, beginning capital assets for the governmental activities were restated due to errors in the prior year's capital asset subsidiary reports.

Context: During the current fiscal year, the County's Finance Officer compared the subsidiary capital asset reports as of June 30, 2009 to the amounts reported in the June 30, 2009 audited financial statements and detected a material difference in the amounts previously reported.

Effect: Beginning net assets - Governmental Activities (Exhibit B) was overstated by \$5,266,822.

Cause: Improper reporting of full accrual adjustments in the full accrual entity-wide financial statements (Exhibits A and B) from modified accrual financial statements (Exhibits C and D).

Recommendation: Proper review of the audited financial statements should be implemented to prevent prior period adjustments in the future.

Name of Contact Person: Mary Jane Westphal, Finance Director

Management's Response: Management concurs and has implemented an internal policy.

PAMLICO COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

3. Federal Award Findings and Questioned Costs

2010-01

4. State Award Findings and Questioned Costs

2010-01

PAMLICO COUNTY, NORTH CAROLINA

**SUMMARY SCHEDULE OF PRIOR YEARS' AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

2009-01 – Repeated as 2010-05 and 2010-06

2009-02 – Corrected

2009-03 – Corrected

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
Federal Awards:			
U.S. Department of Health and Human Services:			
Administration for Children and Families:			
Passed-through the N.C. Department of Health and Human Services			
Division of Social Services:			
Child Support Enforcement IV-D	93.563	\$ 146,815	\$ -
Temporary Assistance for Needy Families:			
Administration	93.558	155,897	-
Direct Benefit Payment	93.558	83,767	(39)
Total Temporary Assistance for Needy Families		239,664	(39)
Foster Care and Adoption Cluster:			
Title IV-E Foster Care:			
Administration	93.658	35,984	8,069
Direct Benefit Payments	93.658	90,817	36,763
Title IV-E Adoption Assistance Program:			
Administration	93.659	63,704	1,653
Direct Benefit Payments	93.659	22,808	4,642
Total Foster Care and Adoption Cluster		213,313	51,127
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	70,842	-
Direct Benefit Payments	93.568	44,833	-
Total Low-Income Home Energy Assistance Block Grant		115,675	-
LINKS	93.674	4,820	2,604
Social Services Block Grant	93.667	53,569	3,682
Family Preservation	93.556	827	-
Child Welfare Services-Permanency Planning:	93.645	3,742	-
Sub total		62,959	6,286
Subsidized Childcare Cluster:			
Division of Social Services:			
CCDF-Administration	93.596	80,000	-
Division of Child Development:			
Social Services Block Grant	93.667	8,314	-
CCDF-Discretionary	93.575	189,619	-
CCDF-Mandatory	93.596	58,273	-
CCDF-Match	93.596	72,512	38,904
Temporary Assistance for Needy Families	93.558	63,491	-
Smart Start		-	12,007
TANF - MOE		-	71,305
State Appropriations		-	60,920
Total Subsidized Childcare Cluster		472,209	183,136

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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	69,829	-
WIC - Direct Benefit Payment	10.557	233,778	-
Total Division of Public Health		303,607	-
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	13,257,328	4,587,879
Health Choice	93.767	10,540	597
Administration:			
Medical Assistance Program	93.778	395,991	29,204
Total Health Care Financing Administration		13,663,859	4,617,680
U.S. Department of Agriculture:			
Passed-through N.C. Department of Health & Human Services			
Food and Consumer Service:			
Division of Social Services:			
Supplemental Nutrition Assistance Program:			
Administration:			
Supplemental Nutrition Assistance Program	10.561	140,044	-
U.S. Department of Health and Human Services:			
Passed-through N.C. Department of Health and Human Services			
Division of Public Health:			
Family Planning Services	93.218	24,522	-
Immunization Program/Aid to County Funding	93.268	5,278	-
Bioterrorism Grant	93.283	87,314	-
Temporary Assistance for Needy Families	93.558	1,278	-
Statewide Health Promotion Program	93.991	27,948	-
Maternal and Child Health Services Block Grant	93.994	79,878	-
Total Division of Public Health		226,218	-
Division of Aging:			
Aging Cluster:			
Access Title III B			
In-Home Services:	93.044	5,467	269
State Funds			
Title IIIB	93.044	-	59,434
Congregate Nutrition	93.045	24,633	1,449
Congregate Nutrition ARRA	93.707	13,349	785
Home-Delivered Meals	93.707	4,626	272
Home-Delivered Meals ARRA	93.045	13,968	822
Home-Delivered Meals ARRA	93.705	2,276	134
NSIP Supplement	10.570	8,750	-
Total Division of Aging		73,069	63,165

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
Division of Social Services:			
Social Services Block Grant	93.667	26,867	768
Total Division of Social Services		26,867	768
Department of Homeland Security			
Passed-through NC Department of Crime Control and Public Safety:			
Emergency Management	97.042	9,350	-
Total Department of Homeland Security		9,350	-
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	28,153	-
Community Development Block Grant TEDG	14.228	27,758	-
Total U.S. Department of Housing and Urban Development		55,911	-
Election Assistance Commission			
HAVA Grant	93.617	10,724	-
Total Federal Awards		\$ 15,760,282	\$ 4,922,123
State Awards:			
N.C. Department of Health and Human Services:			
Division of Social Services:			
State/County Special Assistance for Adults-Direct Benefit Payment			115,191
Energy Assistance-private grants			2,629
TANF Incentive/Program Integrity			170
CWS Adoption Subsidy			9,794
Foster Care Special Provision			1,462
State Foster Home			15,664
Total Division of Social Services			144,909
Division of Public Health:			
Women's Preventive Health			717
Communicable Disease			10,077
AIDS-State			500
General			105,588
Tuberculosis			2,113
TB Medical Services			540
Breast and Cervical Cancer Control			3,315
LHD Smokefree Law			284
Wisewomen			2,050
Preparedness and Response			22,220
Risk Reduction / Health Promotion			2,186
Total Division of Public Health			149,590
Total N.C. Department of Health and Human Services			294,499

PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
N.C. Department of Environmental & Natural Resources:			
Soil & Water Conservation-Admin			4,000
Rural Center Water Grant			180,814
Total N.C. Department of Environmental & Natural Resources			184,814
N.C. Department of Transportation:			
Rural Operating Assistance Program-EDTAP			61,186
Rural Operating Assistance Program-Workfirst			7,808
Rural Operating Assistance Program-RGP			59,440
Total N.C. Department of Transportation			128,434
N.C. Department of Administration:			
Veterans Service Officer			2,000
N.C. Department of Juvenile Justice and Delinquency Prevention:			
Criminal Justice Partnership			39,660
Juvenile Crime Prevention Program			64,880
			104,540
N.C. Department of Education			
Public School Building Capital Fund			167,000
Total State Awards			881,287
Total Federal and State Awards		\$ 15,760,282	\$ 5,803,411

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