

**PAMLICO COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2011**

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

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



**PAMLICO COUNTY, NORTH CAROLINA**

**COMPLIANCE LETTERS  
FOR THE YEAR ENDED JUNE 30, 2011**

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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  
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, 2011, not presented here, which collectively comprise Pamlico County's basic financial statements and have issued our report thereon dated November 29, 2011. 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**

The 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 opinion 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 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 2011-01 and 2011-02, described in the accompanying Schedule of Findings 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 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 2011-03.

We noted certain matters that we reported to management of Pamlico County, North Carolina in a separate letter dated November 29, 2011.

Pamlico County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings 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.  
November 29, 2011

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

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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**

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, 2011. Pamlico 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 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 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, 2011.

## **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 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, 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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2011 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, 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 29, 2011

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

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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**

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, 2011. Pamlico 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 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 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, 2011.

## **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 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, 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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2011, 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, 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 29, 2011

# PAMLICO COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

### 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? Yes

#### 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

**PAMLICO COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**1. Summary of Auditors' Results (Continued)**

Identification of major federal programs:

<u><b>Program Name</b></u>	<u><b>CFDA#</b></u>
Medicaid Cluster	93.778
Child Care Development Fund Cluster	93.575, 93.596
Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$445,476</u>
Auditee qualified as low-risk auditee?	No

**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:

<u><b>Program Name</b></u>
Medicaid Cluster
Subsidized Childcare Cluster

# PAMLICO COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

### 2. Financial Statements Findings

#### Finding 2011-01 – 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.

#### Finding 2011-02 – 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.

# PAMLICO COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

**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.

### **Finding 2011-03 – Deficit Fund Equity**

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

**Condition:** In the current year, there was a violation 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 budget however revenues were insufficient to cover the cost of operations in one fund.

**Context:** During our review of the drafted financial statements, we noted that the County had deficit fund equity in a fund.

**Recommendation:** The County should adopt policies and procedures to ensure that revenues cover the cost of expenditures in all funds. The County should evaluate the collection procedures for special assessments to ensure that all assessments are collected prior to the conclusion of all related work for those assessments.

**Contact Person:** Timothy A. Buck, County Manager

# PAMLICO COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

**Corrective Action/Management Reponse:** Management concurs with the finding. Due to the nature of the budgeted revenue for the fund, special assessment, expenditures were paid before all owner contributions were received, so the County will consider alternative collection procedures for the outstanding assessment amounts or consider funding the deficit with other revenue sources.

### 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, 2011**

**2010-01** – Corrected

**2010-02** – Modified and repeated as finding 2011-01.

**2010-03** – Corrected

**2010-04** – Corrected

**2010-05** – Corrected

**2010-06** – Corrected

**2010-07** – Corrected

## PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
<b>Federal Awards:</b>			
<b>U.S. Department of Agriculture:</b>			
<b>Food and Nutrition Service</b>			
Passed-through N.C. Department of Health & Human Services			
<b>Division of Social Services:</b>			
Administration:			
Supplemental Nutrition Assistance Program Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 174,517	\$ -
Passed-through N.C. Department of Health & Human Services			
<b>Division of Public Health:</b>			
Administration:			
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557	70,880	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557	233,606	-
AGRI-SFP Food Program Meal	10.559	88	-
<b>Total U.S. Department of Agriculture</b>		<u>479,091</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed-through N.C. Department of Commerce:			
CDBG - State - Administered Small Cities Program Cluster			
Community Development Block Grant, Small Cities Program	14.228	344,396	-
Community Development Block Grant TEDG, Small Cities Program	14.228	47,242	-
<b>Total CDBG - State - Adm Small Cities Program Cluster</b>		<u>391,638</u>	<u>-</u>
<b>U.S. Department of Health and Human Services:</b>			
Office of the Population Affairs			
Passed-Through the N.C. Department of Health and Human Services:			
<b>Division of Public Health</b>			
Family Planning Services Title X	93.217	30,969	-
<b>Administration on Aging:</b>			
<b>Division of Aging and Adult Services:</b>			
Aging Cluster:			
Access:			
State Funds		-	4,703
Title III-B	93.044	5,481	322
In-Home Services:			
State Funds		-	50,893
Title IIIB	93.044	46,198	2,718
Congregate Nutrition:			
State Funds		-	1,342
Title III-C1	93.045	24,879	1,463
Home-Delivered Meals:			
State Funds		-	14,784
Title III-C2	93.045	15,983	940
<b>Total Aging Cluster</b>		<u>92,541</u>	<u>77,165</u>
Social Services Block Grant	93.667	706	20

## PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
NSIP Supplement	10.570	10,295	-
Total Division of Aging and Adult Services		<u>103,542</u>	<u>77,185</u>
<b>Administration for Children and Families:</b>			
Passed-Through the N.C. Department of Health and Human Services:			
<b>Division of Social Services:</b>			
Foster Care and Adoption Cluster (Note 2):			
Title IV-E Foster Care - Administration	93.658	171,993	41,073
Foster Care - Direct Benefit Payments	93.658	31,167	6,811
Adoption Assistance - Administration	93.659	1,109	-
Adoption Assistance - Direct Benefit Payments	93.659	<u>29,589</u>	<u>6,592</u>
Total Foster Care and Adoption Cluster		<u>233,858</u>	<u>54,476</u>
<b>Division of Social Services:</b>			
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families (TANF) / Work			
First - Administration	93.558	160,472	-
Temporary Assistance for Needy Families	93.558	1,291	-
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs	93.714	31,343	-
TANF / Work First - Direct Benefit Payments	93.558	<u>59,111</u>	-
Total TANF Cluster		<u>252,217</u>	-
NC Child Support Enforcement Section:			
IV-D Administration / CSE Incentive Recovery	93.563	192,452	-
IV-D Offset Fees - Federal	93.563	393	15
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	8,873	-
Energy Assistance Payments - Direct Benefit Payments	93.568	97,642	-
Crisis Intervention Program	93.568	16,114	-
Child Welfare Services - State Grants			
- Permanency Planning - Families for Kids	93.645	3,473	-
LINKS	93.674	3,761	690
Independent Living Grant - Direct Benefit Payments	93.674	5,281	-
SSBG - Other Service and Training	93.667	54,253	5,744
Family Violence Prevention - Administration	93.671	554	-
Family Preservation - Administration	93.556	1,872	-
Division of Aging and Adult Services:			
<b>Division of Social Services:</b>			
SSBG - State In Home Service Fund	93.667	949	-

## PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
<b>Division of Child Development:</b>			
Subsidized Child Care (Note 2)			
<u>Child Care Development Fund Cluster:</u>			
<b>Division of Social Services:</b>			
Child Care Development Fund - Administration	93.596	81,608	-
<b>Division of Child Development:</b>			
CCDF-Discretionary	93.575	178,542	-
CCDF-Mandatory	93.596	77,563	-
CCDF-Match	93.596	<u>36,081</u>	<u>19,577</u>
Total Child Care Development Fund Cluster		373,794	19,577
Social Services Block Grant	93.667	586	-
Temporary Assistance for Needy Families	93.558	58,333	-
Smart Start		-	1,084
State Appropriations		-	53,109
TANF - MOE		-	<u>55,112</u>
Total Subsidized Childcare		<u>432,713</u>	<u>128,882</u>
<b>Centers for Medicare and Medicaid Services:</b>			
Passed-Through the N.C. Department of Health and Human Services:			
<b>Division of Medical Assistance:</b>			
Direct Benefit Payments:			
Medical Assistance Program	93.778	11,986,994	4,952,555
<b>Division of Public Health:</b>			
Medical Assistance Program	93.778	2,128	821
<b>Division of Social Services:</b>			
Administration:			
Medical Assistance Program	93.778	<u>347,492</u>	<u>12,189</u>
Total Medicaid Cluster		12,336,614	4,965,565
State Children's Insurance Program - N.C. Health Choice	93.767	<u>15,002</u>	<u>620</u>
Total Centers for Medicare and Medicaid Services		<u>12,351,616</u>	<u>4,966,185</u>
<b>Centers for Disease Control:</b>			
Passed-Through the N.C. Department of Health and Human Services:			
<b>Division of Public Health:</b>			
Statewide Health Promotion Program/Preventive Health and Health			
Services Block Grant	93.991	28,227	-
<b>Health Resources and Services Administration:</b>			
Passed-Through the N.C. Department of Health and Human Services:			
<b>Division of Public Health:</b>			
Immunization Cluster:			
Immunization Grants	93.268	<u>5,902</u>	-
Total Immunization Cluster		<u>5,902</u>	-

## PAMLICO COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
Maternal and Child Health Services Block Grant	93.994	46,098	34,577
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	90,484	12
Public Health Emergency Preparedness	93.069	17,229	-
Total Health Resources and Service Administration		<u>159,713</u>	<u>34,589</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>13,978,472</u>	<u>5,267,766</u>
<b>Total Federal Awards</b>		<u>\$ 14,849,201</u>	<u>\$ 5,267,766</u>
<b>State Awards:</b>			
<b>N.C. Department of Health and Human Services:</b>			
<b>Division of Social Services:</b>			
Aministration			
Energy Assistance-private grants			3,501
TANF Incentive/Program Integrity			120
Direct Benefit Payments			
CWS Adoption Subsidy			23,372
SC/SA Domiciliary Care Payment			108,095
State Foster Home			2,565
Total Division of Social Services			<u>137,653</u>
<b>Division of Public Health:</b>			
Women's Preventive Health			724
Communicable Disease			10,178
AIDS-State			505
General			91,494
Tuberculosis			2,680
Breast and Cervical Cancer Control			3,747
Risk Reduction / Heath Promotion			1,575
Total Division of Public Health			<u>110,903</u>
Total N.C. Department of Health and Human Services			<u>248,556</u>
<b>N.C. Department of Environmental &amp; Natural Resources:</b>			
Soil & Water Conservation-Admin			4,000
Soil & Water Conservation			38,589
Waste Reduction Grant			22,042
Total N.C. Department of Environmental & Natural Resources			<u>64,631</u>
<b>N.C. Department of Transportation:</b>			
Rural Operating Assistance Program-EDTAP			60,763
Rural Operating Assistance Program-Workfirst			9,884
Rural Operating Assistance Program-RGP			67,593
Total N.C. Department of Transportation			<u>138,240</u>
<b>N.C. Department of Administration:</b>			
Veterans Service Officer			<u>2,000</u>

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SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

Grantor / Pass-through Grantor / Program Title	CFDA Number	Expenditures	
		Federal	State
<b>N.C. Department of Corrections:</b> Criminal Justice Partnership			40,909
<b>N.C. Department of Juvenile Justice and Delinquency Prevention:</b> Juvenile Crime Prevention Program			68,890
<b>N.C. Department of Education</b> Public School Building Capital Fund			203,885
<b>Total State Awards</b>			827,103
<b>Total Federal and State Awards</b>		\$ 14,849,201	\$ 6,094,869

**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.