

MECKLENBURG COUNTY, NORTH CAROLINA

Report on Schedule of Expenditures of Federal and State Awards
and Reports on Compliance and Internal Control

For The Year Ended
June 30, 2011

MECKLENBURG COUNTY, NORTH CAROLINA
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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***

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mecklenburg County, North Carolina (the "County") 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 7, 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 Mecklenburg Emergency Medical Services Agency (the "Medic") and the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reporting separately by those auditors. The financial statements of the Medic and the ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

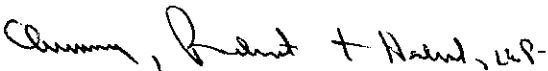
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect 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 noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated November 7, 2011.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, members of the Board of County 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 specific parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.



Raleigh, North Carolina
November 7, 2011



**Report on Compliance with Requirements Applicable to Each Major Federal Program and
on Internal Control over Compliance in Accordance with OMB Circular A-133
and the State Single Audit Implementation Act**

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

Compliance

We have audited the compliance of Mecklenburg County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *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 the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' 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 the County's management. Our responsibility is to express an opinion on the 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 noncompliance 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 the 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 the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. However the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with *OMB Circular A-133* and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 2011-01, 2011-02, 2011-03 and 2011-06.

Internal Control over Compliance

Management of the 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 the County's internal control over compliance with 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, noncompliance 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, that there is a reasonable possibility that material noncompliance 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-04 and 2011-05. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged in governance.

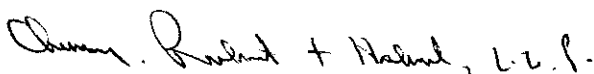
The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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 units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2011, and have issued our report thereon dated November 7, 2011. We did not audit the financial statements of Mecklenburg Emergency Medical Services Agency (the "Medic") or the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Medic and the ABC Board, is solely based 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 the County's basic financial statements. The accompanying schedule of expenditures of federal and State financial 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 solely for the information and use of the audit committee, management, members of the Board of County 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 specific parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.



Raleigh, North Carolina
November 7, 2011



Report On Compliance With Requirements Applicable To 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

The Honorable Members of the Board
Of County Commissioners
Mecklenburg County, North Carolina

Compliance

We have audited Mecklenburg County, North Carolina (the "County"), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2011. The 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 the County's management. Our responsibility is to express an opinion on the 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 noncompliance 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 the 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 the County's compliance with those requirements.

In our opinion, the 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. However, the results of our auditing procedures disclosed instances of noncompliance 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 and which are described in the accompanying schedule of findings and questioned costs as items 2011-01, 2011-03, 2011-06, 2011-07 and 2011-08.

Internal Control over Compliance

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

A deficiency in internal control over compliance 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, noncompliance 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 noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2011-04 and 2011-05. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

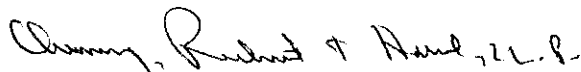
The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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 units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2011, and have issued our report thereon dated November 7, 2011. We did not audit the financial statements of Mecklenburg Emergency Medical Services Agency (the "Medic") or the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Medic and the ABC Board, is solely based 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 the County's basic financial statements. The accompanying schedule of expenditures of federal and State financial 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 solely for the information and use of management, others within the organization, members of Board of County Commissioners, and 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.

CHERRY, BEKAERT & HOLLAND, L.L.P.



Raleigh, North Carolina
November 7, 2011

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that is not considered to be material weakness ___ yes X none reported

Noncompliance material to financial statements noted

___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that is not considered to be material weakness X yes ___ none reported

Noncompliance material to federal awards

___ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133

X yes ___ no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance
93.778	Administration
	Expansion
93.767	North Carolina Health Choice

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I. Summary of Auditors' Results (continued)

Foster Care and Adoption Cluster

93.658	Title IV-E Child Protective Services
93.658	Title IV-E Optional Administration
93.658	Title IV-E State Adoption/Foster Care
93.659	Title IV-E Adoption Subsidy
93.658	TEA Maximization
93.556	Family Finding
93.658	IV-E Foster Care
93.658	IV-E Foster Care HIV
93.658	IV-E Maximization
93.659	IV-E Adoption Subsidy

Temporary Assistance For Needy Families

93.714	ARRA – Subsidized Employment
93.558	Foster Care Administration
93.558	Domestic Violence Services
93.558	Work First Administration
93.558	Work First Services
93.560	County Issued Checks
93.558	Direct Benefit Payments

Low Income Home Energy Block Grant

93.568	Administration
93.568	Crisis Intervention
93.566	Direct Benefit Payments

Aging Cluster

93.044	Nutrition Project for the Elderly Title III-B
93.045	Nutrition Project for the Elderly Title III-C
93.052	Nutrition Project for the Elderly Title III-E
93.667	SSBG

93.667	Social Services Block Grant
93.563	Child Support Enforcement
10.557	Supplemental Food Program - WIC
97.047	Pre-Disaster Mitigation Planning Project
14.238	Shelter Plus Care
66.001	SEC 105 Air Grant
93.914	HIV Emergency Relief Project
93.959	Substance Abuse Cluster

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I. Summary of Auditors' Results (continued)

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

Dollar threshold used to distinguish between
Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee? ___ yes X no

State Awards

Internal control over major State programs:

- Material weakness identified? ___ yes X no

- Significant deficiency identified that is not considered to be material weakness X yes ___ none reported

Noncompliance material to state awards ___ yes X 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 X yes ___ no

Identification of major State programs:

Program Name

State Foster Care Direct Benefits Program
North Carolina Department of Transportation Cluster
 Work First Employment Transportation
 Rural General Program
N.C. Clean Water Management Trust Fund
 McAlpine Creek (2006A-405)
 Little Sugar Creek – Phase VIII (2006A-404)
Domiciliary Care Direct Benefit Payments

Other major State programs for Mecklenburg County are Medical Assistance, Temporary Assistance for Needy Families, Aging Cluster, Social Services Block Grant, Foster Care and Adoption Assistance and North Carolina Health Choice, which are State matches on Federal programs. Therefore, these programs have been included in the list of major federal programs above.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section II. Financial Statement Findings

No findings noted.

Section III. Federal Awards Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services, Department of Social Services
Program Name: Medical Assistance
CFDA#: 93.778

**Nonmaterial Noncompliance- Eligibility
Finding 2011-01**

Criteria or specific requirement: Physical documentation is required to properly document eligibility with program requirements.

Condition: We noticed that in two instances the appropriate eligibility documentation was not included in the recipient's case files.

Questioned costs: None. The County was able to provide subsequent documentation to substantiate that the recipient was eligible for assistance.

Context: The audit sampled 35 case files. Of the 35 files sampled, we noted two instances in which a budget worksheet could not be located in the file.

Effect: By not having the required supporting documentation on file, there is a risk that the County is not in compliance with the State's eligibility and reporting requirements.

Cause: Documentation was misplaced and appropriate documents were not filed in the respective files.

Recommendation: Although this issue will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that case files are maintained appropriately.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Department of Social Services
Program Name: Low Income Home Energy Block
CFDA#: 93.568

**Nonmaterial Noncompliance- Eligibility
Finding 2011-02**

Criteria or specific requirement: The North Carolina Division of Social Services Energy Manual, Section 410, specifies that in order for a household to be eligible for energy assistance, the countable income must be at or below 110% of the current poverty level.

Condition: We noted one instance in which a payment was made to an ineligible participant in the program. The participant's income was above 110% of the poverty level.

Questioned costs: \$92. This was the total amount paid to the recipient during the fiscal year.

Context: The audit sampled 40 case files. Of the 40 files sampled, we noted one instance of a payment to an ineligible participant.

Effect: The miscoding of the client as eligible in the system lead to a payment of \$92 to an ineligible participant.

Cause: Through interviews with the client and verification of income levels, the participant was deemed to be ineligible and was denied participation on Form 8114. The case was then incorrectly keyed into the system, which led to the client being classified as eligible and led to them receiving a payment.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant eligibility and documentation is maintained and entered into the system appropriately.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services, Department of Social Services

Program Name: Temporary Assistance for Needy Families

CFDA#: 93.558

Nonmaterial Noncompliance- Special Tests and Provisions

Finding 2011-03

Criteria or specific requirement: In accordance with the Work First compliance supplement, "The State and County agencies must maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates."

Condition: We noted one instance in which the case file did not contain timesheets to support all of the hours worked by the recipient during the month.

Questioned costs: None. The compliance requirement affects the accuracy of the data used in calculating the work participation rates for the State. It does not affect the County's request for reimbursement of expenses or funds paid out to participants.

Context: The audit sampled 40 case files to verify correct time entry into the EPIS system. Of the 40 files selected, we noted one instance in which time entered in the EPIS system was not adequately supported by timesheets or other documentation in the case file.

Effect: By not having the required documentation in the files, there is a risk that the County is not in compliance with the State's Work Verification Plan.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that documentation is maintained appropriately. The County should maintain filing policies in an attempt to prevent these issues in the future.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Department of Social Services
Program Name: Temporary Assistance for Needy Families
CFDA#: 93.558

**Significant Deficiency- Eligibility
Finding 2011-04**

Criteria or specific requirement: Physical documentation is required to properly document eligibility with program requirements.

Condition: We noted two instances in which the County was unable to provide the participant case file selected for testing.

Questioned costs: Not applicable.

Context: The audit sampled 40 case files for compliance with eligibility requirements, including the signed mutual responsibility agreements, required reviews, and child support assignment form. During our testing of 40 case files, there were two instances in which the County could not provide us with the sampled case file for testing. The County was able to provide documentation from the EIS System and Online Verification reports (OLVs) to support that the recipients were truly eligible to receive assistance. Since the case file could not be found, we were unable to review the following documents:

- Mutual Responsibility Agreement
- Evidence that a six-month review was performed
- Form DSS 8228, "Work-First Family Assistance Application"

Effect: By not having the required supporting documentation on file, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Documentation was misplaced.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant eligibility and documentation is maintained appropriately. The County should maintain filing policies in an attempt to prevent these issues in the future.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services, Department of Social Services

Program Name: Temporary Assistance for Needy Families

CFDA#: 93.558

**Significant Deficiency- Reporting
Finding 2011-05**

Criteria or specific requirement: On a monthly basis, County departments are required to report via the internet to the State Division of Social Services, certain information about sampled WorkFirst families that is not available in existing automated systems. The information reported should be supported by original documentation in the case file.

Condition: We noted 2 instances in which the information reported to the state was not adequately supported by documentation in the case file.

Questioned costs: Not applicable.

Context: During our testing of 10 case files in which information is reported to the state electronically on a monthly basis, we noted that there was 1 case file that could not be located by the County for testing. Additionally, we noted 1 case file in which information reported to the state was not adequately supported by documentation in the case file. The report to the state listed the recipient as a US Citizen, but the recipient is actually a lawful permanent resident.

The compliance requirement affects the accuracy of the information reported to the state on a monthly basis. It does not affect the County's request for reimbursement of expenses or funds paid out to participants.

Effect: By not having the required documentation in the files, there is a risk that information reported to the state may not be accurate, which may affect statistics reported to the Federal Government as well as any future funding to be received by the County.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: Although these issues will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that participant documentation is maintained appropriately. The County should maintain filing policies in an attempt to prevent these issues in the future.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

**MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Department of Social Services
Program Name: North Carolina Health Choice
CFDA#: 93.767

**Nonmaterial Noncompliance- Eligibility
Finding 2011-06**

Criteria or specific requirement: Physical documentation is required to properly document eligibility with program requirements.

Condition: We noted in one instance in which the County was unable to provide the participant case file selected for testing.

Questioned costs: None. Costs incurred by the County related to the Children's Health Insurance Program (CHIPs) are administrative costs and cannot be assigned to participants.

Context: The audit sampled 5 case files for compliance with eligibility requirements. Of the 5 files sampled, we noted one instance in which the County could not provide the auditors with the case file that included the supporting documentation.

Effect: By not having the required supporting documentation on file, we were unable to determine if the recipient was eligible to receive assistance. The County is not in compliance with the State's eligibility and reporting requirements.

Cause: The case file was misplaced.

Recommendation: Although this issue will occur from time to time considering the volume of case files that the County processes and maintains, it is recommended that policies be put in place or reinforced to ensure that case files are maintained appropriately.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section IV. State Awards Findings and Questioned Costs

Department of Social Services
DSS Crosscutting
CFDA #: N/A

**Nonmaterial Noncompliance- Reporting
Finding 2011-07**

Criteria or specific requirement: The DSS Services Information System User's Manual requires that daysheets account for 100% of employee time and that program codes and activity codes are summarized correctly, that day sheet entries are supported by documentation in case record files and that daysheet summaries are transferred to the DSS-1571 accurately to an eligible fund source.

Condition: We noted 2 instances in which supporting documentation for the employee's time worked was not provided.

Questioned costs: None. All of the employee's time was still reimbursable under Part I of the DSS-1571. There is a chance that the employee time was not accurately transferred to the correct funding source.

Context: The audit sampled 40 case files. We noted 2 instances in which supporting documentation for the employee's time worked was not provided as follows:

- 1 instance in which we were not able to obtain documentation supporting the work performed by the sampled employee. We selected a case from the employee's daysheet and were unable to locate a narrative in the case file supporting the work performed on the date selected. Additionally, County staff attempted to pull supporting documentation from the ISSI system, but was unable to verify the work performed.

Effect: Program codes and activity codes of DSS employees are not transferred accurately to an eligible fund source.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: CBH recommends that department check daysheets as they are entered and follow up with supervisors of employees whose daysheets have not been received. Additionally, the County should continue to train employees on the proper procedures to ensure that documentation is obtained and supported in the files.

Views of responsible officials: Department of Social Services management agrees that hours reported by social workers on Day Sheets should be supported by appropriate narrative or other documentation in the client file.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

N.C. Department of Social Services

Program Name: Domiciliary Care Direct Benefit Payments

Nonmaterial Noncompliance- Eligibility

Finding 2011-08

Criteria or specific requirement: As stated in the Compliance Supplement, participant case files must have form DSS-8190S or DSS-8190NS to document the income verification and the budget payment calculation. Also, the case files must contain an active FL-2 to document the doctor assessment that the participant is in need of special assistance.

Condition: We noted two case files that did not contain a current FL-2 and one case file that did not contain the DSS-8190S or DSS-8190NS.

Questioned costs: None noted. The County was able to provide subsequent documentation to substantiate that the recipient was eligible for assistance.

Context: During our testing of 40 case files pertaining to Special Assistance for Aging and Disabled, we noted that there were 2 case files in which the case files did not have adequate documentation to support the eligibility of the participant. One case file was missing the DSS-8190S which documents the income verification and the budget payment calculation as well as the FL-2. The second case file was missing the FL-2.

Effect: By not having the required documentation in the files, eligibility cannot be readily substantiated and there is a risk that the County could provide funding to individuals who are not eligible.

Cause: Appropriate documents were not filed in the respective files.

Recommendation: The County should continue to train employees on the proper eligibility and verification procedures to ensure proper documentation is obtained and supported in the case file.

Views of responsible officials: Department of Social Services Management agrees that policies and procedures are required and need to be enforced to ensure that case files are maintained appropriately.

Corrective Action Plan: See separate Corrective Action Plan prepared by the County.

Also see findings 2011-01, 2011-03, 2011-04, 2011-05, 2011-06 described in Section III.

**MECKLENBURG COUNTY, NORTH CAROLINA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

For prior year finding No. 2010-01, several reconciling items from bank reconciliations were not reflected in the general ledger. This finding has been corrected. All reconciling items included in bank reconciliations were properly reflected in the general ledger.

For prior year finding No. 2010-02, the County did not provide sufficient documentation to support rent calculation, rent reasonableness, and housing quality inspections for recipients of assistance through the Shelter Care Plus program. This finding has been cleared in the current year.

For prior year finding No. 2010-03, the County could not provide sufficient evidence to support the sanctions placed on the recipient for refusal to work through the Temporary Assistance for Needy Families program. Additionally, there was one instance in which the County was unable to provide the employment services case file selected for testing that contained copies of the timesheets verifying the recipient's time worked for the month. This finding has been cleared in the current year.

For prior year finding No. 2010-04, County DSS personnel were not properly reviewing FRR and BEER reports during the eligibility determination process to identify any additional resources or income for recipients of assistance through the Temporary Assistance for Needy Families program. This finding has been cleared in the current year.

For prior year finding No. 2010-05, case files held by the County did not include proper documentation to verify eligibility of recipients of Medical Assistance. Missing documentation included support of citizenship, online verification documentation, verification from the Register of Deeds website, budget calculations, and Notice of Rights to Transportation. This finding has not been cleared in the current year, see duplicate finding 2011-01.

For prior year finding No. 2010-06, the County did not retain sufficient documentation to verify that follow-up reviews and monthly visits were being conducted for recipients of assistance through the Foster Care and Adoption Assistance Cluster. This finding has been cleared in the current year.

For prior year finding No. 2010-07, the County did not properly retain documentation to verify eligibility of recipients of assistance through the Temporary Assistance for Needy Families program, including Child Support payment forms, budget calculation worksheets, online verification forms, absent parent forms, incomplete MRA forms, and incomplete DSS-8228 applications. This finding has not been cleared in the current year, see duplicate finding 2011-04.

For finding No. 2010-08, the County was not properly retaining documentation to verify that information reported to the state regarding recipients of Temporary Assistance for Needy Families assistance. Missing supporting documentation included birth certificates or other evidence of citizenship, verification of income, child enrollment in school, and marital status. This finding has not been cleared in the current year, see duplicate finding 2011-05.

For finding No. 2010-09, the County was not properly monitoring sub-recipients in accordance with Circular A-133. This finding has been cleared in the current year.

For finding No. 2010-10, the County was not properly monitoring allowable costs of sub-recipients for funds provided to UNCC as part of the SAMHSA grant. This finding has been cleared in the current year.

For finding No. 2010-11, the County could not properly support funding passed onto foster care facilities under the State Foster Care Home Benefits program. This finding has been cleared in the current year.

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Federal Awards						
U.S. Department of Health and Human Services						
Direct Program						
SAMHSA	93.230	1U79SM57065	\$ 1,063,260	\$ -	\$ (35,722)	\$ 1,027,538
Passed through Centralina Council of Governments						
Aging Cluster						
Nutrition Project for the Elderly Title III-B	93.044		128,431	440,261	163,440	732,132
Nutrition Project for the Elderly Title III-C	93.045		595,395	105,070	76,278	776,743
Nutrition Project for the Elderly Title III-E	93.052		-	209,144	-	209,144
SSBG	93.667		29,498	277,757	70,527	377,782
Total Aging Cluster			763,324	1,032,232	310,245	2,095,801
Passed through N.C. Department of Health and Human Services - Division of Social Services						
Temporary Assistance for Needy Families:						
Foster Care Administration	93.558		654,056	-	42,617	696,673
Domestic Violence Services	93.558		140,549	-	-	140,549
Work First Administration	93.558		1,462,256	-	3,425,723	4,887,979
Work First Services	93.558		8,033,802	-	12,921,423	20,955,225
Child Support Enforcement	93.563		3,451,697	-	1,792,831	5,244,528
Permanency Planning - Regular	93.645		-	-	248,711	248,711
Permanency Planning Special	93.645		300,609	(100,080)	199,508	400,037
Family Violence Prev. Svc.	93.671		18,677	-	-	18,677
TANF	93.714		2,475,505	-	-	2,475,505
Direct Benefit Payments						
County Issued Checks	93.560		(17,175)	(1,695)	(9,430)	(28,300)
Direct Benefit Payments	93.558		4,881,283	(703)	8,394	4,888,974
Total Temporary Assistance for Needy Families			21,401,259	(102,478)	18,629,777	39,928,557
Refugee Assistance Program:						
Administration	93.556		23,008	-	21,670	44,678
Direct Benefit Payments	93.556		245,971	-	-	245,971
Total Refugee Assistance Program			268,979	-	21,670	290,649
Low Income Home Energy Block Grant:						
Administration	93.568		528,506	-	-	528,506
Crisis Intervention	93.568		4,527,651	-	-	4,527,651
Direct Benefit Payments	93.568		5,110,686	-	1,382	5,112,068
Total Low Income Home Energy Block Grant			10,166,843	-	1,382	10,168,225
Passed through N.C. Department of Health and Human Services - Division of Social Services:						
LINKS						
LINKS	93.674		150,388	37,597	101,010	288,995
LINKS - Transitional funds	93.674		27,077	-	-	27,077
LINKS - Independent Living	93.674		3,576	894	-	4,470
In-Home Services	93.667		63,712	-	541,418	605,130
In-Home Services Over 60	93.667		34,921	-	70,806	105,727
Adult Day Care	93.667		102,990	306,372	41,340	450,702
Adult Day Care Over 60	93.667		227,485	135,258	51,820	414,563
SSBG Other Services and Training	93.667		1,469,017	255,382	11,182,070	12,906,469
Medical Assistance:						
Administration	93.778		8,910,253	-	8,910,253	17,820,506
Expansion	93.778		98,237	98,237	-	196,474
Total Medical Assistance			9,008,490	98,237	8,910,253	18,016,980
Medical Transportation Administration	93.778		414,140	-	414,140	828,280
Medical Transportation Service	93.778		114,703	62,162	-	176,865
Adult Home Care	93.778		316,343	112,917	534,233	963,493
Adult Protective Services	93.778		-	-	958,777	958,777
North Carolina Health Choice	93.767		438,130	28,706	114,583	581,419

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through	Federal CFDA	Direct & Pass-Through Grantor's	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Grantor/Program Title	Number	Number				
Federal Awards (continued)						
Foster Care and Adoption Cluster						
Title IV-E Child Protective Services	93.658		1,501,885	382,649	1,119,236	3,003,770
Title IV-E Optional Administration	93.658		3,665,607	-	3,686,163	7,351,770
Title IV-E State Adoption/Foster Care	93.658		38,287	23,205	5,027	66,519
IV-E Adoption Subsidy	93.659		453,292	-	481,053	934,345
Family Finding	93.556		95,932	68,756	-	164,688
Foster Care And Adoption Direct Benefit Payments						
IV-E Foster Care	93.658		2,533,003	863,802	863,773	4,260,578
IV-E Foster Care HIV	93.658		9,049	4,152	-	13,201
IV-E Maximization	93.658		56,145	11,375	15,996	83,516
IV-E Adoption Subsidy	93.659		4,307,198	980,501	981,425	6,269,124
Total Foster Care and Adoption Cluster			12,660,398	2,334,440	7,152,673	22,147,511
Passed through N.C. Department of Health and Human Services - Subsidized Child Care						
Child Care Development Fund Cluster						
CCDF - Administration	93.596		1,646,130	-	359,341	2,005,471
CCDF - Discretionary	93.575		16,617,618	-	-	16,617,618
CCDF - Mandatory	93.596		4,699,174	-	-	4,699,174
CCDF - Match	93.596		7,874,618	4,282,668	-	12,157,286
Total Child Care Fund Cluster			30,837,540	4,282,668	359,341	35,479,549
Social Services Block Grant	93.667		16,499	-	-	16,499
Temporary Assistance for Needy Families - Contingency	93.714		2,619,546	-	-	2,619,546
Temporary Assistance for Needy Families	93.558		4,825,093	-	-	4,825,093
Smart Start			-	62,538	-	62,538
State Appropriations			-	1,517,989	-	1,517,989
TANF - MOE			-	4,045,561	-	4,045,561
Total Subsidized Child Care Cluster			38,300,678	9,908,756	359,341	48,568,775
Passed through N.C. Department of Health and Human Services - Division of Mental Health, Developmental Disabilities and Substance Abuse Services						
Path Block Grant - Homeless						
	93.150		51,802	-	-	51,802
Perinatal and Maternal Substance Abuse Initiative						
	93.959		207,976	-	-	207,976
Substance Abuse Training						
	93.959		2,313	-	-	2,313
Treatment Alternatives for Women						
	93.959		1,309,926	-	-	1,309,926
Treatment Alternatives to Street Crimes						
	93.959		106,952	-	-	106,952
Services to IV Drug Users						
	93.959		227,112	-	-	227,112
Mental Health Cluster						
Mental Health Services Block Grant	93.958		366,974	-	-	366,974
State Appropriations - Other			-	26,050	-	26,050
Total Mental Health Cluster			366,974	26,050	-	393,024
Developmental Disability Services						
	93.667		131,928	-	-	131,928
Substance Abuse Services Cluster						
Substance Abuse Block Grant	93.959		1,459,451	-	-	1,459,451
Total Substance Abuse Services Cluster			1,459,451	-	-	1,459,451
Health Resources and Services Administration						
Direct Program:						
HIV Emergency Relief Project	93.914	H89HA11434	4,826,520	-	-	4,826,520
HIV Emergency Relief Project		3H12HA1827A0	393,599	-	-	393,599
Minority Aids Initiative Programs for Part A Grantees	93.914	H3MHA08416	227,774	-	-	227,774
Passed through N.C. Department of Health and Human Services - Division of Public Health:						
Project Grants and Cooperative Agreements						
for Tuberculosis Control Programs	93.116		22,190	-	-	22,190
Investigations and Technical Assistance	93.283		295,096	-	-	295,096
Preparedness and Response	93.283		41,944	514,924	-	556,868
Immunization Program	93.268		126,163	-	-	126,163
Teen Pregnancy Prevention	93.558		-	66,029	-	66,029

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed. (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Cooperative Agreement for Breast and Cervical Cancer	93 919		131,568	-	-	131,568
HIV State Funds-Sexually Transmitted and Communicable Diseases	93 940		197,047	-	-	197,047
CCDG- Discretionary	93 575		10,650	-	-	10,650
Maternal and Child Health Services Block Grant	93 994		735,695	-	-	735,695
Family Planning Services	93 218		179,036	-	-	179,036
Syphilis Elimination Program	93 977		50,771	-	-	50,771
Medical Assistance Program	93 778		351,844	-	-	351,844
Aid to the Blind	93 667		95,865	29,441	17,395	142,701
Medicaid Direct Benefit Payments	93 778		548,547,239	220,650,667	34,067	769,231,993
Total Division of Public Health:			556,233,001	221,261,081	51,462	777,545,544
Total U.S. Department of Health and Human Services			657,083,148	235,497,606	49,411,278	941,992,032
U.S. Department of Agriculture:						
ARRA - Elderly Nutrition	10 561		(3,182)	-	-	(3,182)
Passed through Centralina Council of Governments. Nutrition Project for the Elderly USDA	93 053		142,347	-	-	142,347
Passed through N.C. Department of Health and Human Services:						
Division of Social Services Food Stamp Cluster:						
Food Stamp Administration	10 561		8,413,126	64,619	8,338,355	16,816,100
Food Stamp Fraud Administration	10 561		721,696	-	18,970	740,666
Total Food Stamp Cluster			9,134,822	64,619	8,357,325	17,556,766
Division of Public Health:						
Special Supplemental Nutrition Program - WIC	10 557		3,811,462	-	-	3,811,462
AGRE-SFP Food program Meal	10 559		14,128	-	-	14,128
Temporary Assistance for Needy Families	93 558		85,120	-	-	85,120
Inject Drug User Program	93 959		141,651	-	-	141,651
Statewide Health Promotion Program	93 991		143,587	-	-	143,587
Supplemental Food Program - WIC	10 557		16,424,185	-	-	16,424,185
Total U.S. Department of Agriculture			29,894,120	64,619	8,357,325	38,316,064
U.S. Department of Housing and Urban Development:						
Direct Program:						
Supportive Housing Program-Special Needs Assistance-Homeless	14 235	NC0065B4F051003	48,380	-	-	48,380
Supportive Housing Program-Special Needs Assistance-Homeless	14 235	NC0065B4F050802	133,041	-	97,063	230,104
Supportive Housing Program-Special Needs Assistance-Homeless	14 235	NC0061B4F050802	31,879	-	-	31,879
Supportive Housing Program-Special Needs Assistance-Homeless	14 235	NC0062B4F050802	190,206	-	-	190,206
Shelter Plus Care	14 238	NC0061B4F0801	22,182	-	-	22,182
Shelter Plus Care	14 238	NC0069C4F050802	618,471	-	-	618,471
Shelter Plus Care	14 238	NC0131C4F050901	82,099	-	-	82,099
Shelter Plus Care	14 238	NC0062B4F050801	158,382	-	-	158,382
Shelter Plus Care	14 238	NC0060C4F050800	51,011	-	-	51,011
Shelter Plus Care	14 238	NC0131C4F051002	59,842	-	-	59,842
Shelter Plus Care	14 238	NC0069C4F051003	260,507	-	-	260,507
Community Development Block Grant	14 218	B-10-UC-37-003	49,421	-	-	49,421
Total U.S. Department of Housing and Urban Development			1,705,421	-	97,063	1,802,484
U.S. Department of Justice						
Direct Program:						
ARRA- Byrne JAG Recovery Project	16 580		64,125	-	-	64,125
ARRA - Law Enforcement Initiatives	16 803	2009-SB-B9-1703	53,515	-	-	53,515
State Criminal Alien Program	16 606		580,669	-	-	580,669

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal	Direct & Pass-Through	Fed. (Direct & Pass Through)	State	Local	Total
	CFDA Number	Grantor's Number	Expenditures	Expenditures	Expenditures	
Passed through N.C. Department of Justice						
ARRA- Byrne JAG Recovery		760651	200,805			200,805
Passed through the City of Charlotte:						
Enhancements to Law Enforcement	16 579	2010-DJ-BX-0355	122,910	-	-	122,910
Enhancements to Law Enforcement	16 738	2008-DJ-BX-318	8,424	-	-	8,424
Law Enforcement Efficiency Improvement	16 738	2009-DJ-BX0-0178	9,782	-	-	9,782
Passed through N.C. Department of Crime Control and Public Safety						
Division of Governor's Crime Commission						
ARRA - OVW Transitional Housing & Support Svc	16 550	2009-EH-S6-0042	151,076	-	-	151,076
Community Outreach/Media Engagement	16 523	060-1-09-001-BA-724	11,716	-	-	11,716
Community Outreach/Media Engagement	16 523	060-1-10-001-BA-081	12,287	-	-	12,287
ARRA- Byrne JAG Recovery Project	16 804	SJS JAWS-09	595,998	-	-	595,998
Total N.C. Dept. of Crime Control and Public Safety			771,077	-	-	771,077
Total U.S. Department of Justice			1,811,307	-	-	1,811,307
U.S. Department of Environmental Protection:						
Direct Program						
ARRA National Clean Diesel Funding	66 039	219-9542 5609-0	772,135	25,462	-	797,597
SEC 105 Air Grant FY11	66 001	A00406510	239,052	163,188	1,074,126	1,476,366
SEC 105 Air Grant FY10	66 001	A00406510	445,610	417,723	1,053,797	1,917,130
National Clean Diesel Program	66 039	DE-954-20609-0	372,086	-	-	372,086
National Clean Diesel Program	66 039	2A-95425609	199,370	-	-	199,370
P.M. - 2.5 Monitoring Network	66 034	PM 96497008	151,044	-	-	151,044
Passed Through N.C. Department of Environment and Natural Resources						
McDowell Creek Watershed BMP Construction	66 460	EW07035	(6,357)	-	6,357	-
McDowell Creek Watershed Arge Property	66 460	EW08021	51,823	-	12,021	63,844
Total U.S. Department of Environmental Protection			2,224,763	606,373	2,146,301	4,977,437
U.S. Department of Energy:						
Direct Program:						
ARRA- Energy Efficiency & Conservation Block Grant	81 128	DE-SC0002361	436,361	-	-	436,361
U.S. Department of Homeland Security:						
Passed through Federal Emergency Management Association:						
Risk Map Early Demonstration Project	97 045	EMA-2010-CA-5085	133,133	-	-	133,133
Letters of Map Change Pilot	97 045	EMA-2009-CA-5935	299,696	-	-	299,696
Letters of Map Change Pilot	97 045	EMA-2009-CA-5941	10,180	-	-	10,180
Letters of Map Change	97 045	EMA-2008-CA-5888	253,247	-	-	253,247
Passed through N.C. Department of Crime Control and Public Safety						
Pre-Disaster Mitigation Planning Project	97 047	PDM-PJ-04-NC-2009-0281	406,856	-	135,665	542,521
Pre-Disaster Mitigation Planning Project	97 047	PDM-PJ-04-NC-2010-010	955	-	318	1,273
Pre-Disaster Mitigation Planning Project	97 047	PDM-PJ-04-NC-2010-008	1,158,558	-	383,860	1,542,418
Flood Mitigation Assistance	97 029	FMA-PJ-04-NC-2009-001	2,781,777	-	928,900	3,710,677
Pre-Disaster Mitigation Planning Project	97 047	PDM-PJ-04-NC-2008-009	(13,950)	-	13,950	-
Total U.S. Department of Homeland Security			5,030,452	-	1,462,693	6,493,145
Election Assistance Commission						
Passed through N.C. State Board of Elections						
HAVA Title II	39 011		59,942	-	-	59,942
			59,942	-	-	59,942
U.S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Congestion Mitigation and Air Quality Improvement	20 205	C-4954	5,526	-	-	5,526

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Direct & Pass-Through Grantor's Number	Fed (Direct & Pass Through) Expenditures	State Expenditures	Local Expenditures	Total
Passed through N.C. Department of Environment and Natural Resources						
ARRA- Toby Creek Greenway	20.205	EB-5120	879,399	-	-	879,399
ARRA West Branch Rocky River Greenway	20.205	EB-5118JB	326,025	-	-	326,025
ARRA Torrence Creek Wastewater/Storm Water	20.205	2W370863-01	-	-	1,606,596	1,606,596
Greater Charlotte Air Awareness Program	20.205	EA07014	-	70,290	-	70,290
Total U.S. Department of Transportation			1,210,950	70,290	1,606,596	2,887,836
Total Federal Awards			699,456,464	236,238,888	63,081,256	998,776,608
State Awards:						
N.C. Department of Administration						
Divorce Filing Fees		Funding code 1732-7325	-	47,096	-	47,096
Displaced Homemakers		Funding code 1732-7325	-	13,248	-	13,248
Total N.C. Department of Administration			-	60,344	-	60,344
N.C. Department of Correction						
Division of Community Corrections						
Structured Day Program			-	419,005	-	419,005
Total N.C. Department of Correction			-	419,005	-	419,005
N.C. Department of Environment and Natural Resources						
2008 Mobile Source Emissions Reduction		NCDENR # 1472	-	32,370	-	32,370
Total N.C. Department of Environment and Natural Resources			-	32,370	-	32,370
Division of Environmental Health						
Environmental Health			-	4,000	-	4,000
Food and Lodging			-	101,830	-	101,830
Summer Food Inspection Program			-	14,129	-	14,129
N.C. Clean Water Management Trust Fund						
McDowell Creek Watershed BMP Construction		2005A-702	-	275,481	-	275,481
McDowell Creek Watershed Recycling		2006A-705	-	18,643	22,309	40,952
Little Sugar Creek - Phase IX Midtown		2007-404	-	58,190	58,769	116,959
McAlpine Creek		2006A-405	-	463,338	320,490	783,828
Little Sugar Creek - Phase VIII		2006A-404	-	350,706	74,023	424,729
Total N.C. Department of Environment and Natural Resources			-	1,318,687	475,591	1,794,278
N.C. Department of Health and Human Services						
Division of Aging and Adult Services:						
Alzheimers Project C.A.R.E.			-	85,204	821	86,025
Division of Social Services:						
Smart Start DCD			-	230,109	-	230,109
State Foster Care Direct Benefit Programs:						
Regular			-	602,019	602,015	1,204,034
Total State Foster Care Direct Benefit Programs			-	602,019	602,015	1,204,034
Domiliary Care Direct Benefit Payments			-	3,473,780	3,474,180	6,947,960
Passed through Mecklenburg Partnership for Children:						
Smart Start Grants			-	921,652	-	921,652
Total Division of Social Services			-	5,312,764	4,077,016	9,389,780
Division of Mental Health, Developmental						
Disabilities and Substance Abuse Services:						
General Program Services			-	18,717,975	-	18,717,975
Multidisciplinary Evaluation			-	-	-	-
Systems Management Transition			-	8,779,768	-	8,779,768
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services			-	27,497,743	-	27,497,743

Mecklenburg County, North Carolina

Schedule of Expenditures of Federal and State Financial Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal	Direct & Pass-Through	Fed. (Direct & Pass Through)	State	Local	Total
	CFDA Number	Grantor's Number	Expenditures	Expenditures	Expenditures	
Division of Public Health						
General			-	289,697	-	289,697
AIDS-State			-	105,000	-	105,000
Risk Reduction Health Promotion			-	7,792	-	7,792
Minority Health			-	250,720	-	250,720
Communicable Disease			-	8,968	-	8,968
Tuberculosis			-	119,134	-	119,134
Maternal Care Coordinator			-	23,440	-	23,440
Wisewoman			-	4,275	-	4,275
Women's Preventative Health			-	17,929	-	17,929
Adolescent Pregnancy Prevention			-	5,932	-	5,932
Breast and Cervical Cancer Control Program			-	60,902	-	60,902
Total Division of Public Health State Awards			-	893,789	-	893,789
Total N.C. Department of Health and Human Services			-	33,704,296	4,077,016	37,781,312
N.C. Department of Juvenile Justice and Delinquency Prevention						
Juvenile Transportation			-	9,570	-	9,570
Juvenile Crime Prevention Council Programs			-	1,371,103	-	1,371,103
Total N.C. Department of Juvenile Justice and Delinquency Prevention			-	1,380,673	-	1,380,673
N.C. Department of Public Instruction						
Public School Building Capital Fund - ADM Funds			-	223,000	-	223,000
Public School Building Capital Fund - Lottery Funds			-	18,096,600	-	18,096,600
Total N.C. Department of Public Instruction			-	18,319,600	-	18,319,600
N.C. Department of Transportation						
Community Transportation Administration			-	155,835	88,986	244,821
Work First Employment Transportation			-	254,019	-	254,019
Rural General Program			-	457,421	3,725	461,146
Total N.C. Department of Transportation			-	867,275	92,711	959,986
N.C. Health and Wellness Trust Fund						
Tobacco Use Prevention Youth			-	264,926	-	264,926
College Tobacco User Prevention			-	141,733	-	141,733
Total N.C. Health and Wellness Trust Fund			-	406,659	-	406,659
N.C. Office of Indigent Defense Services						
Indigent Defense Services			-	145,176	19,608	164,784
Total State Awards			-	56,621,715	4,664,926	61,286,641
 Total Federal and State Awards			<u>\$ 699,456,464</u>	<u>\$ 292,860,603</u>	<u>\$ 67,746,182</u>	<u>\$ 1,060,063,249</u>

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Mecklenburg County, North Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. 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. Reporting Entity

Mecklenburg County, North Carolina, for purposes of the schedule of expenditures of federal and State awards, includes all the funds of the primary government as defined by GASB Statement 14, *The Financial Reporting Entity*. It does not include any component units of the County as follows:

- The Public Library of Charlotte and Mecklenburg County
- The Mecklenburg County Alcoholic Beverage Control Board
- The Mecklenburg Emergency Medical Services Agency

The Public Library of Charlotte and Mecklenburg County also receives federal awards, but separately satisfy the audit requirements of OMB Circular A-133 and the State Single Audit Implementation Act. The Mecklenburg County Alcoholic Beverage Control Board and the Mecklenburg Emergency Medical Services Agency do not receive federal or State grants.

3. Subrecipients

Of federal and State expenditures presented in the schedule, the County provided funding to subrecipients for the following:

Program Title	CFDA Number	Expenditures	
		Federal	State
Subsidized Child Care Cluster:			
CCDF - Administration	93.596	\$ 1,646,130	\$ -
CCDF - Discretionary	93.575	16,617,618	-
CCDF - Mandatory	93.596	4,699,174	-
CCDF - Match	93.596	7,874,618	4,282,668
Social Services Block grant	93.667	18,499	-
ARRA TANF - Contingency	93.575	2,619,546	-
TANF	93.558	4,825,093	-
Smart Start		-	62,538
State Appropriations		-	1,517,989
TANF MOE		-	4,045,561
Division of Public Health:			
Project Grants and Cooperative Agreements of Tuberculosis Control Programs	93.116	22,190	-
Investigations and Technical Assistance	93.283	295,096	-
Preparedness Response / Bioterrorism	93.283	41,944	-
Immunization Program	93.268	126,163	-
Teen Pregnancy Prevention	93.558	-	60,029
Cooperative Agreement for Breast and Cervical Cancer	93.919	131,568	-
HIV State Funds - Sexually Transmitted and Communicable Disease	93.940	197,047	-
CDBG Discretionary	93.575	10,650	-
Maternal and Child Health Services Block Grant	93.994	735,695	-

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

3. Subrecipients (continued)

Program Title	CFDA Number	Expenditures	
		Federal	State
Family Planning Services	93.218	\$ 179,036	\$ -
Syphilis Elimination Program	93.977	50,771	-
Supplemental Food Program - WIC	10.557	3,811,462	-
General		-	289,697
Aids - State		-	105,000
Risk Reduction Health Promotion		-	7,792
Communicable Disease		-	8,968
Tuberculosis		-	119,134
Maternal Care Coordinator		-	23,440
Women's Preventative Health		-	17,929
Breast and Cervical Cancer Control Program		-	60,902
U S Department of Housing and Urban Development:			
Supporting Housing Program - Special Needs Assistance	14.235	403,506	-
Passed through N.C. Department of Commerce:			
Community Development Block Grant	14.218	49,421	-
N.C. Health and Wellness Trust Fund		-	406,659
N. C. Department of Juvenile Crime Prevention Programs		-	913,897
N. C. Department of Community Corrections:			
Structured Day Program		-	419,005
Mecklenburg Partnership for Children:			
Smart Start Grants		-	921,652