

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, 2012

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, 2012, which collectively comprises the County's basic financial statements and have issued our report thereon dated October 29, 2012. Our report includes a reference to another auditor. 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. Another auditor audited the financial statements of 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 auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by the other auditor. The financial statements of the Mecklenburg Emergency Medical Services Agency 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 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 are 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 October 29, 2012.

This report is intended solely for the information and use of the audit review 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 specified parties.

Cherry, Ruchel & Habel LLP.

Raleigh, North Carolina
October 29, 2012



**Report on Compliance with Requirements Applicable to Each Major Federal Program and
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 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, 2012. 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, 2012. 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 2012-01, 2012-03, and 2012-04.

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 the requirements that could have a direct and material effect on a major federal 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 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.

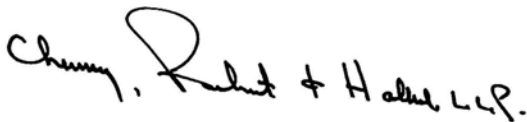
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-02. 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 Financial 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, 2012, and have issued our report thereon dated October 29, 2012, which contained an unqualified opinion on those statements. We did not audit the financial statements of the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"). Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is solely based on the report of the other auditor. 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 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 financial awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit review 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 specified parties.



Raleigh, North Carolina
October 29, 2012



**Report On Compliance With Requirements Applicable To Each Major State Program And 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, 2012. 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, 2012. However, the results of our auditing procedures disclosed an instance 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 is described in the accompanying schedule of findings and questioned costs as item 2012-05.

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 the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance 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 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 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.

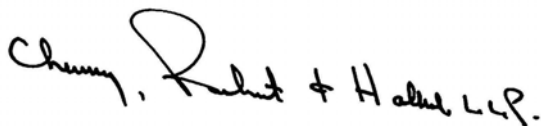
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We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

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 Financial 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, 2012, and have issued our report thereon dated October 29, 2012, which contained an unqualified opinion on those statements. We did not audit the financial statements of the Mecklenburg County Alcoholic Beverage Control Board (the "ABC Board"). Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is solely based on the report of the other auditor. 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 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 additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 financial awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit review 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 specified parties.



Raleigh, North Carolina
October 29, 2012

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

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 ___ no

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:

CFDA#	Program Name
	Medical Assistance
93.778	Administration
93.778	Expansion
93.778	Medical Transportation Administration
93.778	Medical Transportation Service
93.778	Adult Home Care
93.778	Medicaid Direct Benefit Payments
93.778	Medical Assistance Program

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

Section I. Summary of Auditors' Results (continued)

93.767	North Carolina Health Choice
	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	IV-E Adoption Subsidy
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 – Temporary Assistance for Needy Families
93.558	Foster Care Administration
93.558	Domestic Violence Services
93.558	Work First Administration
93.558	Work First Services
93.558	JOB Boost-SVC
93.558	JOB Boost-ADM
93.558	Temporary Assistance for Needy Families
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
	Early Intervention Services (IDEA) Cluster
84.181	Infant and Toddlers Disabilities
	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
10.557	Supplemental Food Program – WIC
10.557	Special Supplemental Nutrition Program – WIC

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

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? X yes ___ 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 ___ yes X no

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

Domiciliary Care Direct Benefit Payments
Structured Day Program
Public School Building Capital Fund – Lottery Funds

Other major State programs for Mecklenburg County are Medical Assistance, Temporary Assistance for Needy Families, Foster Care and Adoption Assistance Cluster, North Carolina Health Choice, and Infant and Toddlers Disabilities (Children's Developmental Services Agencies) 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, 2012

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, Division of Social Services
Program Name: Medical Assistance
CFDA#: 93.778

Nonmaterial Noncompliance - Eligibility
Finding 2012-01

Criteria or specific requirement: Participant case files for disabled participants must contain verification of the participant's disability.

Condition: We noticed that in one instance, the appropriate disability verification was not included in the recipient's case file. Without the verification, the participant was deemed ineligible.

Questioned costs: \$6,010 – Total claims paid on behalf of the participant during the fiscal year ending June 30, 2012.

Context: The audit sampled 53 case files. Of the 53 files sampled, we noted one instance in which the case file did not contain the proper documentation to support the participant's eligibility.

Effect: By not having the required disability verification on file, the participant was deemed eligible and should not have received benefits of approximately \$6,010.

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 and all necessary documentation is included.

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, 2012

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

Significant Deficiency - Eligibility
Finding 2012-02

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

Condition: We noticed that in eight instances, the appropriate eligibility documentation was not included in the recipient 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 53 case files. Of the 53 files sampled, we noted eight instances in which the case file did not contain proper documentation. The County was able to subsequently provide us with the missing eligibility documentation to support the eligibility determination and to complete the case files.

Effect: By not having the required supporting documentation on file, there is a risk that the County is not in compliance with the federal and State 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 and all necessary documentation is included.

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, 2012

U.S. Department of Health and Human Services
Passed through the N.C. Department of Health and Human Services, Division of Social Services
Program Name: Temporary Assistance for Needy Families
CFDA#: 93.558, 93.560, 93.714

Nonmaterial Noncompliance - Eligibility
Finding 2012-03

Criteria or specific requirement: All parents and caretakers must sign the Mutual Responsibility Agreement in order to become and remain eligible for Work First and the document should be retained in the case file.

Condition: We noted one instance in which the signed Mutual Responsibility Agreement was missing from the case file and could not be located.

Questioned costs: \$3,240 – Total benefits paid to the participant during fiscal year ending June 30, 2012.

Context: The audit sampled 60 case files for compliance with eligibility requirements, including the signed Mutual Responsibility Agreements. During our testing of 60 case files, there was one instance in which the signed Mutual Responsibility Agreement was missing from the case file and could not be located.

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 not completed during the initial eligibility determination or 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 and all necessary documentation is included.

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, 2012

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

Nonmaterial Noncompliance - Eligibility
Finding 2012-04

Criteria or specific requirement: Third-party insurance must terminate prior to approval as an eligible participant.

Condition: We noted one instance where the participant had third-party insurance that had not terminated and they were deemed eligible for the Children's Health Insurance Program (CHIPS).

Questioned costs: None – No claims were paid on behalf of the participant during FY 2012.

Context: The audit sampled seven case files for compliance with eligibility requirements. Of the seven files sampled, we noted one instance in which the County improperly deemed the participant eligible.

Effect: The participant was improperly deemed eligible and the County could have provided benefits to an ineligible participant.

Cause: Employee oversight of the fact that the third-party insurance had not yet terminated.

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 the County review their eligibility determination procedures to determine that they are appropriate and will result in accurate eligibility determinations. In addition, it is recommended that the County evaluate their case file review process to ensure it is appropriate to catch improper determinations.

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 and reviewed appropriately to catch improper determinations.

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, 2012

Section IV. State Awards Findings and Questioned Costs

Department of Social Services
DSS Crosscutting
CFDA #: Not applicable

Nonmaterial Noncompliance – Allowable Costs/Costs Principles
Finding 2012-05

Criteria or specific requirement: For costs to be allowable for purposes of reimbursement, they must be determined to be allowable in accordance with OMB Circular A-87 and the Division of Social Services (“DSS”) Fiscal Manual Section II. Per OMB Circular A-87 and DSS Fiscal Manual Section II, entertainment costs, amusements and social activities are unallowable.

Condition: We identified one expenditure in our testing that was included in the 1571 for reimbursement that was for a social activity for employees of DSS which is an unallowable expenditure, per OMB Circular A-87 and the DSS Fiscal Manual Section II.

Questioned costs: \$355

Context: The audit sampled 60 expenditures and identified one expenditure for \$355 that was an unallowable expenditure.

Effect: The County incorrectly submitted the expenditure as a part of the 1571 for reimbursement.

Cause: Lack of employee oversight in recording the expenditure as an allowable expenditure on the 1571.

Recommendation: CBH recommends that the County ensure the recording and review process of DSS related expenditures is appropriate to ensure only allowable expenditures are included for reimbursement.

Views of responsible officials: Human Services Finance Division (HSFD) agrees that only appropriate allowable expenditures should be identified for submission on the Form 1571 Report for reimbursement.

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

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

For prior year finding No. 2011-01, case files held by the County did not include proper documentation to verify eligibility of recipients of Medical Assistance. This finding has not been cleared in the current year, see findings 2012-01 and 2012-02.

For prior year finding No. 2011-02, the County incorrectly calculated the income level for a recipient of Low Income Home Energy Block. We audited this program in 2012 and noted no instances of income miscalculation during our testing. This finding has been cleared in the current year.

For prior year finding No. 2011-03, a case file held by the County did not include timesheets to support hours worked by a recipient of assistance through the Temporary Assistance for Needy Families program. We audited this program in 2012 and noted no instances of missing timesheets. This finding has been cleared in the current year.

For prior year finding No. 2011-04, the County did not properly retain documentation to verify eligibility of recipients of assistance through the Temporary Assistance for Needy Families program. This finding has not been cleared in the current year, see finding 2012-03.

For prior year finding No. 2011-05, the County did not retain sufficient documentation to support information reported to the State with regards to a recipient of the Temporary Assistance for Needy Families program. We audited this program in 2012 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2011-06, the County did not properly retain documentation to verify eligibility of recipients of assistance through the North Carolina Health Choice program. This program has been tested in 2012 and no instances of misplaced case files were noted. This finding has been cleared in the current year.

For prior year finding No. 2011-07, the County did not properly retain documentation to verify that information reported to the State for employees' time worked was sufficiently supported. We tested DSS Crosscutting this year and noted no instances in which employee's time was not sufficiently supported. This finding has been cleared in the current year.

For finding No. 2011-08, the County did not properly retain documentation to verify eligibility of recipients of Domiciliary Care Direct Benefit Payments. We audited this program in 2012 and noted no instances of missing documentation. 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, 2012

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	\$ 770,031	\$ -	\$ -	\$ 770,031
	93.647					-
Passed through Centralina Council of Governments:						
Aging Cluster:						
Nutrition Project for the Elderly Title III-B	93.044		1,166,802	431,557	177,596	1,775,955
Nutrition Project for the Elderly Title III-C	93.045		601,515	106,150	78,629	786,294
Nutrition Project for the Elderly Title III-E	93.052		-	200,250	-	200,250
SSBG	93.667		316,673	316,673	70,372	703,718
Total Aging Cluster			2,084,990	1,054,630	326,597	3,466,217
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
Child Support Enforcement	93.563		4,328,413	-	2,215,306	6,543,719
Permanancy Planning - Regular	93.645		66,684	-	1,609,299	1,675,983
Permanancy Planning Special	93.645		(59,313)	-	(19,771)	(79,084)
Family Violence Prev Svc	93.671		15,777	-	5,259	21,036
Temporary Assistance for Needy Families:						
Foster Care Administration	93.558		74,308	-	65,699	140,007
Domestic Violence Services	93.558		138,057	-	-	138,057
Work First Administration	93.558		1,588,343	-	3,718,725	5,307,068
Work First Services	93.558		8,623,732	-	12,360,135	20,983,867
JOB Boost -SVC	93.558		934,544	-	-	934,544
JOB Boost -ADM	93.558		221,814	-	-	221,814
ARRA - Temporary Assistance for Needy Families	93.714		1,513,600	-	1,707	1,515,307
Direct Benefit Payments:						
County Issued Checks	93.560		(18,250)	(5,003)	(5,003)	(28,256)
Direct Benefit Payments	93.558		9,468,574	(489)	7,251	9,475,336
Total Temporary Assistance for Needy Families			22,544,722	(5,492)	16,148,514	38,687,744
Refugee Assistance Program:						
Administration	93.566		18,143	-	9,497	27,640
Direct Benefit Payments	93.566		258,434	-	-	258,434
Total Refugee Assistance Program			276,577	-	9,497	286,074
Low Income Home Energy Block Grant:						
Administration	93.568		705,263	-	-	705,263
Crisis Intervention	93.568		3,601,462	-	-	3,601,462
Direct Benefit Payments	93.568		238	-	163	401
Total Low Income Home Energy Block Grant			4,306,963	-	163	4,307,126
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
LINKS	93.674		186,249	46,562	170,909	403,720
LINKS - Transitional funds	93.674		34,297	-	-	34,297
LINKS - Independent Living	93.674		3,493	873	-	4,366
In-Home Services	93.667		90,935	-	502,069	593,004
In-Home Services Over 60	93.667		12,396	-	55,091	67,487

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

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 (continued)						
Temporary Assistance for Needy Families	93.558		96,058	-	-	96,058
Refugee Health	93.576		15,229	-	-	15,229
Social Services Block Grant	93.667		-	7,000	-	7,000
Adult Day Care	93.667		123,907	161,152	40,723	325,782
Adult Pro SVC	93.667		220,393	-	-	220,393
Adult Day Care Over 60	93.667		281,857	168,538	64,342	514,737
SSBG Other Services and Training	93.667		1,830,303	170,452	12,505,291	14,506,046
Medical Assistance:						
Administration	93.778		9,694,538	-	-	9,694,538
Expansion	93.778		92,002	92,002	-	184,004
Total Medical Assistance			9,786,540	92,002	-	9,878,542
Medical Transportation Administration	93.778		456,375	-	-	456,375
Medical Transportation Service	93.778		181,808	96,990	-	278,798
Adult Home Care	93.778		318,760	111,722	590,615	1,021,097
Adult Protective Services	93.778		-	-	1,069,161	1,069,161
North Carolina Health Choice	93.767		507,567	36,284	127,225	671,076
Foster Care and Adoption Cluster:						
Title IV-E Child Protective Services	93.658		1,599,048	413,936	1,185,111	3,198,095
Title IV-E Optional Administration	93.658		3,321,213	-	-	3,321,213
Title IV-E State Adoption/Foster Care	93.658		82,299	47,495	11,601	141,395
IV-E Adoption Subsidy	93.659		487,940	-	533,754	1,021,694
Family Finding	93.556		51,664	(6,332)	-	45,332
Foster Care And Adoption Direct Benefit Payments:						
IV-E Foster Care	93.658		1,705,191	621,111	621,108	2,947,410
IV-E Foster Care HIV	93.658		9,061	4,740	-	13,801
IV-E Maximization	93.658		84,664	13,074	32,208	129,946
IV-E Adoption Subsidy	93.659		4,222,430	1,131,556	1,156,838	6,510,824
Total Foster Care and Adoption Cluster			11,563,510	2,225,580	3,540,620	17,329,710
Passed through N.C Department of Transportation:						
ARRA- Transportation Equipment	20.509	10-AR-051	284,500	-	-	284,500
Total N.C. Department of Transportation			284,500	-	-	284,500
Passed through N.C. Department of Health and Human Services - Subsidized Child Care						
Child Care Development Fund Cluster:						
CCDF - Administration	93.596		4,051,545	-	-	4,051,545
CCDF - Discretionary	93.575		27,003,127	-	-	27,003,127
CCDF - Mandatory	93.596		3,975,169	-	-	3,975,169
CCDF - Match	93.596		4,769,362	1,046,217	-	5,815,579
Total Child Care Fund Cluster			39,799,203	1,046,217	-	40,845,420
Social Services Block Grant	93.667		-	-	-	-
ARRA - Temporary Assistance for Needy Families - State Programs	93.714		(696,464)	-	-	(696,464)
Foster Care Title IV-E (K5)	93.658		510,840	88,752	-	599,592
Temporary Assistance for Needy Families	93.558		7,414,946	-	-	7,414,946
Smart Start			-	391,134	-	391,134
State Appropriations			-	(3,787,263)	-	(3,787,263)
TANF - MOE			-	2,618,671	-	2,618,671
Total Subsidized Child Care Cluster			47,028,525	357,511	-	47,386,036

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

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 Health and Human						
Services - Division of Mental Health, Developmental						
Disabilities and Substance Abuse Services:						
Path Block Grant - Homeless	93.150		38,856	-	-	38,856
Perinatal and Maternal Substance Abuse Initiative	93.959		103,976	-	-	103,976
Substance Abuse Training	93.959		2,313	-	-	2,313
Treatment Alternatives for Women	93.959		944,168	-	-	944,168
Treatment Alternatives to Street Crimes	93.959		86,101	-	-	86,101
Services to IV Drug Users	93.959		211,140	-	-	211,140
Mental Health Cluster:						
Mental Health Services Block Grant	93.958		166,565	-	-	166,565
Total Mental Health Cluster			166,565	-	-	166,565
Developmental Disability Services	93.667		131,814	-	-	131,814
Substance Abuse Services Cluster:						
Substance Abuse Block Grant	93.959		1,299,459	-	-	1,299,459
Total Substance Abuse Services Cluster			1,299,459	-	-	1,299,459
Health Resources and Services Administration:						
Direct Program:						
HIV Emergency Relief Project	93.914	H89HA11434	4,857,813	-	-	4,857,813
HIV Emergency Relief Project	93.914	3H12HA1827A0	130,042	-	-	130,042
Ryan White Program	93.914	2 H89HA11434-04-00	1,999,492	-	-	1,999,492
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		13,185	-	-	13,185
Infant and Toddlers Disabilities	84.181		2,061,205	463,452	-	2,524,657
Investigations and Technical Assistance	93.283		236,158	-	-	236,158
Public Health Emergency Preparedness	93.069		195,358	-	-	195,358
Immunization Program	93.268		150,864	-	-	150,864
Cooperative Agreement for Breast and						
Cervical Cancer	93.919		174,165	364,567	-	538,732
HIV State Funds-Sexually Transmitted and						
Communicable Diseases	93.940		135,510	-	-	135,510
Epidemiologic Research Studies	93.943		74,823	-	-	74,823
CCDG- Discretionary	93.575		-	-	-	-
Maternal and Child Health Services Block Grant	93.994		374,681	281,043	-	655,724
Family Planning Services	93.217		231,659	-	-	231,659
Syphilis Elimination Program	93.977		80,029	-	-	80,029
Aid to the Blind	93.667		77,750	20,246	13,999	111,995
Medicaid Direct Benefit Payments	93.778		524,833,785	302,516,293	29,465	827,379,543
Total Division of Public Health			535,626,519	303,645,601	43,464	839,315,584
Centers for Medicare and Medicaid Services Division						
of Medical Assistance:						
Medical Assistance Program	93.778		636,157	-	-	636,157
Total U.S. Department of Health and			646,604,615	308,169,405	39,004,374	993,778,394
Human Services						

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

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
U.S. Department of Agriculture:						
Passed through Centralina Council of Governments:						
Nutrition Project for the Elderly USDA	93.053		157,583	-	-	157,583
Passed through N.C. Department of Health and Human Services:						
Division of Social Services Food Stamp Cluster:						
Food Stamp Administration	10.551		9,460,866	52,797	9,390,119	18,903,782
Food Stamp Fraud Administration	10.551		35,340	-	16,698	52,038
Total Food Stamp Cluster			<u>9,496,206</u>	<u>52,797</u>	<u>9,406,817</u>	<u>18,955,820</u>
Division of Public Health:						
Special Supplemental Nutrition Program - WIC	10.557		2,617,720	-	-	2,617,720
AGRE-SFP Food Program Meal	10.559		15,959	-	-	15,959
Temporary Assistance for Needy Families	93.558			-	-	-
Inject Drug User Program	93.959		77,666	-	-	77,666
Supplemental Food Program - WIC	10.557		17,463,736	-	-	17,463,736
Total U.S. Department of Agriculture			<u>29,828,870</u>	<u>52,797</u>	<u>9,406,817</u>	<u>39,288,484</u>
U.S. Department of Housing and Urban Development:						
Direct Program:						
Supportive Housing Program-Special Needs Assistance-Homeless						
Assistance-Homeless	14.235	NC0065B4F051003	96,756	-	-	96,756
Supportive Housing Program-Special Needs Assistance-Homeless						
Assistance-Homeless	14.235	NC0061B4F050802	8,911	-	-	8,911
Supportive Housing Program-Special Needs Assistance-Homeless						
Assistance-Homeless	14.235	NC0062B4F050802	103,510	-	-	103,510
Supportive Housing Program-Special Needs Assistance-Homeless						
Assistance-Homeless	14.235	NC0065B4F051104	48,380	-	-	48,380
Shelter Plus Care	14.238	NC19C605001	56,134	-	-	56,134
Shelter Plus Care	14.238	NC0060C4F050800	43,104	-	-	43,104
Shelter Plus Care	14.238	NC0131C4F051002	136,754	-	-	136,754
Shelter Plus Care	14.238	NC0069C4F051003	597,157	-	-	597,157
Shelter Plus Care	14.235	NC0061B4F051003	246,906	-	-	246,906
Shelter Plus Care	14.238	NC 0161C4F4050900	21,522	-	-	21,522
Shelter Plus Care	14.238	NC0225C4F051101	26,013	-	-	26,013
Shelter Plus Care	14.238	NC0131C4F051003	73,524	-	-	73,524
Shelter Plus Care	14.238	NC0069C4F051104	311,716	-	-	311,716
Community Development Block Grant	14.218	B-10-UC-37-003	411,837	-	-	411,837
Total U.S. Department of Housing and Urban Development			<u>2,182,224</u>	<u>-</u>	<u>-</u>	<u>2,182,224</u>
U.S. Department of Justice:						
Direct Program:						
ARRA - Law Enforcement Initiatives	16.803	2009-SB-B9-1703	74,301	-	-	74,301
State Criminal Alien Program	16.606		340,194	-	-	340,194
Passed through N.C. Department of Justice:						
ARRA- Byrne JAG Recovery	16.804	260680, 26081	574,905	-	-	574,905
Passed through the City of Charlotte:						
Enhancements to Law Enforcement	16.579	2010-DJ-BX-0355	79,531	-	-	79,531
Enhancements to Law Enforcement	16.738	2008-DJ-BX-318	16,220	-	-	16,220
Law Enforcement Efficiency Improvement	16.738	2009-DJ-BX0-0178	5,203	-	-	5,203
Law Enforcement Efficiency Improvement	16.738	2011-DJ-BX-2961	7,794	-	-	7,794

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

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 Crime Control and Public Safety:						
Division of Governor's Crime Commission:						
OWV Transitional Housing & Supprt Svc.		OWV-2011-wx-ax-k11	-	5,152	-	5,152
ARRA - OWV Transitional Housing & Supprt Svc.	16,588	2009-EH-S6-0042	255,591	-	-	255,591
Total N.C. Dept. of Crime Control and Public Safety			255,591	5,152	-	260,743
Total U.S. Department of Justice			1,353,739	5,152	-	1,358,891
U.S. Department of Environmental Protection:						
Direct Program:						
ARRA National Clean Diesel Funding	66,039	219-9542.5609-0	56	-	107,812	107,868
SEC 105 Air Grant FY11	66,001	A00406510	155,236	-	-	155,236
National Clean Diesel Program	66,039	DE-954.20609-0	161,199	-	-	161,199
P M - 2.5 Monitoring Network	66,034	PM 96497008	55,971	-	-	55,971
Passed Through Division of Environment Assistance and Outreach:						
Community Waste Reduction & Recycling		Contract 4091	-	18,749	5,000	23,749
Passed Through N.C. Department of Environment and Natural Resources:						
McDowell Creek Watershed Ange Property	66,460	EW08021	12,000	-	(77,213)	(65,213)
Total U.S. Department of Environmental Protection			384,462	18,749	35,599	438,810
U.S. Department of Energy:						
Direct Program:						
ARRA - Energy Efficiency & Conservation Block Grant	81,128	DE-SC0002361	157,461	-	-	157,461
Total U.S. Department of Energy			157,461	-	-	157,461
U.S. Department of Homeland Security:						
Passed through Federal Emergency Management Association:						
Risk Map Early Demonstration Project	97,045	EMA-2010-CA-5086	-	-	18,350	18,350
Letters of Map Change Pilot	97,045	EMA-2009-CA-5935	(151,796)	-	-	(151,796)
Letters of Map Change Pilot	97,045	EMA-2009-CA-5941	4,892	-	-	4,892
Letters of Map Change Pilot	97,045	EMA-2011-CA-5151	4,958	-	-	4,958
Letters of Map Change	97,045	EMA-2008-CA-5888	36,849	-	-	36,849
Passed through N.C. Department of Crime Control and Public Safety:						
Pre-Disaster Mitigation Planning Project	97,047	PDM-PJ-04-NC-2009-0281	17,800	-	8,493	26,293
Pre-Disaster Mitigation Planning Project	97,047	PDM-PJ-04-NC-2010-010	(318)	-	318	-
Pre-Disaster Mitigation Planning Project	97,047	PDM-PJ-04-NC-2010-008	132	-	44	176
Pre-Disaster Mitigation Planning Project	97,047	PDM-PJ-04-NC-2009-01	106,856	-	37,153	144,009
Pre-Disaster Mitigation Planning Project	97,047	PDM-PJ-04-NC-2008-009	-	-	31,824	31,824
Total U.S. Department of Homeland Security			19,373	-	96,182	115,555
U.S. Department of Labor:						
Veterans Stand Down	17,805	SD-22210-11-60-5-37	-	7,000	-	7,000
Total U.S. Department of Labor			-	7,000	-	7,000
U.S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Congestion Mitigation and Air Quality Improvement	20,205	C-4964	22,002	-	-	22,002
Toby Creek Greenway Phase II	20,205	CM1003(103)	-	-	664	664
ARRA West Branch Rocky River Greenway	20,205	EB-5118JB	66,250	-	-	66,250

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

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	
Little Sugar Creek Greenway	20.205	EB-4715	1,856,052	-	-	1,856,052
Greater Charlotte Air Awareness Program	20.205	EA07014	-	55,314	-	55,314
Total U.S. Department of Transportation			1,944,304	55,314	664	2,000,282
Total Federal Awards			682,475,048	308,308,417	48,543,636	1,039,327,101
State Awards:						
N.C. Department of Administration:						
Divorce Filing Fees		Funding code 1732-7325	-	42,944	-	42,944
Displaced Homemakers		Funding code 1732-7325	-	9,088	-	9,088
Total N.C. Department of Administration			-	52,032	-	52,032
N.C. Department of Correction:						
Division of Community Corrections:						
Structured Day Program			-	457,209	-	457,209
Total N.C. Department of Correction			-	457,209	-	457,209
Division of Environmental Health:						
Environmental Health						
Food and Lodging			-	105,131	-	105,131
Summer Food Inspection Program			-	15,959	-	15,959
N.C. Clean Water Management Trust Fund:						
Torrence Creek Wastewater/Storm Water		2008-406	-	250,149	-	250,149
Little Sugar Creek - Phase IX Midtown		2007-404	-	17,414	-	17,414
Little Sugar Creek - Phase X		2010-411	-	-	250,000	250,000
McAlpine Creek		2006A-405	-	577,324	(577,324)	-
Torrence Tributary 2011-405		2011-405	-	122,000	-	122,000
Little Sugar Creek - Phase VIII		2006A-404	-	284,515	65,939	350,454
Total N.C. Department of Environment and Natural Resources			-	1,372,492	(261,385)	1,111,107
N.C. Department of Health and Human Services:						
Division of Aging and Adult Services:						
Alzheimers Project C.A.R.E.			-	38,321	821	39,142
Division of Social Services:						
Smart Start DCD			-	158,787	-	158,787
State Foster Care Direct Benefit Programs:						
Regular			-	510,885	510,885	1,021,770
Total State Foster Care Direct Benefit Programs			-	510,885	510,885	1,021,770
Domiciliary Care Direct Benefit Payments			-	3,273,441	3,273,441	6,546,882
Passed through Mecklenburg Partnership for Children:						
Smart Start Grants			-	849,537	-	849,537
Total Division of Social Services			-	4,830,971	3,785,147	8,616,118
Division of Mental Health, Developmental						
Disabilities and Substance Abuse Services:						
General Program Services			-	16,204,762	-	16,204,762
Systems Management Transition			-	8,082,180	-	8,082,180
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services			-	24,286,942	-	24,286,942
Division of Public Health:						
General Aid to Counties			-	322,516	-	322,516
Risk Reduction Health Promotion			-	8,909	-	8,909
Communicable Disease			-	46,507	-	46,507
Food and Lodging Fees			-	104,381	-	104,381
Environmental Health			-	4,333	-	4,333
Lead Prevention Aid to County Funds			-	2,184	-	2,184
Mosquito-Public Health Pesticide			-	2,220	-	2,220

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

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
Tuberculosis			-	95,456	-	95,456
Mosquito-Public Health Pesticide			-	106,601	-	106,601
TPPI-Pregnancy Prevention			-	64,380	-	64,380
Maternal Health (HMHC)			-	48,790	-	48,790
Women's Preventative Health			-	17,929	-	17,929
Eliminating Disparities - Minority Health			-	98,005	-	98,005
Total Division of Public Health State Awards			-	922,211	-	922,211
Total N. C. Department of Health and Human Services			-	30,040,123	3,785,147	33,825,270
N.C. Department of Juvenile Justice and Delinquency Prevention:						
Juvenile Transportation			-	6,353	-	6,353
Juvenile Crime Prevention Council Programs			-	1,405,663	40,319	1,445,982
Total N.C. Department of Juvenile Justice and Delinquency Prevention			-	1,412,016	40,319	1,452,335
N.C. Department of Public Instruction:						
Public School Building Capital Fund - Lottery Funds			-	9,517,100	-	9,517,100
Total N.C. Department of Public Instruction			-	9,517,100	-	9,517,100
N.C. Department of Transportation:						
Community Transportation Administration			-	49,623	-	49,623
Work First Employment Transportation			-	438,762	-	438,762
Rural General Program			-	408,923	3,725	412,648
Total N.C. Department of Transportation			-	897,308	3,725	901,033
N.C. Health and Wellness Trust Fund:						
Tobacco Use Prevention Youth			-	270,823	-	270,823
Total N.C. Health and Wellness Trust Fund			-	270,823	-	270,823
Total State Awards			-	44,019,103	3,567,806	47,586,909
Total Federal and State Awards			\$ 682,475,048	\$ 352,327,520	\$ 52,111,442	\$ 1,086,914,010

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State financial 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 and State 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 the Governmental Accounting Standards Board. 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 and State 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
N.C. Department of Health and Human Services			
Division of Social Services:			
Foster Care Title IV	93.658	\$ 510,840	\$ 88,752
TANF	93.558	7,414,946	-
Smart Start		-	391,134
TANF MOE		-	2,618,671
Subsidized Child Care Cluster:			
CCDF - Administration	93.596	4,051,545	-
CCDF - Discretionary	93.575	27,003,127	-
CCDF - Mandatory	93.596	3,975,169	-
CCDF - Match	93.596	4,769,362	1,046,217
Division of Public Health:			
Project Grants and Cooperative Agreements of Tuberculosis Control Programs	93.116	13,185	-
Infant and Toddlers Disabilities	84.181	2,061,205	463,452
Investigations and Technical Assistance	93.283	236,158	-
Epidemiologic	93.943	74,823	-
Immunization Program	93.268	150,864	-
TPPI-Pregnancy Prevention	93.558	-	64,380
Cooperative Agreement for Breast and Cervical Cancer	93.919	174,165	364,567
HIV State Funds - Sexually Transmitted and Communicable Disease	93.940	135,510	-
Maternal and Child Health Services Block Grant	93.994	374,681	281,043

MECKLENBURG COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012

3. Subrecipients (continued)

Program Title	CFDA Number	Expenditures	
		Federal	State
Family Planning Services	93.217	\$ 231,659	\$ -
Syphilis Elimination Program	93.977	80,029	-
Supplemental Food Program - WIC	10.557	17,463,736	-
HIV Emergency Relief Project	93.914	4,987,855	-
Ryan White Program	93.914	1,999,492	-
General Aid to Counties		-	322,516
Risk Reduction Health Promotion		-	8,909
Communicable Disease		-	46,507
Tuberculosis		-	95,456
Maternal Health (HMHC)		-	48,790
Eliminating Disparities - Minority Health		-	98,005
Women's Preventative Health		-	17,929
N.C. Health and Wellness Trust Fund			
Tobacco Use Prevention Youth		-	270,823
N. C. Department of Juvenile Justice and Delinquency Prevention			
Juvenile Crime Prevention Council Programs		-	1,405,663
N. C. Department of Correction:			
Structured Day Program		-	457,209
Mecklenburg Partnership for Children:			
Smart Start Grants		-	849,537