



**MECKLENBURG COUNTY, NORTH
CAROLINA**

REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2013

And Reports on Compliance and Internal Control

MECKLENBURG COUNTY, NORTH CAROLINA

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**Report of Independent Auditor 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, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 31, 2013. Our report includes a reference to another auditor, who 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 (the "Agency") and the ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Rickett LLP

Raleigh, North Carolina
October 31, 2013

**Report of Independent Auditor 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

Report on Compliance for Each Major Federal Program

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, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. 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, such 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. 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 federal 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.

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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies 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 items 2013-01, 2013-02, 2013-03, 2013-04, and 2013-05.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated Fin 31, 2013, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information 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 basic 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 awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cherry Roubert LLP

Raleigh, North Carolina
October 31, 2013

**Report of Independent Auditor On Compliance With Requirements
Applicable To Each Major State 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

Report on Compliance for Each Major State Program

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 could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 on compliance for each major State program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major State Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as item 2013-06, 2013-07, 2013-10, 2013-11 and 2013-12. Our opinion on each major State program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 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. 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-08, 2013-09, 2013-10, 2013-11, and 2013-13, that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated October 31, 2013, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of the Mecklenburg County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts for the Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information 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 basic 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 awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Cherry Roubert LLP

Raleigh, North Carolina
October 31, 2013

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	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	Adult Protective Services
93.778	Medicaid Direct Benefit Payments
93.778	Medical Assistance Program
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
93.558	Foster Care Administration
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
	Supplemental Nutrition Assistance Program
10.561	Food Stamp Administration
10.561	Food Stamp Fraud Administration

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
	Substance Abuse Services Cluster
93.959	Perinatal and Maternal Substance Abuse Initiative
93.959	Treatment Alternatives for Women
93.959	Treatment Alternatives to Street Crimes
93.959	Services to IV Drug Users
93.959	Substance Abuse Block Grant
93.958	Mental Health Block Grant
93.778	Medicaid Direct Benefit Payments
	Subsidized Child Care Cluster
93.575	Child Care Development Fund, Discretionary
93.596	Child Care Development Fund, Administrative
93.596	Child Care Development Fund, Mandatory/Match
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
10.557	Supplemental Food Program – WIC
10.557	Special Supplemental Nutrition Program – WIC
	Maternal and Child Health
93.994	Maternal and Child Health Services Block Grant
93.994	Positive Parenting Program
93.919	Cooperative Agreement for Breast and Cervical Cancer Program

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's 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 X yes no

Noncompliance material to State awards yes X no

Type of auditor's report issued on compliance for major State programs: Unmodified

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

Juvenile Crime Prevention Council
 General Aid to Counties
 Torrence Creek Restoration Phase I
 Mental Health – General Program Services
 Mental Health – Systems Management Transition
 Smart Start

Other major State programs for Mecklenburg County are Medical Assistance, Temporary Assistance for Needy Families, Food Stamps, Subsidized Child Care, Foster Care and Adoption Assistance Cluster, North Carolina Health Choice, Cooperative Agreement for Breast and Cervical Cancer Program and Maternal and Child Health 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, 2013

Section II. Financial Statement Findings

None 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

Significant Deficiency – Eligibility
Finding 2013-01

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

Condition: We noticed that in one instance the appropriate signed application (Form 8124) was not included in the recipient's case files.

Context: The audit sampled 53 case files. Of the 53 files sampled, we noted one instance in which the case file did not contain a signed application (Form 8124).

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 and all necessary documentation is included.

Views of responsible officials: Department of Economic 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, 2013

Section III. Federal Awards Findings and Questioned Costs (continued)

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

Significant Deficiency – Eligibility
Finding 2013-02

Criteria or specific requirement: A search on the Online Verification System (OLV) for child support must be completed in order to become and remain eligible for Work First and the search document should be retained in the case file.

Condition: We noted one instance where a search on the OLV for child support was not completed.

Context: During our testing of 60 case files, there was one instance in which a search on the OLV for child support was not completed.

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 Economic 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, 2013

Section III. Federal Awards Findings and Questioned Costs (continued)

U.S. Department of Health and Human Services
Program Name: Foster Care and Adoption Program
CFDA#: 93.658 and 93.659

Significant Deficiency – Eligibility
Finding 2013-03

Criteria or specific requirement: In accordance with Chapter XIII: Child Welfare Funding Manual Section 1600 Adoption Payments, Section VI the DSS Form 5013 Adoption Assistance Agreement must be signed by all parties to the agreement.

Condition: One DSS Form 5013 Adoption Assistance Agreement was not signed by the Division Director.

Context: The audit tested 40 files for the Foster Care and Adoption Assistance cluster and 20 of those files were adoption assistance files.

Effect: The DSS Form 5013 Adoption Assistance Agreement was not reviewed and approved by a member of Mecklenburg County's Youth and Family Services Department potentially causing a child to be eligible for Adoption when they were not eligible.

Cause: Appropriate review was not completed to ensure agreement was not signed by all parties.

Recommendation: Mecklenburg County should implement a review process to ensure all DSS Form 5013 Adoption Assistance Agreements are signed by all parties.

Views of responsible officials: Youth and Family Services Department 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, 2013

Section III. Federal Awards Findings and Questioned Costs (continued)

U.S. Department of Health and Human Services
Program Name: Foster Care and Adoption Program
CFDA#: 93.658 and 93.659

Significant Deficiency – Eligibility
Finding 2013-04

Criteria or specific requirement: In accordance with NC DHHS Manual Section 1201 Child Placement Services, F. Required Services Bullet 2 states that the social worker shall have face to face contact with the child at least monthly.

Condition: One foster care case file in the sample was not visited during one month in FY13.

Context: The audit tested 40 files for the Foster Care and Adoption Assistance cluster and 20 of those files were foster care files.

Effect: The child was not visited by social worker for one month.

Cause: Social worker did not visit the child for the one month.

Recommendation: Mecklenburg County should implement a review process to ensure each child receives their monthly visit by their social worker.

Views of responsible officials: Youth and Family Services Department 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, 2013

Section III. Federal Awards Findings and Questioned Costs (continued)

U.S. Department of Agriculture, 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: Food and Nutrition Services (FNS), State Administrative Matching Grants for Food and Nutrition
Services, TANF/Work First, Medicaid Direct Benefit Payments, State Children's Insurance Program
CFDA#: 10.551, 10.561, 93.558, 93.778, 93.767

Significant Deficiency - Monitoring
Finding 2013-05

Criteria or specific requirement: Mecklenburg County DSS performs a random sampling of FNS, TANF, Medicaid, and State Children's Insurance Program cases, by the Compliance and Quality Assurance Unit (CQA) to ensure eligibility was accurately determined. These cases are pulled from those processed by case managers and results in each of the case managers having 1-2 cases reviewed each month.

Condition: Mecklenburg County did not complete the CQA reviews for FY13.

Context: Mecklenburg did not complete the CQA for the FNS, TANF, Medicaid, and State Children's Insurance Program.

Effect: By not enforcing the CQA program for FY13 the FNS, TANF, Medicaid, and State Children's Health Insurance Programs could be servicing ineligible recipients. Mecklenburg County relies on this program to serve as an internal audit or checks and balances for their programs and without the CQA program there is minimal monitoring of their programs in place.

Cause: The DSS Director reassigned CQA staff from the program to help in other areas of the organization during FY13. The program is set to be redeployed in FY14.

Recommendation: Mecklenburg County should implement the CQA program in FY14.

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, 2013

Section IV. State Awards Findings and Questioned Costs

Department of Health and Human Services
Passed through the Division of Social Services
Program Name: State Foster Care

Nonmaterial Noncompliance – Eligibility
Finding 2013-06

Criteria or specific requirement: Mecklenburg County foster care payments should be paid based on the respective foster care facilities' invoice.

Condition: Two foster care facilities were paid the incorrect amount for housing the child.

Questioned costs: \$7,120

One Foster Care Facility was overpaid for one day in the month of July 2012 in the amount of \$146. One Foster Care Facility was overpaid various amounts from December 2012 to May 2013 totaling \$6,974. Both incidents total \$7,120 together.

Context: The audit tested 40 files for the Foster Care and Adoption Assistance cluster and 20 of those files were foster care files.

Effect: The foster care facilities were overpaid.

Cause: Employee oversights during payment of foster care facility invoices.

Recommendation: Mecklenburg County should implement a review of payments monthly to ensure each facility is getting paid the correct amount depending on the child's housing status.

Views of responsible officials: Human Services Finance and Youth and Family Services agree 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, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
DSS Crosscutting

Nonmaterial Noncompliance – Allowable Costs/Costs Principles and Reporting
Finding 2013-07

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 one instance 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 60 case files. We noted one instance in which supporting documentation for the employee's time worked was not provided as follows:

- One 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: CB recommends that the Department checks daysheets as they are entered and follows 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: Youth and Family Services 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
DSS Crosscutting

Significant Deficiency – Allowable Costs/Costs Principles and Reporting
Finding 2013-08

Criteria or specific requirement: In accordance with the DSS Fiscal Manual Section II: Mecklenburg County DSS employees should enter all time for each month.

Condition: Out of the 60 individuals selected for testing, we noted one instance in which a portion of an employee's time was not entered for during the month of July 2012.

Context: Our testing selected 60 employees' salaries being charged to the DSS 1571 Part 1.

Effect: By not having all time entered during the month, the employee does not meet the minimum required minutes for the month.

Cause: Lack of employee and supervisor oversight during day sheet documentation.

Recommendation: Mecklenburg County should have policies in place to ensure that all time is entered by an employee during the month and that supervisors monitor time entry.

Views of responsible officials: Youth and Family Services 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
DSS Crosscutting

Significant Deficiency – Allowable Costs/Costs Principles and Reporting
Finding 2013-09

Criteria or specific requirement: Each employee's total daysheets for a month should agree to the monthly Percentage of Time Report submitted to the State for that same month.

Condition: We noted three instances in which the employee's daysheet for a month chosen did not agree to the Percentage of Time Report submitted for that same month.

Context: Out of 60 daysheets tested, we noted three instances in which the employee's daysheet did not agree to the Percentage of Time Report.

Effect: By the daysheets not agreeing to the Percentage of Time Report, the time reported to the State is inaccurate.

Cause: Employee and Supervisor oversight over time entered for the month.

Recommendation: Mecklenburg County should have policies in place to ensure that daysheets agree to the Percentage of Time Report submitted to the State.

Views of responsible officials: The Financial Services Department of the Human Services Division agrees that only appropriate allowable expenditures should be identified for submission on the Form 1571 Report for reimbursement. For two of the three cases, the state changed its allowable codes for daysheets and thus the OA code that the workers coded for those minutes was not allowable. BSSA-IST (Business Support Services Agency - Information Services Technology) was not able to make the changes in ISSI quickly enough to account for the State's changes and thus prevent the workers from coding their time this way. BSSA-IST has since made the appropriate changes in ISSI.

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, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health Crosscutting – Single Stream Funding

Significant Deficiency and Non Material Non Compliance – Special Tests and Provisions
Finding 2013-10

Criteria or specific requirement: In accordance with Records Management and Documentation Manual APSM 45-2 local documentation should exist in individual client service records to verify that services were delivered to the client as reported.

Condition: Two providers were unable to provide correct documentation for the day of service billed for a client.

Questioned costs: \$97

One claim for \$59 could not be supported by proper documentation by the provider and the second claim for \$38 could also not be supported by the provider. The two claims total \$97.

Context: Of the 75 IPRS paid claims sampled CB tested 25 single stream UCR paid claims.

Effect: There was no documentation that the provider provided services to the client for the day they were paid for.

Cause: Mecklenburg County's current monitoring of its provider claims in FY13, failed to catch these errors.

Recommendation: Mecklenburg County Mental Health (MeckLINK) should evaluate its monitoring plan as soon as possible to ensure providers are providing the services they bill for. Mecklenburg County should provide training to its providers on the documentation requirements required when billing for services.

Views of responsible officials: MeckLINK agrees with the finding. Both providers admitted billing for incorrect dates of services; therefore documentation was not available for the selected sample. MeckLINK requested a recoupment of funds and both providers issued checks to MeckLINK in July 2013.

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, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health Substance Abuse Block Grant

Significant Deficiency and Non Material Non Compliance – Special Tests and Provisions
Finding 2013-11

Criteria or specific requirement: In accordance with Records Management and Documentation Manual APSM 45-2 local documentation should exist in individual client service records to verify that services were delivered to the client as reported.

Condition: One provider was unable to provide correct documentation for the day of service billed for a client.

Questioned costs: \$131

One claim for \$131 could not be supported by proper documentation by the provider.

Context: Of the 75 IPRS paid claims sampled CB tested 25 substance abuse block grant UCR paid claims.

Effect: There was no documentation that the provider provided services to the client for the day they were paid for.

Cause: Mecklenburg County's current monitoring of its provider claims in FY13, failed to catch these errors.

Recommendation: Mecklenburg County Mental Health (MeckLINK) should evaluate its monitoring plan as soon as possible to ensure providers are providing the services they bill for. Mecklenburg County should provide training to its providers on the documentation requirements required when billing for services.

Views of responsible officials: MeckLINK agrees with the finding. One provider was unable to provide correct documentation for the day of service billed for a client. The provider admitted billing for the incorrect date of service; therefore documentation was not available for the selected sample. MeckLINK requested a recoupment of funds and the provider issued a check to MeckLINK in July 2013.

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, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health Crosscutting – Medicaid

Non Material Non Compliance – Special Tests and Provisions Finding 2013-12

Criteria or specific requirement: In accordance with Records Management and Documentation Manual APSM 45-2 a service order should be dated prior to the date the service was rendered. Orders should be approved by a licensed clinician.

In accordance with Records Management and Documentation Manual APSM 45-2 local documentation should exist in individual client service records to verify that services were delivered to the client as reported.

Condition: MeckLINK was unable to provide evidence that five sample authorizations were approved by a licensed clinician. The provider was unable to provide documentation for the date of service paid for two sample items. One sample item was over paid.

Questioned costs: \$1,272

MeckLINK was unable to provide documentation that a licensed clinician approved 5 patient's authorizations for a total of \$1,031. Two providers were unable to provide documentation for 2 patient visits for a total of \$239. One Medicaid hospital claim was over paid by \$2. The amounts totaled together equal \$1,272.

Context: The audit selected 60 Medicaid UCR paid claims

Effect: Patient was not authorized by a licensed clinician to receive services that the provider provided and that were paid for by Mecklenburg County. There was no documentation that the provider provided services to the client for the day they were paid for.

Cause: Employee oversights during payment of claims outside of the service order and documentation of clinician approval of authorization.

Mecklenburg County's current monitoring of its provider claims in FY13, failed to catch these errors.

Recommendation: Mecklenburg County Mental Health (MeckLINK) should review payment claims against service order dates and review all authorizations to ensure they were approved by a licensed clinician.

Mecklenburg County Mental Health (MeckLINK) should evaluate its monitoring plan as soon as possible to ensure providers are providing the services they bill for. Mecklenburg County should provide training to its providers on the documentation requirements required when billing for services.

Views of responsible officials: MeckLINK agrees with the finding. The provider was unable to provide documentation that a licensed clinician approved 5 patient's authorizations for a total of \$1,031. Two providers were unable to provide documentation for 2 patient files for a total of \$239. One Medicaid hospital claim was over paid by \$2. The amounts totaled together equal \$1,272.

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, 2013

Section IV. State Awards Findings and Questioned Costs (continued)

Department of Health and Human Services
Mental Health LME Systems Performance

Significant Deficiency – Reporting
Finding 2013-13

Criteria or specific requirement: Mecklenburg County Mental Health (MeckLINK's) LME reports are to be reviewed by a reviewer who is not responsible for compiling the report. Reports should have supporting documentation to support numbers or figures on the report.

Condition: Several reports were not approved by a reviewer and supporting documentation for the data was unable to be obtained.

Context: The audit reviewed all reports required by the LME Systems Performance Compliance Supplement. The audit reviewed 2 reports for all quarterly submitted reports and 1 for all semi-annual or year-end reports. The audit tested 46 reports.

Effect: No evidence that the reports submitted agreed to financial data or were reviewed by a reviewer.

Cause: Mecklenburg County Mental Health (MeckLINK's) reports were not reviewed or supported by appropriate documentation.

Recommendation: Mecklenburg County Mental Health (MeckLINK) should evaluate their review process to ensure reports are correct before submission. Supporting documentation should be maintained to corroborate the submitted reports.

Views of responsible officials: MeckLINK agrees with this finding. MeckLINK has implemented a policy to ensure that all reports follow the guidelines outlined below.

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. 2012-01, case files held by the County did not include proper documentation to verify disability of recipients of Medical Assistance. We audited this program in 2013 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2012-02, physical documentation was not included in the case files to properly document eligibility of recipients of Medical Assistance. This finding has not been cleared in the current year. See finding No. 2013-01.

For prior year finding No. 2012-03, 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 2013-02.

For prior year finding No. 2012-04, the County deemed eligible a participant that had third-party insurance that had not terminated prior to becoming eligible for the North Carolina Health Choice program. We audited this program in 2013 and noted no similar incidents. This finding has been cleared in the current year.

For prior year finding No. 2012-05, an expenditure was included in the Form 1571 for reimbursement that was for a social activity for employees of DSS which is an unallowable expenditure. DSS Crosscutting testing was performed in 2013 and noted no similar instances. 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, 2013

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	\$ 199,739	\$ -	\$ -	\$ 199,739
Passed through Centralina Council of Governments:						
Aging Cluster:						
Nutrition Project for the Elderly Title III-B	93.044		1,802,770	359,044	147,755	2,309,569
Nutrition Project for the Elderly Title III-C	93.045		501,107	185,341	76,273	762,721
Nutrition Project for the Elderly Title III-E	93.052		-	199,893	-	199,893
SSBG	93.667		493,684	182,596	75,143	751,423
Total Aging Cluster			2,797,561	926,874	299,171	4,023,606
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
Child Support Enforcement	93.563		5,277,059	-	2,711,537	7,988,596
Permanency Planning - Regular	93.645		89,610	-	48,356	137,966
Permanency Planning - FC Admin	93.645		11,799	-	3,933	15,732
Temporary Assistance for Needy Families:						
Foster Care Administration	93.558		(545,316)	-	55,805	(489,511)
Work First Administration	93.558		6,506	-	5,927,585	5,934,091
Work First Services	93.558		849,160	-	7,694,169	8,543,329
TANF Svc /Admin Child Protective	93.558		7,090,952	-	-	7,090,952
TANF Admin Foster Care	93.558		1,447,545	-	-	1,447,545
TANF Other	93.558		2,131	-	-	2,131
TANF	93.714		-	-	95,041	95,041
Direct Benefit Payments:						
County Issued Checks	93.560		(12,111)	(3,320)	(3,320)	(18,751)
Direct Benefit Payments	93.558		6,346,384	2,528,675	4,083	8,879,142
Total Temporary Assistance for Needy Families			15,185,251	2,525,355	13,773,363	31,483,969
Refugee Assistance Program:						
Administration	93.566		38,307	-	-	38,307
Direct Benefit Payments	93.566		333,678	-	-	333,678
Total Refugee Assistance Program			371,985	-	-	371,985
Low Income Home Energy Block Grant:						
Administration	93.568		690,652	-	-	690,652
Crisis Intervention	93.568		4,276,794	-	-	4,276,794
Total Low Income Home Energy Block Grant			4,967,446	-	-	4,967,446
Passed through N.C. Department of Health and Human						
Services - Division of Social Services:						
LINKS	93.674		161,947	40,487	219,702	422,136
LINKS - Independent Living	93.674		44,193	-	-	44,193
In-Home Services	93.667		95,952	-	572,330	668,282

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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		70,224	-	-	70,224
Refugee Health	93.576		18,417	-	-	18,417
Social Services Block Grant	93.667		83,000	29,000	-	112,000
Adult Day Care	93.667		89,048	133,177	31,746	253,971
Adult Pro SVC	93.667		92,544	-	-	92,544
Adult Day Care Over 60	93.667		359,169	179,513	76,955	615,637
SSBG Adoption/Child Protective Svc	93.667		109,958	-	36,653	146,611
TNF to SSBG Adopt	93.667		12,535	-	4,178	16,713
House & Hme Imp SSBG	93.667		154	-	22	176
TRNS Adlt S/M HM 18	93.667		1,787	-	1,963	3,750
SSBG Other Services and Training	93.667		1,463,011	-	547,388	2,010,399
Medical Assistance:						
Administration	93.778		9,675,969	-	9,675,969	19,351,938
Expansion	93.778		102,489	102,489	-	204,978
Total Medical Assistance			9,778,458	102,489	9,675,969	19,556,916
Medical Transportation Administration	93.778		636,934	-	636,934	1,273,868
Medical Transportation Service	93.778		88,657	47,088	-	135,745
Adult Home Care	93.778		193,345	66,433	303,537	563,315
S/C Spec Assistance	93.778		123,897	-	-	123,897
Adult Protective Services	93.778		-	-	1,272,520	1,272,520
North Carolina Health Choice	93.767		573,614	29,687	153,071	756,372
Foster Care and Adoption Cluster:						
Title IV-E Child Protective Services	93.658		1,042,881	324,147	718,734	2,085,762
Title IV-E Optional Administration	93.658		3,233,349	-	3,233,349	6,466,698
Title IV-E State Adoption/Foster Care	93.658		228,531	197,474	10,352	436,357
IV-E Adoption Subsidy	93.659		318,519	-	359,744	678,263
TEA Maximization	93.558		-	-	-	-
Family Finding	93.556		47,471	-	-	47,471
Parent Partners			-	-	-	-
Foster Care And Adoption Direct Benefit Payments:						
IV-E Foster Care	93.658		1,615,113	586,436	586,456	2,788,005
IV-E Foster Care HIV	93.658		653	347	-	1,000
IV-E Maximization	93.658		57,121	6,670	23,123	86,914
IV-E Adoption Subsidy	93.659		4,303,165	1,136,296	1,167,796	6,607,257
Total Foster Care and Adoption Cluster			10,846,803	2,251,370	6,099,554	19,197,727
Passed through N.C. Department of Health and Human						
Services - Subsidized Child Care						
Child Care Development Fund Cluster:						
CCDF - Administration	93.596		1,443,680	-	597,492	2,041,172
CCDF - Discretionary	93.575		17,245,150	-	-	17,245,150
CCDF - Mandatory	93.596		6,095,401	-	-	6,095,401
CCDF - Match	93.596		3,386,742	657,242	-	4,043,984
Total Child Care Fund Cluster			28,170,973	657,242	597,492	29,425,707
Social Services Block Grant	93.667		370,071	-	-	370,071
Foster Care Title IV-E (K5)	93.658		286,962	228,597	-	515,559
Temporary Assistance for Needy Families	93.558		9,417,356	-	-	9,417,356
Smart Start			-	519,600	-	519,600
State Appropriations			-	1,197,635	-	1,197,635
TANF - MOE			-	1,291,837	-	1,291,837
Total Subsidized Child Care Cluster			38,245,362	3,894,911	597,492	42,737,765

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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:						
Perinatal and Maternal Substance Abuse Initiative	93.959		35,781	-	-	35,781
Treatment Alternatives for Women	93.959		1,209,926	-	-	1,209,926
Treatment Alternatives to Street Crimes	93.959		88,599	-	-	88,599
Services to IV Drug Users	93.959		65,802	-	-	65,802
Mental Health Cluster:						
Mental Health Services Block Grant	93.958		205,843	-	-	205,843
State Appropriations - Other			-	-	-	-
Total Mental Health Cluster			205,843	-	-	205,843
Substance Abuse Services Cluster:						
Substance Abuse Block Grant	93.959		1,020,551	-	-	1,020,551
Total Substance Abuse Services Cluster			1,020,551	-	-	1,020,551
Health Resources and Services Administration:						
Direct Program:						
Ryan White Program	93.914	2 H89HA11434-04-00	3,653,034			3,653,034
Ryan White Program	93.914	2 H89HA11434-05-00	743,694	-	-	743,694
Minority Aids Initiative Programs for Part A Grantees	93.914	2 H89HA11434-05-00	58,665			58,665
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		14,531	-	-	14,531
Infant and Toddlers Disabilities	84.181		2,092,345	463,452	-	2,555,797
Investigations and Technical Assistance	93.283		216,623	-	-	216,623
Public Health Emergency Preparedness	93.069		159,052	-	-	159,052
Immunization Program	93.268		169,207	-	-	169,207
Cooperative Agreement for Breast and						
Cervical Cancer	93.919		174,165	195,299	-	369,464
HIV State Funds-Sexually Transmitted and						
Communicable Diseases	93.940		208,228	1,249	-	209,477
Maternal and Child Health Services Block Grant	93.994		666,229	497,665	-	1,163,894
Family Planning Services	93.217		203,651	-	-	203,651
Syphilis Elimination Program	93.977		67,036	-	-	67,036
Positive Parenting Program	93.994	B04Mc25261	207,664			207,664
Aid to the Blind	93.667		89,242	14,874	14,874	118,990
Medicaid Direct Benefit Payments	93.778		565,482,717	309,571,742	25,779	875,080,238
Total Division of Public Health			574,206,083	310,744,281	40,653	884,991,017
Total U.S. Department of Health and						
Human Services			668,822,044	320,970,665	37,107,027	1,026,899,736

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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		113,559	-	-	113,559
Passed through N.C. Department of Health and Human Services:						
Division of Social Services Food Stamp Cluster:						
Food Stamp Administration	10.561		9,560,280	47,174	9,482,954	19,090,408
Food Stamp Fraud Administration	10.561		294,106	-	3,060	297,166
Total Food Stamp Cluster			<u>9,854,386</u>	<u>47,174</u>	<u>9,486,014</u>	<u>19,387,574</u>
Division of Public Health:						
Special Supplemental Nutrition Program - WIC	10.557		4,477,836	-	-	4,477,836
AGRE-SFP Food Program Meal	10.559		18,801	-	-	18,801
Inject Drug User Program	93.959		74,637	-	-	74,637
Statewide Health Promotion Program	10.557		10,157	-	-	10,157
Supplemental Food Program - WIC	10.557		17,106,115	-	-	17,106,115
Total U.S. Department of Agriculture			<u>31,655,491</u>	<u>47,174</u>	<u>9,486,014</u>	<u>41,188,679</u>
U.S. Department of Housing and Urban Development:						
Direct Program:						
Supportive Housing Program-Special Needs						
Assistance-Homeless	14.235	NC0065L4F051205	60,475	-	-	60,475
Supportive Housing Program-Special Needs						
Assistance-Homeless	14.235	'NC0065B4F051104	96,756	-	-	96,756
Shelter Plus Care	14.238	NC0061B4F051104	295,858	-	-	295,858
Shelter Plus Care	14.238	NC0060C4F050800	49,144	-	-	49,144
Shelter Plus Care	14.235	NC0061B4F051003	88,702	-	-	88,702
Shelter Plus Care	14.238	NC 0161C4F4050900	66,017	-	-	66,017
Shelter Plus Care	14.235	NC0225C4F051101	81,535	-	-	81,535
Shelter Plus Care	14.238	NC0131C4F051003	195,130	-	-	195,130
Shelter Plus Care	14.238	NC0069C4F051104	1,008,480	-	-	1,008,480
Shelter Plus Care	14.238	NC0131L4F051204	33,760	-	-	33,760
Shelter Plus Care	14.238	NC0069L4F051205	186,753	-	-	186,753
Community Development Block Grant	14.218	B-10-UC-37-003	334,955	-	-	334,955
Total U.S. Department of Housing and Urban Development			<u>2,497,565</u>	<u>-</u>	<u>-</u>	<u>2,497,565</u>
U.S. Department of Justice:						
Direct Program:						
ARRA - Law Enforcement Initiatives	16.803	2009-SB-B9-1703	19,384	-	-	19,384
State Criminal Alien Program	16.606		204,838	-	-	204,838
Passed through the City of Charlotte:						
Enhancements to Law Enforcement	16.579	2010-DJ-BX-0355	26,758	-	-	26,758
Law Enforcement Efficiency Improvement	16.738	2012-H1647-NC-DJ	107,443	-	-	107,443
Law Enforcement Efficiency Improvement	16.738	2011-DJ-BX-2961	144,673	-	-	144,673
Passed through N.C. Department of Crime Control and Public Safety:						
Division of Governor's Crime Commission:						
OVW Transitional Housing & Support Svc.		OVW-2011-wx-ax-k11	140,911	-	-	140,911
Project Safe Neighborhoods	16.609	'2011-GP-BX-0025	19,935	-	-	19,935
Total N.C. Dept. of Crime Control and Public Safety			<u>160,846</u>	<u>-</u>	<u>-</u>	<u>160,846</u>
Passed through Office of Violence Against Women						
Safe Exchange &Supervised Visitation	16.527	2012-CW-AX-K022	4,470	-	-	4,470
Total U.S. Department of Justice			<u>668,412</u>	<u>-</u>	<u>-</u>	<u>668,412</u>

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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 Environmental Protection:						
Direct Program:						
SEC 105 Air Grant FY11	66.001	A00406510	449,944	-	-	449,944
National Clean Diesel Funding Assistance Program		DE- 95487511	157,286			157,286
National Roadside Monitoring Program	66.034	XA-95495612-0	1,028			1,028
P M - 2.5 Monitoring Network	66.034	PM 96497008	160,522	-	-	160,522
McDowell Creek Watershed Ange Property	66.460	EW08021	9,339	-	-	9,339
Total U.S. Department of Environmental Protection			<u>778,119</u>			<u>778,119</u>
U.S. Department of Energy:						
Direct Program:						
ARRA - Energy Efficiency & Conservation Block Grant	81.128	DE-SC0002361	28,320	-	-	28,320
Total U.S. Department of Energy			<u>28,320</u>			<u>28,320</u>
U.S. Department of Homeland Security:						
Passed through Federal Emergency Management Association:						
Risk Map Early Demonstration Project	97.045	EMA-2010-CA-5086	1,650	-	-	1,650
Letters of Map Change Pilot	97.045	EMA-2009-CA-5935	168,567	-	-	168,567
Letters of Map Change Pilot	97.045	EMA-2012-CA-5268	19,466	-	-	19,466
Letters of Map Change	97.045	EMA-2008-CA-5888	27,170	-	-	27,170
Passed through N.C. Department of Crime Control and Public Safety:						
Pre-Disaster Mitigation Planning Project		PDM-PJ-04-NC-2009-0281	18,230	-	-	18,230
Pre-Disaster Mitigation Planning Project		PDM-PJ-04-NC-2010-010	287,014	-	99,500	386,514
Pre-Disaster Mitigation Planning Project		PDM-PJ-04-NC-2010-008	656,931	-	220,174	877,105
Pre-Disaster Mitigation Planning Project		PDM-PJ-04-NC-2009-01	421	-	1,366	1,787
Pre-Disaster Mitigation Planning Project	97.017	PDMC-PJ-04-NC-2011-008	123,455	-	40,311	163,766
Pre-Disaster Mitigation Planning Project	97.017	PDM-PJ-04-NC-2011-005	350	-	150	500
Total U.S. Department of Homeland Security			<u>1,303,254</u>		<u>361,501</u>	<u>1,664,755</u>
U.S. Department of Transportation:						
Passed through N.C. Department of Transportation:						
Torrence Creek Greenway	20.205	C-4954	16,992	-	-	16,992
Barton Creek Greenway	20.205	CMS-1003(119)	42,108			42,108
Toby Creek Greenway Phase II	20.205	CM1003(103)	664	-	69,515	70,179
Little Sugar Creek Greenway	20.205	EB-4715	69,515	-	-	69,515
Little Sugar Creek Greenway - Phase E	20.205	EB-4715E	770	-	-	770
Air Pollution Control Program	20.205	CM1003(104)	284,408			284,408
Greater Charlotte Air Awareness Program	20.205	CMAQ-C4903	36,999			36,999
Greater Charlotte Air Awareness Program	20.205	EA07014	35,857			35,857
Total U.S. Department of Transportation			<u>487,313</u>		<u>69,515</u>	<u>556,828</u>
Passed through City of Charlotte						
MUMPO Mooresville to CLT Trail			24,672		6,000	30,672
Total Federal Highway Administration	20.205		<u>24,672</u>		<u>6,000</u>	<u>30,672</u>
Total Federal Awards			<u>706,265,190</u>	<u>321,017,839</u>	<u>47,030,057</u>	<u>1,074,313,086</u>

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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
State Awards:						
N.C. Department of Administration:						
Divorce Filing Fees				44,497		44,497
Displaced Homemakers			-	8,277	1,647	9,924
Total N.C. Department of Administration			-	52,774	1,647	54,421
Division of Environmental Health:						
Environmental Health						
Food and Lodging			-	99,453	-	99,453
Summer Food Inspection Program			-	18,801	-	18,801
N.C. Clean Water Management Trust Fund:						
Little Sugar Creek - Phase IX Midtown		2007-404	-	50,000	2,955	52,955
Little Sugar Creek - Phase X		2010-411	-	-	2,850	2,850
McAlpine Creek		2006A- 405	-		560,248	560,248
Torrence Tributary 2011-405		2011-405	-	170,000	822,420	992,420
Torrence Creek Restoration Phase I		2011-404	-	354,711	-	354,711
Total N.C. Department of Environment and Natural Resources			-	692,965	1,388,473	2,081,438
N.C. Department of Health and Human Services:						
Division of Aging and Adult Services:						
Alzheimer's Project C.A.R.E.			-	44,999	10,214	55,213
Division of Social Services:						
Smart Start DCD			-	158,787	-	158,787
State Foster Care Direct Benefit Programs:						
Regular			-	603,683	603,679	1,207,362
Total State Foster Care Direct Benefit Programs			-	603,683	603,679	1,207,362
Domiciliary Care Direct Benefit Payments			-	3,028,240	3,032,972	6,061,212
Total Division of Social Services			-	3,676,922	3,646,865	7,482,574
Division of Mental Health, Developmental						
Disabilities and Substance Abuse Services:						
General Program Services			-	16,047,400	-	16,047,400
Systems Management Transition			-	8,082,182	-	8,082,182
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services			-	24,129,582	-	24,129,582
Division of Public Health:						
General Aid to Counties			-	292,863	-	292,863
Risk Reduction Health Promotion			-	6,206	-	6,206
Communicable Disease			-	49,238	-	49,238
Food and Lodging Fees			-	99,453	-	99,453
HIV/STD Non Traditional Testing Site			-	100,000	-	100,000
Environmental Health			-	4,000	-	4,000
Public Health Nursing			-	46,817	-	46,817
Tuberculosis			-	171,402	-	171,402
TTPI-Pregnancy Prevention			-	75,000	-	75,000

MECKLENBURG COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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
Women's Preventative Health			-	20,505	-	20,505
Healthy Communities			-	2,840	-	2,840
Total Division of Public Health State Awards			-	868,324	-	868,324
Total N.C. Department of Health and Human Services			-	28,674,828	3,646,865	32,480,480
N.C. Department of Juvenile Justice and Delinquency Prevention:						
Juvenile Transportation			-	9,325	-	9,325
Juvenile Crime Prevention Council Programs			-	1,335,093	62,032	1,397,125
Total N.C. Department of Juvenile Justice and Delinquency Prevention			-	1,344,418	62,032	1,406,450
N.C. Department of Public Instruction:						
Public School Building Capital Fund - Lottery Funds			-	9,500,000	-	9,500,000
Total N.C. Department of Public Instruction			-	9,500,000	-	9,500,000
N.C. Department of Transportation:						
Elderly and Disabled Transportation Assistance Program			-	283,669	283,669	567,338
Work First Employment Transportation			-	426,564	-	426,564
Rural General Program			-	157,410	17,490	174,900
Total N.C. Department of Transportation			-	867,643	301,159	1,168,802
N.C. Health and Wellness Trust Fund:						
Tobacco Use Prevention Youth			-	10,721	-	10,721
Total N.C. Health and Wellness Trust Fund			-	10,721	-	10,721
Total State Awards				41,302,136	5,400,176	46,702,312
Total Federal and State Awards			\$ 706,265,190	\$ 362,319,976	\$ 52,430,233	\$ 1,121,015,397

MECKLENBURG COUNTY, NORTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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 & Human Services			
Subsidized Child Care Cluster:			
CCDF - Administration	93.596	\$ 1,443,680	\$ -
CCDF - Discretionary	93.575	17,245,150	-
CCDF - Mandatory	93.596	6,095,401	-
CCDF - Match	93.596	3,386,742	657,242
Foster Care Title IV	93.658	286,962	228,597
TANF	93.558	9,417,356	-
Smart Start		-	519,600
State Appropriations		-	1,197,635
TANF MOE		-	1,291,837
Division of Public Health:			
Project Grants and Cooperative Agreements of Tuberculosis Control Programs	93.116	14,531	-
Investigations and Technical Assistance	93.283	216,623	-
Immunization Program	93.268	169,207	-
Cooperative Agreement for Breast and Cervical Cancer	93.919	174,165	195,299
HIV State Funds - Sexually Transmitted and Communicable Disease	93.940	208,228	1,249
Maternal and Child Health Services Block Grant	93.994	666,229	497,665
Infant and Toddlers Disabilities	84.181	2,092,345	463,452
Family Planning Services	93.217	203,651	-
Syphilis Elimination Program	93.977	67,036	-
Supplemental Food Program - WIC	10.557	4,477,836	-
HIV Emergency Relief Project	93.914	58,665	-
Ryan White	93.914	4,396,728	-
General Aid Counties		-	292,863
Risk Reduction Health Promotion		-	6,206
Communicable Disease		-	49,238
Tuberculosis		-	171,402
Women's Preventative Health		-	20,505
TPPI-Pregnancy Prevention		-	75,000
N.C. Health and Wellness Trust Fund			
Tobacco Use Prevention Youth		-	10,721
N. C. Department of Juvenile Crime Prevention Programs			
		-	1,397,125