

**LEE COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2014

**LEE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS**

Page

COMPLIANCE LETTERS

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act	1-3
Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act	4-6
Schedule of Findings, Responses, and Questioned Costs	7-8
Summary Schedule of Prior Year's Audit Findings	9
Schedule of Expenditures of Federal and State Awards	10-17

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

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

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Report On The Schedule of Expenditures of Federal and State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Lee County
Sanford, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Lee County, North Carolina's 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 Lee County's major Federal programs for the year ended June 30, 2014. Lee County's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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 Lee 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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Lee 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 Lee County's compliance.

Opinion On Each Major Federal Program

In our opinion, Lee 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, 2014.

Report On Internal Control Over Compliance

Management of Lee 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 of compliance, we considered Lee County's internal control over compliance with the types of requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal 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 Lee County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *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 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on the Schedule of Expenditures of Federal 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, each major fund, and the aggregate remaining fund information of Lee County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Lee County's basic financials statements. We issued our report thereon dated November 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lee County's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 21, 2014.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 10, 2014

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

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Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Report On The Schedule Of Expenditures Of Federal And State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Lee County
Sanford, North Carolina

Report On Compliance for Each Major State Program

We have audited Lee County, North Carolina's 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 Lee County's major State programs for the year ended June 30, 2014. Lee County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, 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 Lee 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*; and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Lee 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 Lee County's compliance.

Opinion On Each Major State Program

In our opinion, Lee 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, 2014.

Report On Internal Control Over Compliance

Management of Lee 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 of compliance, we considered Lee 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 Lee County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report On the 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, each major fund, and the aggregate remaining fund information of Lee County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Lee County's basic financial statements. We issued our report thereon dated November 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lee County's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 21, 2014.

The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 10, 2014

LEE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

I. Summary of Auditor’s Results

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Type of auditor’s report issued on compliance for major Federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

Identification of major Federal programs:

Federal Program/Cluster Name	CFDA Number
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Medicaid Cluster	93.778, 93.777, 93.775
State Children's Insurance Program - NC Health Choice	93.767

Dollar threshold used to distinguish between Type A and Type B Programs \$1,771,827

Auditee qualified as low-risk auditee? No

LEE COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

I. Summary of Auditor’s Results (continued):

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

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? No

Identification of major State programs:

Program Name

- Medicaid Cluster
- State County Special Assistance for Adults
- State Children's Insurance Program -
NC Health Choice
- One North Carolina Fund

II. Federal Award Findings and Questioned Costs

None reported

III. State Award Findings and Questioned Costs

None reported

LEE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

None reported

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2014

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
<u>FEDERAL GRANTS</u>					
U.S. Department of Agriculture					
Food and Nutrition Service					
Passed through N. C. Department of Health and Human Services					
Division of Public Health					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 302,855	\$ -	\$ -
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		2,076,135	-	-
Passed through N.C. Department of Health and Human Services					
Division of Social Services					
Administration:					
Supplemental Nutrition Assist. Program Cluster: State Administrative Matching Grants for Supplemental Nutrition Assist. Program	10.561		479,559	-	468,431
Passed through Triangle J Council of Governments:					
Nutrition Services Incentive	10.570		<u>17,360</u>	<u>-</u>	<u>-</u>
Total US Department of Agriculture			<u>2,875,909</u>	<u>-</u>	<u>468,431</u>
U.S. Department of Health and Human Services					
Centers for Disease Control and Prevention					
Passed through N. C. Department of Health and Human Services					
Division of Public Health					
Public Health Emergency Preparedness	93.069		31,395	-	-
Well-Integrated Screening and Evaluation for Women Across the Nation	93.094		4,308	-	-
Immunization Grants	93.268		17,314	-	-
Comprehensive Breast and Cervical Cancer Early Detection Program	93.919		5,875	1,275	-
State-Wide Health Promotion Program	93.991		10,783	-	-

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>FEDERAL GRANTS (Continued)</u>					
U.S. Department of Health and Human Services (Continued)					
Health Resources and Service Administration					
Passed through N. C. Department of Health and Human Services					
Division of Public Health					
Maternal and Child Health Services Block					
Grant	93.994		65,496	50,747	-
Office of Population Affairs					
Passed through N. C. Department of Health and Human Services					
Office of Population Affairs					
Family Planning Services	93.217		30,117	-	-
Passed through N.C. Department of Health and Human Services					
Division of Social Services					
Foster Care and Adoption Cluster:					
Title IV-E Foster Care - Administration	93.658		157,697	26,345	128,859
Title IV-E Optional Adoption Training	93.659		4,298	-	3,365
Foster Care - Direct Benefit					
Payments	93.658		53,687	13,673	-
Adoption Assistance - Direct Benefit					
Payments	93.659		<u>172,110</u>	<u>44,945</u>	<u>44,945</u>
Total Foster Care and Adoption			<u>387,792</u>	<u>84,963</u>	<u>177,169</u>
Administration for Children and Families					
Passed through N. C. Department of Health and Human Services					
Division of Social Services					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for					
Needy Families/Work First	93.558		536,501	-	637,471
Temporary Assistance for Needy Families	93.558		5,483	-	-
Direct Benefit Payments:					
Temporary Assistance for Needy Families	93.558		<u>312,631</u>	-	-
Total TANF Cluster			<u>854,615</u>	-	<u>637,471</u>

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>FEDERAL GRANTS (Continued)</u>					
U.S. Department of Health and Human Services (Continued)					
Administration for Children and Families (Continued)					
Passed through N. C. Department of Health and Human Services (Continued)					
Division of Social Services (Continued)					
N. C. Child Support Enforcement Section	93.563		546,151	-	277,008
Low-Income Home Energy Assistance	93.568		494,530	-	25,565
Child Welfare Services - State Grants - Permanency Planning - Families for Kids	93.645		34,887	-	15,259
SSBG - Other Service and Training	93.667		246,690	41,223	275,149
Independent Living Grant	93.674		2,321	580	-
Direct Benefit Payments:					
Permanency Planning: Child Welfare Services - Families for Kids	93.645		-	150,939	37,142
Family Reunification	93.556		10,399	-	-
Division of Child Development					
Subsidized Child Care					
Child Care Development Fund Cluster:					
Division of Social Services					
Childcare Development Fund - Administration	93.596		77,002	-	10,012
Division of Child Development					
Child Care and Development Block Grant	93.575		688,201	-	-
Child Care and Development Fund - Mandatory	93.596		478,862	-	-
Child Care and Development Fund - Match	93.596		97,510	-	-
Total Child Care Development Fund Cluster			<u>1,341,575</u>	<u>-</u>	<u>10,012</u>
Temporary Assistance for Needy Families	93.558		394,704	-	-
Foster Care Title IV-E	93.658		20,373	10,671	-
State Funds:					
State Appropriations			-	90,705	-
Maintenance of Effort			-	69,293	-
Total Subsidized Child Care			<u>1,756,652</u>	<u>170,669</u>	<u>10,012</u>

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>FEDERAL GRANTS (Continued)</u>					
U.S. Department of Health and Human Services (Continued)					
Administration on Aging					
Division of Aging and Adult Services					
Passed through Triangle J Council of Governments					
Special Programs for the Aging - Title III-F Disease Prevention & Health Promotion Services	93.043		950	56	112
National Family Caregiver Support	93.052		33,010	2,201	-
Social Services Block Grant (SSBG) - In Home Services	93.667		10,608	303	11,559
Aging Cluster:					
Special Programs for the Aging - Title III B, Grants for Supportive Services and Senior Centers	93.044		126,947	7,467	100,891
Special Programs for the Aging - Title III C - Nutrition Service	93.045		<u>66,110</u>	<u>3,889</u>	<u>94,475</u>
Total Aging Cluster			<u>193,057</u>	<u>11,356</u>	<u>195,366</u>
Centers for Medicare and Medicaid Services					
Passed through NC Department of Insurance					
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779		7,547	-	-
Centers for Medicare and Medicaid Services					
Passed through N. C. Department of Health and Human Services					
Medicaid Cluster:					
Division of Medical Assistance					
Direct Benefit Payments:					
Medical Assistance Program	93.778		47,803,851	26,019,109	3,987
Division of Social Services					
Administration and Services:					
Medical Assistance Program	93.778		<u>1,287,397</u>	<u>18,697</u>	<u>811,020</u>
Total Medicaid Cluster			<u>49,091,248</u>	<u>26,037,806</u>	<u>815,007</u>
Division of Medical Assistance					
Direct Benefit Payments:					
State Children's Insurance Program	93.767		1,782,596	562,358	-
Division of Social Services					
Administration and Services:					
State Children's Insurance Program	93.767		<u>28,298</u>	<u>2,321</u>	<u>6,566</u>
Total U.S. Department of Health and Human Services			<u>55,646,639</u>	<u>27,116,797</u>	<u>2,483,385</u>

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>FEDERAL GRANTS (Continued)</u>					
U.S. Department of Homeland Security					
Passed through N.C. Department of Crime Control and Public Safety					
Division of Emergency Management:					
Emergency Management - Performance Grants	97.042		32,479	-	-
Total U.S. Department of Homeland Security			32,479	-	-
U.S. Department of Justice					
Bureau of Justice Assistance					
Direct Program					
State Criminal Alien Assistance Program	16.606		8,236	-	-
Passed through N.C. Department of Crime Control and Public Safety					
Governors Crime Commission					
Edward Byrne Memorial Justice Assistance Grant Program	16.738		39,134	-	-
Total U.S. Department of Justice			47,370	-	-
U.S. Department of Transportation					
Passed through N.C. Department of Transportation:					
Non-Urbanized Area Formula Program	20.509	14-CT-061			
		WBS. #36233.65.15.1	42,016	2,626	7,879
Non-Urbanized Area Formula Program	20.509	13-CT-061			
		WBS. #36233.65.14.1	20,870	1,304	3,914
Transit Services Programs Cluster:					
Elderly and Elderly with Disabilities - Operating	20.513	13-ED-061			
		WBS #51001.11.2.2	10,039	-	-
Elderly and Elderly with Disabilities - Capital	20.513	13-ED-061			
		WBS. #51001-11.2.3	1,072	134	135
Total Transit Services Programs Cluster			11,111	134	135
Total U.S. Department of Transportation			73,997	4,064	11,928

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>FEDERAL GRANTS (Continued)</u>					
U.S. Department of Labor					
Employment and Training Administration					
Passed through N.C. Department of Commerce					
Division of Employment and Training					
WIA Cluster:					
WIA Youth Activities	17.259		102,657	-	-
Total U.S. Department of Labor			102,657	-	-
U.S. Department of Housing and Urban Development					
Passed through N.C. Department of Commerce					
Division of Community Assistance					
CDBG-State-Administered CDBG Cluster:					
Community Development Block Grant	14.228		281,852	-	-
Total U.S. Department of Housing and Urban Development			281,852	-	-
<u>STATE GRANTS</u>					
N.C. Department of Health and Human Services					
Division of Aging					
Passed Through Triangle J Council of Governments:					
Senior Center Grant			-	11,680	3,900
Access and In Home Services - 90% State Funds			-	126,981	122,540
Nutrition Services - 90% State Funds			-	7,813	14,318
Fans Program			-	1,524	-
N.C. Department of Transportation					
Elderly and Handicapped Transportation Assistance Program			-	81,113	-
Rural Public Transportation Assistance			-	88,976	-
N.C. Department of Commerce					
One NC Fund			-	423,000	-
N.C. Department of Cultural Resources					
Division of State Library					
State Aid to Libraries			-	105,128	-

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
STATE GRANTS (Continued)					
N.C. Department of Justice					
Safe Roads Act			-	3,773	-
N.C. Division of Veterans' Affairs					
Veterans' Services			-	1,452	-
N.C. Department of Health and Human Services					
Division of Public Health					
Food and Lodging Fees			-	7,849	-
Environmental Health			-	4,000	-
General Aid to Counties			-	88,960	-
General Communicable Disease Control			-	3,464	-
Tuberculosis			-	8,509	-
TB Medical Services			-	1,529	-
Maternal Health			-	2,131	-
Women's Health Service Fund			-	4,971	-
Risk Reduction/Health Promotion			-	6,286	-
School Nurse Funding Initiative			-	148,731	-
Administration and Services:					
CP&L Energy Program			-	8,544	-
Direct Benefit Payments:					
State/County Special Assistance for Adults			-	391,295	-
State Foster Care Benefits Program			-	36,286	-
N.C. Department of Juvenile Justice and and Delinquency Prevention					
JCPC Funding			-	118,397	-
N.C. Department of Public Instruction					
Public School Building Capital Fund			-	398,834	-
Total Assistance			<u>\$ 59,060,903</u>	<u>\$ 29,202,087</u>	<u>\$ 3,104,502</u>

Notes to the Preceding Schedule:

Note 1 - Major Program

Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133. Also, the Federal portion of cluster programs is included when identifying major programs for calculating the percentage of coverage of Federal awards expended. The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

(Continued)

LEE COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)

Notes to the Preceding Schedule: (continued)

Note 2 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of Lee County and is presented, as much as practicable, 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. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included on this schedule.

Note 3 - CFDA's Funded by Multiple Pass-Through Divisions

The following CFDA's were funded by multiple pass-through divisions (agencies, etc.). The following provides our total expenditures for those CFDA's.

<u>CFDA #</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
93.558	\$ 1,249,319	\$ -	\$ 637,471
93.596	653,374	-	10,012
93.645	34,887	150,939	52,401
93.658	231,757	50,689	128,859
93.667	257,298	41,526	286,708
93.767	1,831,083	571,543	6,566
93.778	48,270,049	27,330,749	815,007
