LINCOLN COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Lincoln County, North Carolina
Compliance Letters
For the Fiscal Year Ended June 30, 2008

TABLE OF CONTENTS

ii

Martin Starnes & Associates, CPAs, P.A.
A Professional Association of Certified Public Accountants and Management Consultants

Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Board of Commissioners
Lincoln County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lincoln County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 26, 2008. We did not audit the financial statements of the Lincoln County ABC 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 included for the Lincoln County ABC Board is based solely on the reports of the other auditors. We conducted our audit in accordance with generally accepted auditing standards 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 Lincoln County ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lincoln County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended solely for the information and use of the board of commissioners, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 26, 2008

Martin Starnes & Associates, CPAs, P.A.
A Professional Association of Certified Public Accountants and Management Consultants

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

To the Board of Commissioners
Lincoln County, North Carolina

Compliance

We have audited the compliance of Lincoln County, North Carolina, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina,* issued by the Local Government Commission that are applicable to each of its major federal programs for the year ended June 30, 2008. Lincoln County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln County's management. Our responsibility is to express an opinion on Lincoln County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and 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 Lincoln County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lincoln County's compliance with those requirements.

In our opinion, Lincoln County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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Internal Control Over Compliance

The management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lincoln County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express and opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County as of and for the year ended June 30, 2008 and have issued our report thereon dated October 26, 2008. We did not audit the financial statements of the Lincoln County ABC 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 included for the Lincoln County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 26, 2008

Martin Starnes & Associates, CPAs, P.A.
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Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections Of OMB Circular A-133 And The State Single Audit Implementation Act

To the Board of Commissioners
Lincoln County, North Carolina

Compliance

We have audited the compliance of Lincoln County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that are applicable to each of its major state programs for the year ended June 30, 2008. Lincoln County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Lincoln County's management. Our responsibility is to express an opinion on Lincoln County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of *OMB Circular A-133*, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Lincoln County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lincoln County's compliance with those requirements.

In our opinion, Lincoln County complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2008.

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Internal Control Over Compliance

The management of Lincoln County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Lincoln County's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis, a significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County as of and for the year ended June 30, 2008 and have issued our report thereon dated October 26, 2008. We did not audit the financial statements of the Lincoln County ABC 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 included for the Lincoln County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Lincoln 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the board of commissioners, management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 26, 2008

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

1. Summary of Auditors' Results

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified	No
• Significant deficiencies identified that are not considered to be material weaknesses	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified	No
• Significant deficiencies identified that are not considered to be material weaknesses	No
Noncompliance material to federal awards	No
Type of auditors' report issued on compliance for major federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	No

Identification of major federal programs:

Federal Program/Cluster Name	CFDA#
Title XIX Medicaid Cluster	93.778
Subsidized Child Care Cluster	93.575
	93.596
	93.667
Temporary Assistance to Needy Families	93.558
Food Stamp Cluster	10.551
	10.561

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Dollar threshold used to distinguish between Type A and Type B Programs	$1,754,121
Auditee qualified as low-risk auditee?	No

State Awards

Internal control over major State programs:

• Material weakness(es) identified	No
• Significant deficiencies identified that are not considered to be material weaknesses	No
Noncompliance material to State awards	No
Type of auditors' report issued on compliance for major State programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	No

Identification of major State programs:

Program Name:

Title XIX Medicaid Cluster
SC/SA Domiciliary Care
Subsidized Childcare Cluster
Temporary Assistance to Needy Families
Public School Building Capital Fund

LINCOLN COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

2. Findings Related to the Audit of the Basic Financial Statements

A. The audit did not detect any findings related to compliance that are required to be reported in accordance with Government Auditing Standards.

B. The audit did not detect any findings related to internal control over financial reporting that are required to be reported in accordance with Government Auditing Standards.

3. Findings and Questioned Costs Related to the Audit of Federal Awards

None

4. Findings and Questioned Costs Related to the Audit of State Awards

None

LINCOLN COUNTY, NORTH CAROLINA

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2008

Not applicable

LINCOLN COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

None.

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
U.S. Dept. of Agriculture					
Food and Nutrition Service					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
Food Stamp Cluster: [4]					
Food Stamp Program - Noncash	10.551		$ 7,538,115	$ -	$ -
State Administrative Matching Grants for					
Food Stamp Admin	10.561		340,211	-	340,211
Food Stamp E&T & Depend Care	10.561		4,643	-	4,643
Food Stamp Fraud Admin	10.561		19,598	-	19,598
Total Food Stamp Cluster			7,902,567	-	364,452
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		242,341	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		1,066,743	-	-
Passed-through Centralina Council of Governments					
USDA Supplement	10.570		5,591	-	-
Total U.S. Department of Agriculture			9,217,242	-	364,452
U.S. Dept. of Justice					
Bureau of Justice Assistance					
Federal Forfeited Property	16.540		33,682	-	-
Passed-through N.C. Dept. of Crime Control and Public Safety:					
State Criminal Alien Assistance Program (SCAA)	16.606		16,227	-	-
Total U.S. Dept. of Justice			49,909	-	-

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
U.S. Dept. of Transportation					
National Highway Traffic Safety Administration					
Passed-through the N.C. Department of Transportation					
Safety Program	20.605	QN-07-17-01-08	6,746	-	2,249
Total U.S. Dept. of Transportation			6,746	-	2,249
U. S. Department of Homeland Security					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Division of Emergency Management					
State Domestic Preparedness Equipment Support Program					
Homeland Security Grant	97.004	EMPG 2007-37109	17,732	-	-
Homeland Security Grant	97.004	EMPG 2007 021208-0503	4,859	-	-
Passed-through City of Charlotte					
USAI Grant	97.004		30,500	-	-
E Team Software	97.024		399	-	-
Total U. S. Department of Homeland Security			53,490	-	-
U.S. Dept. of Health & Human Services					
Administration on Aging					
Division of Social Services					
Passed-through Centralina Council Governments					
Aging Cluster: [4]					
Special Programs for the Aging - Title III B					
Disease Prevention and Health Promotion Services	93.043		5,190	306	-
Supportive Services and Senior Center					
Access	93.044		36,620	50,055	-
In-Home	93.044		46,475	206,245	-
Nutrition Services	93.045		67,992	18,424	-
National Family Caregiver Support	93.052		23,453	1,564	-
Total Aging Cluster			179,730	276,594	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster: [4]					
IV-E Child Protective Services	93.658		216,095	41,051	175,044
IV-E Optional	93.659		16,006	-	12,932
IV-E Foster Care	93.658		112,873	31,519	31,519
IV-E Foster Care In Excess	93.658		14,224	-	7,921
IV-E Foster Care TRN	93.658		4,895	-	1,632
IV-E Foster Care/Off TRN	93.658		157,670	-	157,670
IV-E Adoption Subsidy & Vendor	93.659		202,880	56,951	56,951
Total Foster Care and Adoption Cluster			724,643	129,521	443,669

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Work First Administration	93.558		90,597	34,008	76,827
Work First Service	93.558		514,080	179,909	405,853
Work First Demonstration Grant	93.558		2,150	-	-
Family Preservation	93.556		7,674	-	-
TANF Domestic Violence	93.558		8,418	-	-
TANF Payments & Penalties	93.558		370,702	(69)	494
AFDC Payments & Penalties	93.560		(52)	(14)	(14)
N. C. Child Support Enforcement Section	93.563		388,306	-	200,036
Administration	93.568		11,593	-	-
Energy Assistance Payments- Direct Benefit Payments	93.568		117,058	-	-
Crisis Intervention Payments	93.568		79,508	-	-
Permanency Planning - Regular	93.645		16,680	5,560	-
Permanency Planning - Special	93.645		7,016	-	2,339
SSBG - Other Service and Training	93.667		152,389	15,683	56,024
Independent Living Grant	93.674		23,787	3,475	-
Adoption/Foster Care	93.658		84,181	-	5
County Funded Programs			-	-	206,020
Child Protective Services Expansion State			-	126,617	-
DCD Smart Start			-	70,000	-
Energy Assistance Private Grants			-	100	-
State County Special Assistance			-	-	34,351
Work First Non Reimbursable			-	-	240,776
State Adult Protective Service			-	54,175	-
IV-D Offset Fees-ESC	93.563		436	-	224
IV-D Offset Fees-Federal	93.563		2,955	-	1,522
AFDC Incent/Program Integrity			-	7	-
CWS Adopt Subsidy & Vendor			-	184,692	59,804
F/C At Risk Maximization			-	2,013	1,115
SC/SA Domiciliary Care Payment			-	518,515	518,515
State Foster Home			-	85,182	85,182
Foster Care at Risk			-	6,548	1,425
Total Division of Social Services			2,602,121	1,415,922	2,334,167
Division of Aging:					
Division of Social Services:					
In-Home Services	93.667		8,093	-	1,156
Adult Day Care Fund	93.667		-	1,213	173
Adult Day Care Fund Over 60	93.667		735	754	213
Total Division of Aging			8,828	1,967	1,542

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Subsidized Child Care Cluster: (2)					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Development Fund-Administration	93.596		92,512	-	-
Division of Child Development:					
Child Care and Development Fund -- Discretionary	93.575		699,553	-	-
Child Care and Development Fund -- Mandatory	93.596		288,005	-	-
Child Care and Development Fund -- Match	93.596		268,032	149,653	-
Total Child Care Fund Cluster			1,348,102	149,653	-
Social Services Block Grant	93.667		6,403	-	-
Temporary Assistance for Needy Families (TANF)	93.558		246,644	-	-
Smart Start			-	127,431	-
State Appropriations			-	40,067	-
TANF-MOE			-	329,020	-
Total Subsidized Child Care Cluster			1,601,149	646,171	-
Health Care Financing Administration					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Administration:					
North Carolina Health Choice	93.767		21,877	2,680	4,633
Adult Care Home (Case Management) and (Specialist)	93.778		61,079	29,312	31,766
Medical Assistance Admin	93.778		590,809	-	590,809
Medical Transportation Admin	93.778		38,914	-	38,914
Medical Transportation Service	93.778		9,029	4,287	756
Medical Assistance Expansion	93.778		11,121	11,121	-
Direct Benefit Payments:					
Medical Assistance Program	93.778		43,592,795	22,933,202	2,875,492
Total Division of Medical Assistance			44,325,624	22,980,602	3,542,370
Passed-through the N.C. Office of Emergency Medical Services					
National Bioterrorism Hospital Preparedness Program	93.889		8,700	-	-
Passed-through the N.C. Department of Insurance					
Divison of Seniors' Health Insurance Information Program					
Centers for Medicare and Medicaid Services	93.779		5,000	-	-
Health Resources and Services Administration					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217		33,425	-	-
Immunization Program/Aid to County Funding	93.268		18,560	-	-
CDC Prevention Investigations and Tech Assistance	93.283		100,332	-	-
Temporary Assistance for Needy Families	93.558		6,312	-	-
Coop Agreement for Breast and Cervical Cancer	93.919		8,441	-	-
Statewide Health Promotion Program	93.991		13,960	-	-
Maternal and Child Health Services Block Grant	93.994		231,116	-	-
Total Division of Public Health			412,146	-	-
Division of Facility Services					
Total U.S. Dept. of Health and Human Services			49,143,298	25,273,856	5,211,201
Total federal awards			58,470,685	25,273,856	5,577,902

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards:					
N.C. Department of Environment and Natural Resources					
Division of Soil & Water					
AG Cost Share Funds			-	25,835	-
Administrative Match Funds			-	4,000	-
Division of Land Resources					
Sedimentation Control Grant Program		L08003	-	33,785	-
Division of Waste Management					
White Goods Management Program			-	27,473	-
Scap Tire Program			-	80,963	-
Total N.C. Dept. of Environmental and Natural Resources			-	172,056	-
N.C. Dept. of Health and Human Services					
Division of Social Services					
Administrative:					
State Aid to Counties			-	28,492	-
TANF Incent/Program Intergrity			-	144	-
Administration on Aging					
Division of Social Services					
Passed through Centralina Council of Governments					
Senior Center Outreach			-	653	-
Senior Center General Purpose			-	5,467	-
Total N.C. Dept. of Health and Human Services			-	34,756	-
Division of Public Health					
General			-	52,520	-
AIDS			-	500	-
Communicable Disease			-	12,488	-
Risk Reduction/Health Promotion			-	6,455	-
Tuberculosis			-	1,825	-
Women's Preventable Health			-	3,177	-
Breast and Cervical Cancer Control			-	25,905	-
Childern's Special Health Services			-	250	-
Healthy Carolinas Partnership Support			-	12,048	-
TB Medical Services			-	787	-
Total Division of Public Health			-	115,955	-
Total N. C. Department of Health and Human Services			-	150,711	-
Dept. of Juvenile Justice and Delinquency Prevention					
Juvenile Crime Prevention Programs					
Administration			-	9,301	-
Strengthening Families			-	26,386	-
Social Work Services			-	77,848	-
Equine Assisted Learning			-	40,358	-
Mediation			-	8,924	-
Multisystemic Therapy			-	6,000	-
Total N.C. Department of Juvenile Justice			-	168,817	-

LINCOLN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2008

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
N.C. Dept. of Public Instruction					
Public School Building Capital Fund			-	495,157	-
Lottery Proceeds			-	724,378	-
Total N.C. Department of Public Instruction			-	1,219,535	-
N.C. Dept of Justice					
State Bureau of Investigation		Live-Scan 050708-0062	-	23,780	-
Total N.C. Department of Justice			-	23,780	-
N.C. Dept. of Transportation					
Transportation Administration		DOT-3	-	79,488	-
Capital Assistance Program		DOT-14	-	95,821	-
Work First		DOT-16CL	-	15,936	-
Elderly and Disabled Transportation Assistance Program (EDTAP)		DOT-16CL	-	75,843	-
(EDTAP) Rural General Public Transportation		DOT-16CL	-	50,443	-
Total N.C. Dept. of Transportation			-	317,531	-
N.C. Dept. of Administration					
Veterans Services			-	2,000	-
Total State awards			-	2,054,430	-
Total federal and State awards			$ 58,470,685	$ 27,328,286	$ 5,577,902

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation

1. The accompanying schedule of expenditures of federal and State awards includes the federal and State grant act vity of Lincoln County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the county's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

2. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.

2