

**MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.**  
**Fayetteville, North Carolina**  
**Financial Statements**  
**For the Year Ended June 30, 2009**

**Mid-Carolina Council of Governments, Inc.**  
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**June 30, 2009**

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## Independent Auditor's Report

Board of Directors  
Mid-Carolina Council of Governments, Inc.  
Fayetteville, North Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Carolina Council of Governments, Inc., as of and for the year ended June 30, 2009, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Mid-Carolina Council of Governments, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Carolina Council of Governments, as of June 30, 2009, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2009 on our consideration of Mid Carolina Council of Governments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Mid-Carolina Council of Governments. The combining and individual nonmajor fund financial statements and schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Thompson, Price, Scott, Adams & Co., P.A.  
October 22, 2009

## **Management's Discussion and Analysis**

As management of the Mid-Carolina Council of Governments, Inc. (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2009. The information presented here can be read in conjunction with additional information that we have furnished in the Council's financial statements, which follow this narrative.

### **Financial Highlights**

The assets of the Council exceeded its liabilities at the close of the fiscal year by \$866,392.

The government's total net assets decreased by \$263,664.

As of the close of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$905,629, a decrease of \$263,247 in comparison with the prior year. Of this amount, none is available for spending at the government's discretion.

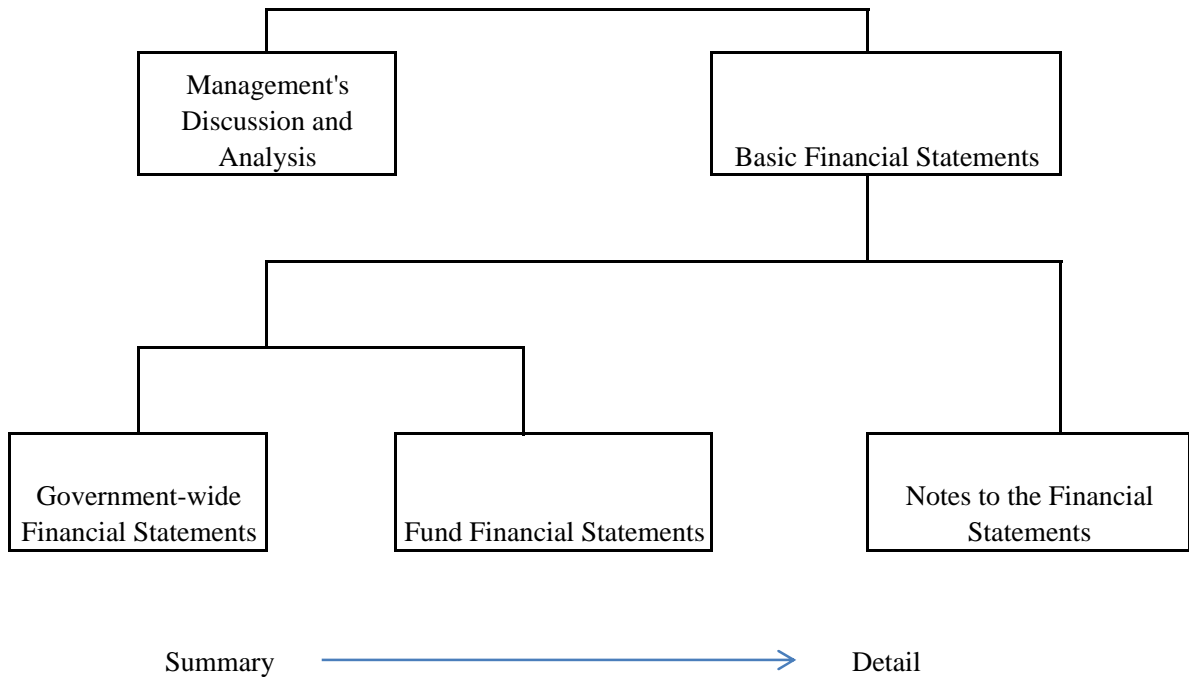
At the end of the current fiscal year, unreserved fund balance for the General Fund was (\$379,094) due to State Statute reservations.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Council's basic financial statements which consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Council's finances through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Council.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Council's financial status.

The next statements (Exhibits 3 through 6) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Council's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Council's governmental funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Council's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Council's financial status as a whole.

The two government-wide statements report the Council's net assets and how they have changed. Net assets are the difference between the Council's total assets and total liabilities. Measuring net assets is one way to gauge the Council's financial condition.

The government-wide statements consist of governmental activities. The governmental activities include most of the Council's basic services such as economic development and planning, human services, including the Aging Program and workforce development and general administration. State and federal grant funds and appropriations from counties finance most of these activities offered by the Council.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the Council's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Council's budget ordinance. All Council funds are governmental funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Council's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Council's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.



The Council adopts an annual budget for its General Fund and Special Revenue Funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the member local governments of the Council, the management of the Council, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Council to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Council complied with the budget ordinance and whether or not the Council succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes other information to aid in analyzing the Council's financial position.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Council exceeded liabilities by \$866,392 as of June 30, 2009.

A portion of the Council's net assets (2.71%) reflects its investment in capital assets (land, buildings, machinery and equipment). There was no debt outstanding at June 30, 2009 related to the purchase of these capital assets. The Council uses these capital assets to provide services to the citizens in its coverage area; consequently, these assets are not available for future spending.

An additional portion of the Council's net assets (27.35%) are subject to external restrictions. These funds are available to provide services, but are restricted to certain categories of service and/or patients. The remaining balance of unrestricted net assets, \$605,982, may be used to meet the Council's ongoing obligations to citizens and creditors.

The net assets of the Council are presented below (Figure 2):

**The Council's Net Assets**

Figure 2

	<u>6/30/2009</u>	<u>6/30/2008</u>
Current and other assets	\$ 1,489,071	\$ 1,739,336
Capital asset	23,444	20,851
Total assets	<u>1,512,515</u>	<u>1,760,187</u>
Long-term liabilities outstanding	62,681	-
Other liabilities	583,442	630,131
Total liabilities	<u>646,123</u>	<u>630,131</u>
Net assets:		
Invested in capital assets, net of related debt	23,444	20,851
Restricted	236,966	193,361
Unrestricted	605,982	915,844
Total Net Assets	<u>\$ 866,392</u>	<u>\$ 1,130,056</u>

The Councils changes in net assets are presented in Exhibit 1.

## The Council's Changes in Net Assets

**Figure 3**

	<u>6/30/2009</u>	<u>6/30/2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 858,502	\$ 494,667
Operating grants and contributions	5,828,292	7,173,167
General revenues:		
Investment earnings	6,069	27,251
Other	16,472	155,359
Total Revenues	6,709,335	7,850,444
Expenses:		
General government	169,951	162,812
Environmental protection	438,054	425,675
Economic and physical development	924,710	1,829,107
Human services	3,489,968	3,536,668
Workforce development	1,950,316	1,510,991
Total Expenses	6,972,999	7,465,253
Increase in Net Assets	(263,664)	385,191
Net assets, July 1	1,130,056	744,865
Net assets, June 30	\$ 866,392	\$ 1,130,056

**Governmental Activities.** Governmental activities decreased the Council's net assets by \$263,664, mainly as a result of timing differences between the collection and expenditure of grant money for BRAC and Sustainable Sandhills projects.

### Financial Analysis of the Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the General Fund was (\$379,094), while total fund balance reached \$668,663.

**General Fund Budgetary Highlights:** During the fiscal year, the Council amended the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Most of the budget amendments were made to adjust federal and State revenues and the associated expenses.

**Capital Asset and Debt Administration**

**Capital assets.** The Council’s investment in capital assets for its governmental activities as of June 30, 2009, totals \$136,243 (net of accumulated depreciation). These assets include furniture, equipment, and computers.

**The Council's Capital Assets**

**Figure 4**

	<u>6/30/2009</u>	<u>6/30/2008</u>
Machinery and Equipment	\$ 17,903	\$ 13,339
Computers and software	5,541	7,512
Total (after accumulated depreciation)	<u>\$ 23,444</u>	<u>\$ 20,851</u>

Additional information on the Council’s capital assets can be found in the Notes to the Financial Statements.

**Economic Factors and Next Year’s Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Council during the past fiscal year and the new budget for this year.

With the completion of the OEA grant under BRAC RTF in 2008-2009, Mid-Carolina no longer will be administering their funds. Workforce Development will fall under the Central Carolina Community College and Mid-Carolina Local Area will not operate under Mid-Carolina Council of Governments after December 31, 2009. Our state funds for Regional Councils have been cut significantly as well as seven percent (7%) decrease in funding for RPO in FY 2009-2010. To date, Mid-Carolina has submitted a Grant Application for a 205j Water Quality Planning Grant for \$31,000. ARRA funds have been appropriate to our Aging section designated for Congregate and Home delivered in the amount of \$135,989 and \$8,279 has been appropriated to Aging for outreach. Cape Fear River Assembly (CFRA) continues visibility. CFRA staff is involved in the stakeholder meetings and acts as a lead advocate for the restoration of locks and dams and the construction of 200 fish weir ladders on the face of the three dams. CFRA staff is in contact with Congressional office staff for assistance in the protection of the locks and dams as well as participant in the grant application for fish weir on lock and dam #3.

### **Budget Highlights for the Fiscal Year Ending June 30, 2010**

Budgeted expenditures in the General Fund remain constant. Mid-Carolina receives financial administration funds for the Regional Land Use Advisory Commission (RLUAC), Sustainable Sandhills, Inc., Middle Cape Fear River Basin Association (MCFRBA), and Cape Fear River Assembly (CFRA) according to the Memorandum of Agreement. Funds from state agencies are allocated for programs within Mid-Carolina. These funds are supporting our Aging, RPO, and Workforce Development programs. As stated previously, Mid-Carolina will no longer be administering Workforce Development Funds, so the budget will be amended to reflect this change.

### **Requests for Information**

This report is designed to provide an overview of the Council's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Executive Director James E. Caldwell or Ms. Suzanne Tindol, P.O. Drawer 1510, Fayetteville, NC 28302, 910-323-4191.

## **BASIC FINANCIAL STATEMENTS**

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
Statement of Net Assets  
June 30, 2009

		Governmental Activities
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	475,745
Receivables, net		1,007,270
Prepaid expenses		6,056
Total current assets		1,489,071
Non-current assets:		
Capital assets, net of depreciation		23,444
Total capital assets		23,444
Total Assets	\$	1,512,515
<b>LIABILITIES</b>		
Current liabilities:		
Accounts Payable and Accrued Expenses	\$	583,442
Long-term liabilities:		
Compensated absences		62,681
Total Liabilities	\$	646,123
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	\$	23,444
Restricted for:		
Environmental protection		236,966
Unrestricted		605,982
Total Net Assets	\$	866,392

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 Statement of Activities  
 For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<b>Governmental Activities:</b>					
General government	\$ 169,951	\$ 100,676	\$ 44,099	\$ -	\$ (25,176)
Environmental protection	438,054	204,674	279,329	-	45,949
Economic and physical development	924,710	246,267	347,917	-	(330,526)
Human services	3,489,968	306,885	3,202,135	-	19,052
Workforce Development	1,950,316	-	1,954,812	-	4,496
Total governmental activities	\$ <u>6,972,999</u>	\$ <u>858,502</u>	\$ <u>5,828,292</u>	\$ <u>-</u>	(286,205)
<b>General revenues:</b>					
Investment earnings, unrestricted					6,069
Miscellaneous, unrestricted					16,472
Total general revenues					<u>22,541</u>
Change in net assets					(263,664)
Net assets, beginning					1,130,056
Net assets, ending				\$	<u>866,392</u>



## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

Balance Sheet  
Governmental Funds  
June 30, 2009

	Major Funds			Total Governmental Funds
	General Fund	Cape Fear River Operations	Total Non-Major Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 194,542	\$ 135,355	\$ 145,848	\$ 475,745
State and federal grant receivables	946,606	-	-	946,606
Local assessments and other receivables	60,439	225	-	60,664
Prepaid Expenses	6,056	-	-	6,056
Due from other funds	40,712	-	48,568	89,280
Total assets	<u>1,248,355</u>	<u>135,580</u>	<u>194,416</u>	<u>1,578,351</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable and accrued liabilities	567,127	3,750	-	570,877
Due to other funds	-	89,280	-	89,280
Funds Advanced	8,684	-	-	8,684
Grant funds refundable	3,881	-	-	3,881
Total liabilities	<u>579,692</u>	<u>93,030</u>	<u>-</u>	<u>672,722</u>
Fund balances:				
Reserved by State statute	1,047,757	-	-	1,047,757
Reserved for Cape Fear River Conference	-	-	33,932	33,932
Reserved for Mid Cape Fear River Association	-	-	149,989	149,989
Reserved for Cape Fear River Office of Director	-	42,550	-	42,550
Reserved for EPA Grant Fund	-	-	10,495	10,495
Unreserved:				
Undesignated	(379,094)	-	-	(379,094)
Total fund balances	<u>668,663</u>	<u>42,550</u>	<u>194,416</u>	<u>905,629</u>
Total liabilities and fund balances	\$ <u>1,248,355</u>	\$ <u>135,580</u>	\$ <u>194,416</u>	<u>1,578,351</u>

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets:

Total fund balances -- total governmental funds 905,629

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets, net of depreciation 23,444

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences (62,681)

Total net assets of governmental activities \$ 866,392

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

	Major Fund		Total Non-Major Funds	Governmental Funds
	General	Cape Fear River Operations		
<b>REVENUES</b>				
Federal Grants	\$ 2,272,355	\$ -	\$ 279,204	\$ 2,551,559
State Grants	3,276,607	-	125	3,276,732
Private Grants	-	-	-	-
Local assessments	375,650	11,899	-	387,549
Membership dues	11,825	51,720	125,000	188,545
Sponsorship	-	-	15,255	15,255
Planning	-	-	550	550
Contract payments	127,337	-	-	127,337
Project income	9,017	-	250	9,267
Investment earnings	3,657	767	1,645	6,069
BRAC Marketing	130,000	-	-	130,000
Other income	16,328	-	144	16,472
Total revenues	<u>6,222,776</u>	<u>64,386</u>	<u>422,173</u>	<u>6,709,335</u>
<b>EXPENDITURES</b>				
General Government	167,048	-	-	167,048
Economic and physical development	2,877,023	-	-	2,877,023
Human services	3,491,671	-	-	3,491,671
Environmental Protection	-	72,759	364,081	436,840
Total expenditures	<u>6,535,742</u>	<u>72,759</u>	<u>364,081</u>	<u>6,972,582</u>
Revenues over (under) expenditures	<u>(312,966)</u>	<u>(8,373)</u>	<u>58,092</u>	<u>(263,247)</u>
Net change in fund balance	<u>(312,966)</u>	<u>(8,373)</u>	<u>58,092</u>	<u>(263,247)</u>
Fund balances, beginning	981,629	50,923	136,324	1,168,876
Fund balances, ending	<u>\$ 668,663</u>	<u>\$ 42,550</u>	<u>\$ 194,416</u>	<u>\$ 905,629</u>

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (263,247)
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<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	2,593
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<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents net change in compensated absences.</p>	<u>(3,011)</u>
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Total changes in net assets of governmental activities	<u><u>\$ (263,665)</u></u>
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MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 General Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2009

	General Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Federal Grants	\$ 2,806,984	\$ 4,747,637	\$ 2,272,355	\$ (2,475,282)
State Grants	3,337,407	3,334,237	3,276,607	(57,630)
Private Grants	89,800	89,800	-	(89,800)
Local assessments	316,242	401,440	375,650	(25,790)
Membership Dues	154,025	29,025	11,825	(17,200)
Contract Payments	288,208	167,731	127,337	(40,394)
Project income	-	9,017	9,017	-
Investment earnings	21,273	3,750	3,657	(93)
BRAC Marketing	117,500	155,000	130,000	(25,000)
Other income	10,022	16,328	16,328	-
<b>Total Revenues</b>	<u>7,141,461</u>	<u>8,953,965</u>	<u>6,222,776</u>	<u>(2,731,189)</u>
<b>Expenditures:</b>				
General government	504,603	270,107	167,048	103,059
Economic and physical development	3,311,498	5,081,439	2,877,023	2,204,416
Human services	3,640,170	3,706,803	3,491,671	215,132
<b>Total Expenditures</b>	<u>7,456,271</u>	<u>9,058,349</u>	<u>6,535,742</u>	<u>2,522,607</u>
Revenues Over (Under) Expenditures	<u>(314,810)</u>	<u>(104,384)</u>	<u>(312,966)</u>	<u>(208,582)</u>
<b>Other Financing Sources (Uses):</b>				
Fund Balance Appropriated	<u>314,810</u>	<u>104,384</u>	<u>-</u>	<u>(104,384)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>314,810</u>	<u>104,384</u>	<u>-</u>	<u>(104,384)</u>
Net Change in fund Balance	<u>\$ -</u>	<u>\$ -</u>	(312,966)	<u>\$ (312,966)</u>
Fund Balances, Beginning of Year			981,629	
Fund Balances, End of Year			<u>\$ 668,663</u>	

**MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2009**

I. Summary of Significant Accounting Policies

The accounting policies of Mid-Carolina Council of Governments, Inc. (the Council) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Council is a voluntary organization of local governments formed to deal with issues and problems of mutual concern within the area. The council is composed of representatives from Cumberland, Harnett, and Sampson counties in North Carolina and the cities and towns within those counties.

The Council is a separate and distinct reporting entity from the counties it represents. Its Board acts as an independent governing body in approval of budget, ownership of property, and fiscal responsibilities.

For financial reporting purposes, in accordance with the criteria in GASB Statement 14, Mid-Carolina Council of Governments, Inc., includes all funds, account groups, agencies, boards, commissions, and authorities which are controlled by or are financially dependent upon the Council. There were no organizations meeting the criteria of Statement 14 for the year ended June 30, 2009.

B. Basis of Presentation – Fund Accounting

*Government-wide Statements:* The statement of net assets and the statement of activities display nonfiduciary information about the Council. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements display the governmental activities of the Council. Governmental activities generally are financed through local governmental dues, grants and fees for services.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operation requirements of a particular program. Revenues that are not classified as program revenues, including member dues, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Council's funds, all of which are governmental since the Council has no proprietary or fiduciary funds. The emphasis of fund financial statements is on major governmental, each displayed in a separate column.

The Council reports the following major governmental funds:

**General Fund** – This is the Council's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

**Cape Fear River Operations** – These funds account for specific revenue sources that are legally restricted to expenditures for specified purposes.

### C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Council are maintained during the year using the modified accrual basis of accounting.

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: (1) charges to customers or applicants for services, (2) operating grants and contributions, and (3) special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues included local

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Council considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

### D. Budgetary Data

The Council's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Special Revenue Funds. All annual appropriations lapse at program year-end. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The board of directors must approve any revisions that alter total expenditures of any fund. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

## E. Assets, Liabilities, and Fund Equity

### 1. Deposits and Investments

All deposits of the Council are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Council may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Council may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and

State law [G.S. 159-30(c)] authorizes the Council to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

### 2. Cash and Cash Equivalents

The Council pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

### 3. Capital Assets

The Council's general capital assets are recorded at original cost or at appraised value at the time of donation.

It is the policy of the Council to capitalize all assets costing more than \$2,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

### 4. Long-Term Debt

The Council has no long-term debt other than compensated absences.

### 5. Compensated Absences

The vacation policy of the Council provides for the accumulation of up to 300 hours of earned vacation leave with such leave being fully vested when earned. Accrued annual leave in excess of 240 hours on June 30 is automatically transferred to sick leave. A maximum of 60 hours of annual leave will be transferred to sick leave per year. The current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the governmental funds. The Council's liability for accumulated earned vacation as of June 30, 2009 is \$62,681.

The Council's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Council has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## 6. Net Assets/Fund Balances

Net Assets – Net assets in government-wide financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances – In the governmental fund financial statements, reservations or restriction of equity represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

### Reserved

Reserved by State statute - portion of fund balance, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

### Unreserved

Designated for subsequent year's expenditures – portion of the total fund balance available for appropriation that has been designated for the adopted 2009 - 2010 budget ordinance.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-

## II. Stewardship, Compliance and Accountability

### Budgetary Violations

The Council appropriated fund balance that appeared to be unavailable. The Reserve for State Statute is high because of the large amount of revenues that are recorded as receivables at year end. If the Council had received this money prior to year end, the unreserved fund balance would be higher, thus allowing for the appropriation of fund balance. However, because of the nature of the programs that are administered by the Council, they typically receive money a month after the money is expended.



### III. Detail Notes on All Funds

#### A. Assets

##### 1. Deposits

All the deposits of the Council are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Council's agents in the Council's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Council, these deposits are considered to be held by the Council's agent in the Council's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits.

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Council or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Council under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The Council has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Council complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2009, the Council's deposits had a carrying amount of \$475,745 and a bank balance of \$549,613. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

#### B. Receivables

Receivables at the government-wide level at June 30, 2009, represented amounts due from other governments for reimbursement of grant monies spent and from local members as assessments for dues.

#### C. Capital Assets

##### **Primary Government**

Capital assets are depreciated using the straight-line method over the following useful lives:

Furniture and equipment	10 years
Computers	5 years

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance <u>7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6/30/2009</u>
Governmental Activities				
Depreciable capital assets:				
Furniture/equipment	\$ 68,964	\$ 10,599	\$ -	\$ 79,563
Computers	89,920	-	-	89,920
Total other capital assets at historical cost	<u>158,884</u>	<u>10,599</u>	<u>-</u>	<u>169,483</u>
Less accumulated depreciation for:				
Furniture/equipment	55,625	6,035	-	61,660
Computers	82,408	1,971	-	84,379
Total Accumulated Depreciation	<u>138,033</u>	<u>8,006</u>	<u>-</u>	<u>146,039</u>
Governmental activities capital assets, net	<u>\$ 20,851</u>	<u>\$ 2,593</u>	<u>\$ -</u>	<u>\$ 23,444</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 2,656
Economic and Physical Development	1,958
Workforce Development	3,392
	<u>\$ 8,006</u>

#### D. Liabilities

##### Pension Plan Obligations

Plan Description. The Council contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The Council is required to contribute at an actuarially determined rate. For the Council, the current rate for employees was 4.90% of annual covered payroll. The contribution requirements of members and of the Council are established by and may be amended by the North Carolina General Assembly. The Council's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$37,845, \$33,717, and \$36,766, respectively. The contributions made by the Council equaled the required contributions for each year.

Other Post-Employment Benefits

At retirement, all employees have the option to purchase basic medical insurance at the Council's group rate. The entire cost of this insurance is borne by the employees.

Other Employment Benefit

The Council has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Council has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Council considers these contributions to be immaterial.

E. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council carries commercial insurance for all risks. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

F. Commitments

Operating Leases

The Council leases office space from Cumberland County on a month-to-month basis. Rental expenses are \$8,000 annually.

Capital Leases

The Council has no capital leases in effect as of June 30, 2009.

G. Interfund Balances and Activity

Interfund Receivables and Payables

Balances due to/from other funds at June 30, 2009, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 40,712	\$ -
Cape Fear River Operations	-	89,280
EPA Grant Special Revenue Fund	10,495	
Cape Fear River Conference Fund	33,932	-
Middle Cape Fear River Basin Association	4,141	-
	<u>\$ 89,280</u>	<u>\$ 89,280</u>

All interfund receivables and payables resulted from transfers used to supplement other funding sources.

#### IV. Summary Disclosure of Significant Contingencies

##### Federal and State Assisted Programs

The Council has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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Individual Fund Statements and Schedules

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## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Unrestricted Intergovernmental:			
Counties, Cities and Town General			
Assessments	\$ 55,646	\$ 53,673	\$ (1,973)
Fees / Zoning / Census	52,900	49,489	(3,411)
Total	108,546	103,162	(5,384)
Restricted Intergovernmental:			
State Grants	3,334,237	3,276,607	(57,630)
Federal Grants	4,747,637	2,272,355	(2,475,282)
Private Grants	89,800	-	(89,800)
Counties, Cities, and Towns Special			
Assessments	223,090	207,931	(15,159)
Local Match	62,604	64,557	1,953
Planning	7,200	-	(7,200)
Contract Payments	167,731	127,337	(40,394)
Membership Dues	29,025	11,825	(17,200)
BRAC Marketing	155,000	130,000	(25,000)
Total	8,816,324	6,090,612	(2,725,712)
Sales and Services:			
Project Income	9,017	9,017	-
Total	9,017	9,017	-
Investment Earnings			
	3,750	3,657	(93)
Miscellaneous			
Sales Tax Refund	9,532	9,532	-
Miscellaneous	6,796	6,796	-
Total	16,328	16,328	-
Total Revenues	\$ 8,953,965	\$ 6,222,776	\$ (2,731,189)
<b>Expenditures</b>			
General Government:			
Local Technical Assistance:			
Salaries & Employee Benefits	\$	\$ 105,722	\$
Operating Expenses		61,326	
Capital Outlay		-	
Total	270,107	167,048	103,059
Total General Government	270,107	167,048	103,059

## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
Economic & Physical Development			
Workforce Investment Act (WIA):			
Local Administrative:			
Salaries & Employee Benefits		40,245	
Operating Expenses		19,463	
Total	136,339	59,708	76,631
Adult Programs:			
Salaries & Employee Benefits		21,354	
Operating Expenses		21,251	
Sub-Grants		495,939	
Total	549,471	538,544	10,927
Dislocated Workers:			
Salaries & Employee Benefits		30,067	
Operating Expenses		8,987	
Sub-Grants		244,704	
Total	293,336	283,758	9,578
Youth Activities:			
Salaries & Employee Benefits		54,328	
Operating Expenses		19,502	
Capital Outlay		2,740	
Sub-Grants		209,206	
Total	607,233	285,776	321,457
Incentives:			
Operating Expenses		29,729	
Capital Outlay		537	
Total	115,389	30,266	85,123
Capacity Building / Accountability:			
Salaries & Employee Benefits		43,475	
Operating Expenses		9,710	
Total		2,650	
Total	75,569	55,835	19,734

## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
Job Link Enhancement:			
Salaries & Employee Benefits		43,043	
Operating Expenses		11,205	
Total	54,248	54,248	-
Incumbent Workforce:			
Salaries and Benefits		5,778	
Operating Expenses		2,842	
Sub-Grants		86,754	
Total	154,035	95,374	58,661
Youth Enhancement:			
Salaries & Employee Benefits		16,918	
Operating Expenses		33,872	
Capital Outlay		2,650	
Total	56,427	53,440	2,987
Business Liaison Grant:			
Salaries & Employee Benefits		34,685	
Operating Expenses		7,759	
Capital Outlay		2,650	
Total	63,699	45,094	18,605
DPN:			
Salaries & Employee Benefits		31,627	
Operating Expenses		268,955	
Capital Outlay		1,235	
Total	377,449	301,817	75,632
Dislocated Worker Supplement:			
Salaries & Employee Benefits		5,902	
Operating Expenses		11,895	
Sub-Grants		41,331	
Total	114,128	59,128	55,000
Regional Collaboration			
Operating Expenses		5,162	
Capital Outlay		2,650	
Total	85,000	7,812	77,188
JL Chartering:			
Salaries and Benefits		12,495	
Operating Expenses		5,478	
Sub-Grants		52,871	
Total	75,000	70,844	4,156



## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
WFD Professional Month			
Operating Expenses		5,000	
Total	5,000	5,000	-
Stimulus - Admin			
Operating Expenses		3,578	
Total	124,294	3,578	120,716
Stimulus - Adult			
Sub-Grants		-	
Total	344,205	-	344,205
Stimulus - Dislocated Worker			
Sub-Grants		-	
Total	367,134	-	367,134
Stimulus - Youth			
Sub-Grants		4,049	
Total	407,312	4,049	403,263
Total Workforce Investment Act (WIA)	4,005,268	1,954,271	2,050,997
Rural Planning Organization:			
Salaries & Employee Benefits		100,269	
Operating Expenses		21,656	
Capital Outlay		-	
Total	121,945	121,925	20
Regional Land Use Advisory Council:			
Salaries & Employee Benefits		24,191	
Operating Expenses		8,268	
Total	74,950	32,459	42,491

## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
Sustainable Sandhills:			
Salaries & Employee Benefits		18,820	
Operating Expenses		65,044	
Capital Outlay		-	
Total	133,000	83,864	49,136
BRAC Regional Task Force:			
Operating Expenses		206,343	
Total	233,562	206,343	27,219
RLUAC/BRAC:			
Salaries & Employee Benefits		12,990	
Operating Expenses		4,257	
Sub-Grants		-	
Total	17,247	17,247	-
BRAC/OEA:			
Salaries & Employee Benefits		130,012	
Operating Expenses		92,364	
Capital Outlay		-	
Contractual Pass-thru		222,693	
Total	445,069	445,069	-
All American Trail			
Operating Expenses		15,845	
Total	50,398	15,845	34,553
Total Economic & Physical Development	5,081,439	2,877,023	2,204,416
Human Services:			
Older Adults Planning & Admin:			
Salaries & Employee Benefits		160,410	
Operating Expenses		36,974	
Capital Outlay		883	
Total	208,108	198,267	9,841

## MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.

## General Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
Regional Ombudsman Project:			
Salaries & Employee Benefits		106,408	
Operating Expenses		21,062	
Capital Outlay		1,747	
Total	129,217	129,217	-
Older Adult Care Management:			
Salaries & Employee Benefits		78,249	
Operating Expenses		15,919	
Sub-Grants		61,840	
Capital Outlay		115	
Total	192,105	156,123	35,982
Older Adults AAA Support:			
Salaries & Employee Benefits		33,386	
Operating Expenses		12,038	
Total	45,424	45,424	-
Older Adults Elder Abuse:			
Salaries & Employee Benefits		1,203	
Operating Expenses		6,469	
Total	7,672	7,672	-
Older Adults Preventive Health:			
Salaries & Employee Benefits		6,224	
Operating Expenses		18,045	
Sub-Grants		9,284	
Total	71,067	33,553	37,514
Older Adults IIIB Social Services:			
Operating Expenses		2,472	
Sub-Grants		2,676,632	
Total	2,799,443	2,679,104	120,339
Family Caregiver:			
Salaries & Employee Benefits		55,122	
Operating Expenses		15,290	
Sub-Grants		127,637	
Capital Outlay		633	
Total	207,257	198,682	8,575

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 General Fund  
 Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended June 30, 2009

	2009		Variance Favorable (Unfavorable)
	Budget	Actual	
Fay Needs Survey:			
Sub-Grants		-	
Total	2,280	-	2,280
Healthy Aging:			
Operating Expenses			
Total	600	-	600
Senior Center General Purpose:			
Sub-Grants		43,629	
Total	43,630	43,629	1
Total Human Services	3,706,803	3,491,671	215,132
Total Expenditures	9,058,349	6,535,742	2,522,607
Revenues Over (Under) Expenditures	\$ (104,384)	\$ (312,966)	\$ (208,582)
Other Financing Sources (Uses):			
Transfers from (to) other funds	\$ -	\$ -	\$ -
Fund Balance Appropriated	104,384	-	(104,384)
Total Other Financing Sources (Uses)	\$ 104,384	\$ -	\$ (104,384)
Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ -	\$ (312,966)	\$ (312,966)
Fund Balances:			
Beginning of Year, July 1		981,629	
End of Year, June 30		\$ 668,663	

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 Cape Fear River Operations  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Federal Grants	\$ 50,923	\$ -	\$ (50,923)
Local Match from Per Capita	-	11,899	11,899
Planning	900	-	(900)
Interest income	767	767	-
Membership Fees	65,265	51,720	(13,545)
Restricted	3,000	-	(3,000)
Total revenues	<u>120,855</u>	<u>64,386</u>	<u>(56,469)</u>
<b>Expenditures</b>			
Salaries		19,907	
Fringe benefits		7,666	
Board and committee meetings		704	
Contractual		31,711	
Copying and printing		127	
Fees, zoning, census, admin		7,500	
Insurance and bonding		309	
Office supplies and services		1,191	
Postage		17	
Rent		3,060	
Travel and training		567	
Total expenditures	<u>120,855</u>	<u>72,759</u>	<u>48,096</u>
Revenues over (under) expenditures	<u>-</u>	<u>(8,373)</u>	<u>(8,373)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(8,373)</u>	<u>\$ (8,373)</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>50,923</u>	
End of year, June 30		<u>\$ 42,550</u>	

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
Combining Balance Sheet  
Other Non-Major Governmental Funds  
June 30, 2009

	NON-MAJOR			Total June 30, 2009
	Cape Fear River Conference Fund	Middle Cape Fear River Basin Association	EPA Grant Special Revenue Fund	
<b><u>Assets</u></b>				
Cash	\$ -	\$ 145,848	\$ -	\$ 145,848
Accounts Receivable	-	-	-	-
Due from other Funds	33,932	4,141	10,495	48,568
Total assets	<u>33,932</u>	<u>149,989</u>	<u>10,495</u>	<u>194,416</u>
<b><u>Liabilities and Fund Balances</u></b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Equity:</b>				
Fund Balances				
Reserved for Cape Fear River Conf Fund	33,932	-	-	33,932
Reserved for Mid Cape Fear River Assoc	-	149,989	-	149,989
Reserved for Cape Fear River Grant Fund	-	-	-	-
Reserved for EPA Grant Fund	-	-	10,495	10,495
Total Fund Equity	<u>33,932</u>	<u>149,989</u>	<u>10,495</u>	<u>194,416</u>
Total liabilities and fund equity	<u>\$ 33,932</u>	<u>\$ 149,989</u>	<u>\$ 10,495</u>	<u>\$ 194,416</u>

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Other Non-Major Governmental Funds  
For the Year Ended June 30, 2009

	NON-MAJOR			Total June 30, 2009
	Cape Fear River Conference Fund	Middle Cape Fear River Basin Association	EPA Grant Special Revenue Fund	
Revenues:				
Federal Grants	\$ -	\$ -	\$ 279,204	\$ 279,204
Local Match per Capita	125	-	-	125
Local Funds	-	-	-	-
Sponsorship / Conferences	15,255	-	-	15,255
Project Income	250	-	-	250
Planning	550	-	-	550
Membership Dues	-	125,000	-	125,000
Interest Income	-	1,645	-	1,645
Miscellaneous	144	-	-	144
Total Revenues	<u>16,324</u>	<u>126,645</u>	<u>279,204</u>	<u>422,173</u>
Expenditures:				
Grant administration	7,621	6,624	31,256	45,501
Grant passthrough	-	112,470	206,110	318,580
Total Expenditures	<u>7,621</u>	<u>119,094</u>	<u>237,366</u>	<u>364,081</u>
Revenues over(under) expenditures	<u>8,703</u>	<u>7,551</u>	<u>41,838</u>	<u>58,092</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>8,703</u>	<u>7,551</u>	<u>41,838</u>	<u>58,092</u>
Fund Balances:				
Beginning of Year, July 1	<u>25,229</u>	<u>142,438</u>	<u>(31,343)</u>	<u>136,324</u>
End of Year, June 30	<u>\$ 33,932</u>	<u>\$ 149,989</u>	<u>\$ 10,495</u>	<u>\$ 194,416</u>

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 Cape Fear River Conference Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Federal Grants	\$ 25,229	\$ -	\$ (25,229)
Local Match from per Capita	-	125	125
Project Income	14,024	250	(13,774)
Sponsorship / Conferences	-	15,255	15,255
Planning	-	550	550
Membership Dues	-	-	-
Miscellaneous	-	144	144
Total revenues	<u>39,253</u>	<u>16,324</u>	<u>(22,929)</u>
<b>Expenditures</b>			
Board meetings		6,226	
Office supplies and services		164	
Travel and training		1,231	
Total expenditures	<u>39,253</u>	<u>7,621</u>	<u>31,632</u>
Revenues over (under) expenditures	<u>-</u>	<u>8,703</u>	<u>8,703</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>8,703</u>	<u>\$ 8,703</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>25,229</u>	
End of year, June 30		<u>\$ 33,932</u>	



MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 Middle Cape Fear River Basin Association Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Federal Grants	\$ 142,439	\$ -	\$ (142,439)
Interest Earned	6,000	1,645	(4,355)
Membership Dues	125,000	125,000	-
Total revenues	<u>273,439</u>	<u>126,645</u>	<u>(146,794)</u>
<b>Expenditures</b>			
Fees		6,200	
Office Supplies/Other		424	
Contractual pass-through		112,470	
Total expenditures	<u>273,439</u>	<u>119,094</u>	<u>154,345</u>
Revenues over (under) expenditures	<u>-</u>	<u>7,551</u>	<u>7,551</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	7,551	<u>\$ 7,551</u>
<b>Fund Balances:</b>			
Beginning of year, July 1		<u>142,438</u>	
End of year, June 30		\$ <u>149,989</u>	

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 EPA Grant Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Federal Funds	\$ 394,855	\$ 279,204	\$ (115,651)
Total revenues	<u>394,855</u>	<u>279,204</u>	<u>(115,651)</u>
Expenditures			
Salaries		11,349	
Fringe benefits		4,051	
Contractual		13,387	
Miscellaneous expense		237	
Office supplies and services		332	
Rent		1,440	
Training and travel		460	
Contractual pass-through		206,110	
Total expenditures	<u>394,855</u>	<u>237,366</u>	<u>157,489</u>
Revenues over (under) expenditures	<u>-</u>	<u>41,838</u>	<u>41,838</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>41,838</u>	<u>\$ 41,838</u>
Fund Balances:			
Beginning of year, July 1		<u>(31,343)</u>	
End of year, June 30		<u>\$ 10,495</u>	

## **COMPLIANCE SECTION**

# *Thompson, Price, Scott, Adams & Co., P.A.*

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

To the Honorable Members of the Board of Directors  
Mid-Carolina Council of Governments  
Fayetteville, North Carolina

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mid-Carolina Council of Governments, Fayetteville, North Carolina, as of and for the year ended June 30, 2009, which collectively comprises Mid-Carolina Council of Governments' basic financial statements, and have issued our report thereon dated October 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mid-Carolina Council of Governments' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-Carolina Council of Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mid-Carolina Council of Governments' 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 Council'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 Council's financial statements that is more than inconsequential will not be prevented or detected by the Council'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 Council's internal control.

Our consideration of the internal control over financial reporting was for 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 the Mid-Carolina Council of Governments' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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.

This report is intended solely for the information and use of management, others within the organization, members of the Council, 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.

Thompson, Price, Scott, Adams & Co., P.A.  
October 22, 2009

# *Thompson, Price, Scott, Adams & Co., P.A.*

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## 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 Honorable Members of the Board of Directors  
Mid-Carolina Council of Governments  
Fayetteville, North Carolina

### Compliance

We have audited the compliance of the Mid-Carolina Council of Governments 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, 2009. The Council'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 the Council's management. Our responsibility is to express an opinion on Mid-Carolina Council of Governments' 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 direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mid-Carolina Council of Governments' 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 Mid-Carolina Council of Governments' compliance with those requirements.

In our opinion, Mid-Carolina Council of Governments 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, 2009.

Members

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Internal Control Over Compliance

The management of Mid-Carolina Council of Governments 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 Mid-Carolina Council of Governments' 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 an opinion on the effectiveness of the Council's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of 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 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 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 Council'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 noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Council'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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, members of the governing board, 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.

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Thompson, Price, Scott, Adams & Co., P.A.  
October 22, 2009

# *Thompson, Price, Scott, Adams & Co., 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 Honorable Members of the Council of Directors  
Mid-Carolina Council of Governments  
Fayetteville, North Carolina

### Compliance

We have audited the compliance of the Mid-Carolina Council of Governments, 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, 2009. Mid-Carolina Council of Governments' major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the Mid-Carolina Council of Governments' management. Our responsibility is to express an opinion on the Mid-Carolina Council of Governments' 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 the Mid-Carolina Council of Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Mid-Carolina Council of Governments' compliance with those requirements.

In our opinion, the Mid-Carolina Council of Governments' 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, 2009.



## Internal Control Over Compliance

The management of the Mid-Carolina Council of Governments is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the Mid-Carolina Council of Governments' 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 Council's internal control over compliance.

A control deficiency in an entity'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 a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the Council'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 Council's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, members of the Mid-Carolina Council of Governments, 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.

***Thompson, Price, Scott, Adams & Co, P.A.***

**October 22, 2009**

**MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
FAYETTEVILLE, NC**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?  Yes  No

Significant Deficiency(s) identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?  Yes  No

Significant Deficiency(s) identified that are not considered to be material weaknesses?  Yes  No

Type of auditor's report issued on compliance for major federal programs: Unqualified.

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
	Workforce Investment Act Cluster
17.258	WIA - Adult Programs
17.259	WIA - Youth Activities
17.260	WIA - Dislocated Workers
93.052	Family Caregiver

Dollar threshold used to distinguish Between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
FAYETTEVILLE, NC**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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State Awards

Internal control over major State programs:

Material weaknesses identified?  Yes  No

Significant Deficiency(s) identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditor's 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?  Yes  No

Identification of major State programs:

Program Name  
In-Home Services - 90% State Funds

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Section II. Financial Statement Findings

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None Reported.

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Section III. Federal Award Findings and Question Costs

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None Reported.

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Section IV. State Award Findings and Question Costs

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None Reported.

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 For the Year Ended June 30, 2009

Grantor Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	State/ Pass-Through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Local <u>Expenditures</u>
<b>Federal Awards</b>					
<u>U. S. Department of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through N.C. Dept of Health and Human Services:					
Division of Aging					
Elderly Nutrition Program	10.570		\$ 108,150	\$ -	\$ -
Total U.S. Department of Agriculture			<u>108,150</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Defense</u>					
Pass-thru Office of Economic Adjustment Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation					
	12.607		<u>270,107</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Defense			<u>270,107</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Labor</u>					
<u>Employment &amp; Training Administration</u>					
Passed through N. C. Department of Commerce:					
Division of Employment and Training:					
Workforce Investment Act Cluster					
WIA - Adult Programs	17.258		748,817	-	-
WIA - Youth Activities	17.259		573,250	-	-
WIA - Dislocated Workers	17.260		<u>632,203</u>	<u>-</u>	<u>-</u>
Total Workforce Investment Act Cluster			<u>1,954,270</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Labor			<u>1,954,270</u>	<u>-</u>	<u>-</u>
<u>U. S. Environmental Protection Agency</u>					
Targeted Watersheds Grants	66.439		279,204	-	-
Surveys, Investigations, & Special Purpose Grants within the Office of Research & Development	66.510		<u>13,557</u>	<u>-</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>292,761</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Health &amp; Human Services</u>					
Passed through N. C. Dept. of Health and Human Services:					
Division of Aging					
Special Programs for the Aging - Title VII-B Programs for the Prevention of Elder Abuse, Neglect, and Exploitation					
	93.041		4,189	247	492
Special Programs for the Aging - Title VII-E Programs for Long-term Ombudsman Services for Older Individuals					
	93.042				
Special Programs for the Aging - Title III-F Disease Prevention and Health Promotion Service					
	93.043		35,411	2,083	4,165
Aging Cluster					
Special Programs for the Aging - Title III-B Grants for Supportive Services and Senior Centers					
- Legal Services	93.044		16,858	991	1,984
- Ombudsman	93.044		74,077	4,357	8,716
- Planning and Administration	93.044		63,357	3,472	17,647
- Access	93.044		292,947	17,232	34,464
- In-Home Services	93.044		<u>322,716</u>	<u>18,983</u>	<u>37,967</u>

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 For the Year Ended June 30, 2009

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Special Programs for the Aging - Title III-C					
Nutrition Services					
- Planning and Administration	93.045		50,394	2,761	14,036
- Congregate Nutrition	93.045		197,106	11,594	23,189
- Home-Delivered Meals	93.045		275,781	16,222	32,445
Total Aging Cluster			1,293,236	75,612	170,448
AAAs Planning	93.048		603	-	287
Special Programs for the Aging - Title III-E					
Planning and Administration	93.052		15,497	850	4,315
Family Caregiver	93.052		193,612	12,907	-
Total U.S. Department of Health and Human Services			1,542,548	91,699	179,707
<b>Total Federal Awards</b>			<b>4,167,836</b>	<b>91,699</b>	<b>179,707</b>
<b>State Awards</b>					
<u>N.C. Department of Health and Human Services</u>					
Division of Aging					
90% State Funds - Ombudsman	N/A		-	31,568	-
90% State Funds - Access	N/A		-	168,030	22,178
90% State Funds - In-Home Services	N/A		-	888,924	98,769
90% State Funds - Congregate Nutrition	N/A		-	43,241	4,805
90% State Funds - Home Delivered Meals	N/A		-	199,763	22,196
AAA Administration	N/A		-	59,376	-
Senior Center Outreach	N/A		-	7,056	784
Fans/Heat Program	N/A		-	2,712	-
Senior Center Development	N/A		-	43,628	14,543
Total N.C. Department of Health and Human Services			-	1,444,298	163,275
<u>N. C. Department of Transportation</u>					
Rural Planning Organization Funds	N/A	39269.11	-	97,557	24,369
Total N.C. Department of Transportation			-	97,557	24,369
<u>N. C. Department of Commerce</u>					
N.C. General Assembly Allocations					
General Fund	N/A		-	44,099	-
<b>Total State Awards</b>			-	<b>1,585,954</b>	<b>187,644</b>
<b>Total Federal and State Awards</b>			<b>\$ 4,167,836</b>	<b>\$ 1,677,653</b>	<b>\$ 367,351</b>

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

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the Mid-Carolina Council of Governments and is presented on the modified basis of accounting. The information in this schedule is presented 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.

MID-CAROLINA COUNCIL OF GOVERNMENTS, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 For the Year Ended June 30, 2009

Grantor Pass-through Grantor <u>Program Title</u>	Federal CFDA <u>Number</u>	State/ Pass-Through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Local <u>Expenditures</u>
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Subrecipients

Of the federal and State expenditures presented in the schedule, Mid-Carolina Council of Governments provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	CFDA <u>Number</u>	State Pass-through Grantor's <u>Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Elderly Nutrition Program		N/A	\$ 108,150	\$ -	-
Workforce Investment Act Cluster					
WIA-Adult Programs		2020	748,817	-	-
WIA-Youth Activities		2040	573,250	-	-
WIA-Dislocated Workers		2030	632,203	-	-
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Games		N/A	769,955	45,035	-
Special Programs for the Aging - Title III C Nutrition Services		N/A	523,281	30,577	-
90% State Funds - Ombudsman			-	31,568	-
90% State Funds - Access			-	168,030	-
90% State Funds - In-Home Services			-	888,924	-
90% State Funds - Congregate Nutrition			-	43,241	-
90% State Funds - Home Delivered Meals			-	199,763	-
Senior Center Outreach			-	7,056	-
			\$ <u>3,355,656</u>	\$ <u>1,414,194</u>	\$ <u>-</u>