

CHATHAM COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2009

CHATHAM COUNTY, NORTH CAROLINA
Compliance Letters
For the Year Ended June 30, 2009

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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
Chatham County, North Carolina

We have audited the accompanying 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 Chatham County, North Carolina, as of and for the year ended June 30, 2009, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 21, 2009. We did not audit the financial statements of the Chatham 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 Chatham County ABC Board, is based solely on the report of the other auditors. 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. The financial statements of the Chatham 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 Chatham 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 Chatham 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 County'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 County's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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 Chatham 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, others within the organization, 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 21, 2009

MARTIN ♦ STARNES & ASSOCIATES, CPAs, 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 Board of Commissioners
Chatham County, North Carolina

Compliance

We have audited the compliance of Chatham 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, 2009. Chatham County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings, responses, 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 Chatham County's management. Our responsibility is to express an opinion on Chatham 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 Chatham 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 of Chatham County's compliance with those requirements.

In our opinion, Chatham 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, 2009.

Internal Control Over Compliance

The management of Chatham 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 Chatham 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 an opinion on the effectiveness of the County'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 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 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 County'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 weaknesses. 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 basic 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 Chatham County, North Carolina, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 21, 2009. We did not audit the financial statements of the Chatham 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 Chatham 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 the basic financial statements of Chatham County, North Carolina. 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, is presented for purposes of additional analysis 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, others within the organization, 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 21, 2009

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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
Chatham County, North Carolina

Compliance

We have audited the compliance of Chatham 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, 2009. Chatham County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings, responses, 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 Chatham County's management. Our responsibility is to express an opinion on Chatham 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, 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 Chatham 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 Chatham County's compliance with those requirements.

In our opinion, Chatham 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, 2009.

Internal Control Over Compliance

The management of Chatham 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 Chatham 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.

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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 County'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 weaknesses. 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 basic 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 Chatham County, North Carolina, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 21, 2009. We did not audit the financial statements of the Chatham 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 Chatham 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 the basic financial statements of Chatham County, North Carolina. 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 Nont-Profit Organizations*, and the State Single Audit Implementation Act, is presented for purposes of additional analysis 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, others within the organization, 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.
October 21, 2009

CHATHAM COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of Chatham County, North Carolina.
- B. Our audit of the basic financial statements disclosed no significant deficiencies or material weaknesses in internal controls.
- C. Our audit of the basic financial statements disclosed no instances of noncompliance with laws, regulations, and the provisions of contracts and grant agreements that are material to the basic financial statements.
- D. Our audit of compliance with the types of compliance requirements applicable to the County's major programs disclosed no significant deficiencies or material weaknesses in internal controls over major programs.
- E. An unqualified opinion was issued on Chatham County, North Carolina's compliance with the types of compliance requirements applicable to its major federal programs.
- F. An unqualified opinion was issued on Chatham County, North Carolina's compliance with the types of compliance requirements applicable to its major State programs.
- G. Our audit disclosed no audit findings which related to federal and State awards.
- H. Major federal programs for the Chatham County, North Carolina for the fiscal year ended June 30, 2009 are:

<u>Program Name</u>	<u>CFDA#</u>
Medical Assistance	93.778
Subsidized Childcare Cluster	93.558, 93.575, 93.596, 93.667
Food Stamp Cluster:	
Food Stamp Program	10.551
State Administrative Matching Grants for Food Stamps	10.561
TANF	93.558
Foster Care and Adoption	93.658, 93.659

CHATHAM COUNTY, NORTH CAROLINA

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

- I. Major State programs for Chatham County, North Carolina for the fiscal year ended June 30, 2009 are:

<u>Program Name</u>	<u>CFDA#</u>
State/County Special Assistance	N/A
Child Protective Services	N/A
Public School Building Capital Fund	N/A

- J. The threshold for determining Type A programs for Chatham County, North Carolina is \$1,404,196.
- K. Chatham County, North Carolina did not qualify as a low risk auditee under Section .530 of Circular No. A-133.

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

None

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

CHATHAM COUNTY, NORTH CAROLINA

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

None.

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
Federal Awards:				
<u>U.S. Dept. of Agriculture</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Food Stamp Cluster: ⁴				
Administration:				
State Administrative Matching Grants for the Food Stamp Program:				
Administration	10.561		300,870	
Fraud Administration	10.561		11,013	
Direct Benefit Payment:				
Food Stamp Program	10.551		5,031,438	
Total Food Stamp Cluster			5,343,321	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		1,363,753	
Passed through Triangle J Council of Governments				
USDA Supplement	10.570		21,208	
Total U.S. Dept. of Agriculture			6,728,282	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through N.C. Department of Commerce				
Division of Community Assistance				
Community Development Block Grant - Scattered Site Housing	14.228	07-C-1654	167,750	
Total U.S. Department of Housing and Urban Development			167,750	-
<u>U.S. Dept. of Justice</u>				
<u>Bureau of Justice Assistance</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Gang Resistance and Education Training	16.737	2008-JV-FX-0039	5,472	
Byrne Justice Assistance Grant Program	16.738	019-1-06-001-BN-010	16,629	
Byrne Justice Assistance Grant Program	16.738	019-1-07-001-BH-761	33,847	
Direct Program:				
Supervised Visitation, Safe Havens for Children	16.527	2004-CS-AX-0012	129,892	
Grants to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	2005-WE-AX-0023	180,224	
Grants to Encourage Arrest Policies & Enforcement of Protection Orders	16.590	019106001BL230	62,610	
State Criminal Alien Assistance Program	16.606	2007-F6965-NC-AP	9,154	
Total U.S. Dept. of Justice			437,829	-
<u>Federal Highway Traffic Safety Administration</u>				
Passed-through the N.C. Department of Transportation:				
State and Community Highway Safety	20.600	PT-08-03-04-70	9,941	
State and Community Highway Safety	20.600	PT-09-03-04-36	20,536	
Total U.S. Dept. of Transportation			30,477	-
<u>U. S. Department of Homeland Security</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Division of Emergency Management				
Emergency Management Performance Grants	97.042		33,802	
Total U. S. Department of Homeland Security			33,802	-
<u>U.S. Dept. of Health & Human Services</u>				

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>Administration on Aging</u>				
<u>Division of Aging and Adult Services</u>				
Passed through Triangle J Council of Governments:				
<u>Aging Cluster:</u>				
Special Programs for the Aging - Title III D Disease Prevention and Health Promotion Services	93.043		5,196	306
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers				
Access Services	93.044		49,843	2,932
Legal Services	93.044		1,741	102
Special Programs for the Aging Title III C - Nutrition Services				
Congregate Nutrition	93.045		33,279	1,958
Home Delivered Meals	93.045		27,834	1,637
Total Aging Cluster			117,893	6,935
National Family Caregiver Support	93.052		33,773	2,252
Social Service Block Grant (SSBG) - In Home Services	93.667		54,458	1,556
<u>Administration for Children and Families</u>				
Passed-through the N.C. Board of Elections:				
Voting Access for Individuals with Disabilities	93.617		6,402	
Passed-through the N.C. Dept. of Health and Human Services:				
<u>Division of Social Services:</u>				
<u>Foster Care and Adoption Cluster (Note 4)</u>				
<u>Administration:</u>				
Title IV-E Foster Care	93.658		706,870	35,999
<u>Direct Benefit Payments:</u>				
Foster Care	93.658		156,524	23,748
Adoption Assistance	93.659		278,916	51,785
Total Foster Care and Adoption Cluster (Note 4)			1,142,310	111,532
Promoting Safe and Stable Families	93.556		68,936	
Temporary Assistance for Needy Families (TANF)				
Work Functional Assessment	93.558		1,400	
Work First Administration	93.558		39,286	
Work First Service	93.558		252,933	
Work First Demonstration	93.558		63,069	
TANF Domestic Violence	93.558		20,646	
N.C. Child Support Enforcement Section:				
IV-D Administration	93.563		412,540	213,515
IV-Incentive Recovery ARRA	93.563		20,499	(213,515)
IV-D Offset Fees - ESC	93.563		211	
IV-D Offset Fees - Federal	93.563		2,402	
Low Income Home Energy Assistance				
Low Income Energy Administrator	93.568		24,099	
Crisis Intervention Program	93.568		197,453	
Child Welfare Services - State Grants:				
Permanency Planning - Regular	93.645		12,990	4,330
Permanency Planning - Special	93.645		3,856	
Social Services Block Grant:				
In-Home Services over 60	93.667		13,291	
Other Services and Training	93.667		150,623	15,612
Independent Living Grant:				
Links	93.674		10,788	2,697
State Children's Insurance Program				
N.C. Health Choice	93.767		19,501	2,283

**CHATHAM COUNTY, NORTH CAROLINA
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
Medical Assistance Program				
Adt Cr Hm Cs Mgt/Spec	93.778		20,432	11,943
Medical Assistance Expansion	93.778		8,152	8,152
Medical Assistance Administration	93.778		582,910	
Medical Transportation Administration	93.778			
Medical Transportation Service	93.778		18,982	9,492
Direct Benefit Payments				
Temporary Assistance for Needy Families				
TANF Payments and Penalties	93.558		279,899	(70)
Family Support Payments to States				
AFDC Payments and Penalties	93.560		(1,324)	(363)
Low-Income Home Energy Assistance				
Block Grant	93.568		165,412	
Child Care Development Fund				
Child Care Mandatory and Matching Funds	93.596		83,023	
Independent Living Grant				
Links Transitional Funds	93.674		17,308	
Division of Child Development:				
Subsidized Child Care (Note 4)				
Child Care Development Fund Cluster: ^{4,5}				
Division of Social Services:				
Child Care Development Fund-Administration	93.596		83,023	
Division of Child Development:				
Child Care and Development -- Discretionary	93.575		799,997	
Child Care and Development Fund -- Mandatory	93.596		328,846	
Child Care and Development Fund -- Match	93.596		315,535	173,631
Total Child Care Development Fund Cluster			1,527,401	173,631
Social Services Block Grant	93.667		37,256	
TANF	93.558		311,494	
State Funds				
Smart Start				99,400
State Appropriations				302,713
TANF-MOE				70,161
Total Subsidized Child Care (Note 4)			1,876,151	645,905
Centers for Medicare and Medicaid Services				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778		33,377,678	13,066,831
Centers for Disease Control				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Immunization Grants	93.268		13,994	
Prevention Investigations and Technical Assistance	93.283		56,272	
Temporary Assistance for Needy Families	93.558		4,494	
Social Service Block Grant	93.667		9,916	
Medical Assistance Program	93.778		47,980	
Statewide Health Promotion Program	93.991		22,308	
Maternal and Child Health Services Block Grant	93.994		114,625	
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		40,814	
Total U.S. Dept. of Health and Human Services			39,408,386	14,102,604
Total Federal Awards			46,806,526	14,102,604

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
State Awards:				
<u>N.C. Dept. of Cultural Resources</u>				
Division of State Library				
State Aid to Public Libraries				106,287
Total N.C. Dept. of Cultural Resources			-	106,287
<u>N.C. Department of Environment and Natural Resources</u>				
White Goods Management Program				4,425
Environmental Health Services				20,997
Food & Lodging Grant				10,781
Childhood Lead Poisoning				2,000
Agricultural Cost Share-Technical Assistance				24,630
Education Grant				4,000
Total N.C. Dept. of Environmental and Natural Resources			-	66,834
Division of Social Services:				
Administration and Services				
Adoption Guardianship				19,944
AFDC-Program Integrity				185
Child Protective Services				432,827
Energy Assistance Private Grants				13,784
State Aid to Counties				25,306
TANF Incentive / Program Integrity				826
Direct Benefit Payments:				
State/County Special Assistance for Adults				
Domiciliary Care Payments				512,048
State Foster Home				80,738
State Foster Home Maximization				29,966
CWS Adoption Subsidy & Vendor				176,899
F/C At Risk Maximization				24,263
Total Division of Social Services			-	1,316,785
Division of Public Health				
General				142,885
Minority Health				40,000
Communicable Disease				1,610
Tuberculosis				9,148
AIDS				500
Cardiovascular Health				400
Maternal Care Coordinator				35,160
Women's Preventative Health				8,177
Statewide Health Promotions				18,560
Breast and Cervical Cancer Control				8,160
Risk Reduction/Health Promotion				12,083
TB Medical Services				540
Total Division of Public Health				277,223
Total N. C. Department of Health and Human Services			-	1,594,008
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Capital Fund				292,550
Public School Building Capital Fund-Lottery Proceeds				1,183,624
Public School Bond Fund				
Total N.C. Dept. of Public Instruction			-	1,476,174

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (ROAP)				
ROAP-Elderly and Disabled Transportation Assistance Program				80,703
ROAP Rural General Public Program				87,140
ROAP Work First Transitional - Employment Transportation Assistance Program				14,559
Total ROAP			-	182,402
<u>Passed through Triangle J Council of Governments</u>				
In-Home Services for Frail Older Individuals				239,680
Access for Grants for Supportive Services and Senior Centers				16,772
Congregate Nutrition				7,658
Home Delivered Meals				16,464
Fans Program				736
Senior Center Development				8,725
Total Passed through Triangle J Council			-	290,035
<u>N.C. Dept. of Corrections</u>				
Criminal Justice Partnership Program				
Total State awards			-	3,715,740
Total Federal and State awards			46,806,526	17,818,343

**CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009**

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

Note 1 - Basis of Presentation

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

Note 2 - Loans Outstanding

The County of Chatham had the following loan balances outstanding at June 30, 2008. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>State / Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
NC Drinking Water Bond Program:		
Revolving Loan Program	H-LRX-A-87-0727	115,914
Revolving Fund Program	H-SRF-D-97-0410C	195,605
Revolving Fund Program	H-LRX-R-DW-0960A	6,229,235

Note 3 - Major Programs

Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133. Also, the federal portion of cluster programs is included when identifying major programs for calculating the percentage of coverage of awards expended.

Note 4 - State Clustered Programs

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, and Substance Abuse Services.

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

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

Note 5 - Federal and State Awards Which Have Passed Through to Subrecipients

<u>Subrecipient/Program Title</u>	<u>CFDA Number</u>	<u>State/Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Chatham County Together				
Juvenile Crime Prevention Program				43,854
Chatham County Transit Network				
Elderly and Disabled Trans Assist Prog		36220.6.1.1		80,703
Rural General Public Program		36228.16.1.1		87,140
Work First / Employment Transportation Operating Assistance		36236.2.1.1		14,559
Deep River Mediation				
Juvenile Crime Prevention Program				64,265
Hillcrest Youth Shelter				
Juvenile Crime Prevention Program				9,592
Hispanic Liaison				
Gang Prevention Grant	16.738	019107001BH761	33,847	
Orange County				
Juvenile Crime Prevention Program				36,327
Orange-Person-Chatham Mental Health				
Juvenile Crime Prevention Program				5,212
Triangle Land Conservancy				
ADFP Trust Fund Program				25,000
Total Passed Through to Subrecipients			<u>\$ 33,847</u>	<u>\$ 366,652</u>