

**CHATHAM COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2012

CHATHAM COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

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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 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, 2012, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2012. Our report includes a reference to 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. Other auditors audited the financial statements of the Chatham County ABC Board, as described in our report on Chatham County's financial statements. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of Chatham County is responsible for establishing and maintaining effective 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 Chatham County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 previously.

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 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 is 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 Board of Commissioners, 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 31, 2012

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

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Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Commissioners
Chatham County, North Carolina

Compliance

We have audited Chatham County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Chatham County's major federal programs for the year ended June 30, 2012. Chatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of 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; 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Chatham County is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chatham County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2012 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose report thereon has 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. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Chatham County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, 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 31, 2012

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Report On Compliance With Requirements That Could Have A Direct And Material Effect On 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

Independent Auditors' Report

To the Board of Commissioners
Chatham County, North Carolina

Compliance

We have audited Chatham County's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Chatham County's major State programs for the year ended June 30, 2012. Chatham County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of 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; 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 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 compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Chatham County is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 Chatham County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 31, 2012 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose report thereon has 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. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Chatham County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, 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 31, 2012

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X No

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X No

Type of auditors' report issued on compliance for major federal programs: Unqualified

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

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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'S FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

None

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| <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: | | | | |
| Administration: | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program: | | | | |
| ARRA -Supplemental Nutrition Assistance Program | 10.561 | | \$ 392,428 | \$ - |
| Supplemental Nutrition Assistance Program | 10.561 | | 5,793 | - |
| Supplemental Nutrition Assistance Program-Fraud | 10.561 | | - | 320 |
| Supplemental Nutrition Assistance Program-Incentive | 10.561 | | - | 320 |
| Total Supplemental Nutrition Assistance Program Cluster | | | <u>398,221</u> | <u>320</u> |
| 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 | | 1,112,824 | - |
| AGRI-SFP Food Program Meal | 10.559 | | 287 | - |
| Passed through Triangle J Council of Governments | | | | |
| USDA Supplement | 10.570 | | 17,363 | - |
| Passed-through the N.C. Department of Environment and Natural Resources | | | | |
| Urban & Community Forestry Grant | 10.664 | | 1,120 | - |
| Total U.S. Dept. of Agriculture | | | <u>1,529,815</u> | <u>320</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Passed through N.C. Housing Finance Agency | | | | |
| HOME Investments Partnership Program-Single Family Rehabilitation | 14.239 | | 28 | - |
| HOME Investments Partnership Program-Urgent Repair Program | 14.239 | | 27 | - |
| Passed through N.C. Department of Commerce | | | | |
| Division of Community Assistance | | | | |
| Community Development Block Grant - Scattered Site Housing | 14.228 | 10-C-2116 | 142,670 | - |
| Community Development Block Grant - Economic Recovery | 14.228 | 10-C-2139 | 27,943 | - |
| Total CDBG State-Administered CDBG Cluster | | | <u>170,613</u> | <u>-</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>170,668</u> | <u>-</u> |
| <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 | | |
| Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EMI) | 16.590 | 019106001BL230 | 61,773 | - |
| Byrne Justice Assistance Grant Program | 16.738 | 019-1-06-001-BN-010 | | |
| Crime Victim Assistance | 16.575 | 019-1-07-001-BH-761 | 34,195 | - |
| Direct Program: | | | | |
| Supervised Visitation, Safe Havens for Children | 16.527 | 2004-CS-AX-0012 | 102,164 | - |
| Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR) | 16.590 | 2005-WE-AX-0023 | 122,996 | - |
| Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR) | 16.590 | | 42,915 | - |
| Bulletproof Vest Partnership Program | 16.607 | | 4,244 | - |
| State Criminal Alien Assistance Program | 16.606 | 2007-F6965-NC-AP | 13,613 | - |
| Total U.S. Dept. of Justice | | | <u>381,900</u> | <u>-</u> |

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| <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>U.S. Dept. of Transportation</u> | | | | |
| <u>Federal Transit Administration</u> | | | | |
| Passed-through the N.C. Department of Transportation: | | | | |
| ARRA-Formula Grants for Other Than Urbanized Areas | 20.509 | | 570 | - |
| ARRA-Highway Planning & Construction | 20.205 | XXXX | - | - |
| Total U.S. Dept. of Transportation | | | 570 | - |
| <u>U. S. Department of Homeland Security</u> | | | | |
| Passed-through N.C. Dept. of Crime Control and Public Safety: | | | | |
| <u>Division of Emergency Management</u> | | | | |
| Emergency Management Performance Grants | 97.042 | | 29,494 | - |
| Total U. S. Department of Homeland Security | | | 29,494 | - |
| <u>U.S. Dept. of Health & Human Services</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> ⁴ | | | | |
| Special Programs for the Aging - Title III B | | | | |
| Grants for Supportive Services and Senior Centers | | | | |
| Access Services | 93.044 | | 34,634 | 2,037 |
| In-Home Services | 93.044 | | 54,747 | 3,220 |
| Legal Services | 93.044 | | | |
| Special Programs for the Aging | | | | |
| Title III C - Nutrition Services | | | | |
| Congregate Nutrition | 93.045 | | 64,993 | 3,823 |
| Home Delivered Meals | 93.045 | | 68,625 | 4,037 |
| Total Aging Cluster | | | 222,999 | 13,117 |
| Special Programs for the Aging - Title III D | | | | |
| Disease Prevention and Health Promotion Services | 93.043 | | 5,100 | 300 |
| National Family Caregiver Support | 93.052 | | 37,262 | 2,484 |
| Social Service Block Grant (SSBG) - In Home Services | 93.667 | | 20,351 | 581 |
| | | | 62,713 | 3,365 |
| <u>Administration for Children and Families</u> | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| <u>Division of Social Services:</u> | | | | |
| Foster Care and Adoption Cluster (Note 4) | | | | |
| Administration: | | | | |
| Title IV-E Foster Care | 93.658 | | 620,678 | 28,099 |
| Adoption Assistance | 93.659 | | 6,588 | - |
| Direct Benefit Payments: | | | | |
| Foster Care | 93.658 | | 152,002 | 43,585 |
| Adoption Assistance | 93.659 | | 397,821 | 106,595 |
| Total Foster Care and Adoption Cluster (Note 4) | | | 1,177,089 | 178,279 |
| Promoting Safe and Stable Families | 93.556 | | 5,803 | - |
| N.C. Child Support Enforcement Section: | | | | |
| IV-D Administration | | | | |
| ARRA-CSE Incentive Recovery | 93.563 | | 362,035 | (160) |
| IV-D Offset Fees - ESC | 93.563 | | - | - |
| IV-D Offset Fees - Federal | 93.563 | | 84 | - |
| | | | 1,564 | 55 |
| Low Income Home Energy Assistance: | | | | |
| Crisis Intervention Program | | | | |
| Low Income Energy Administration | 93.568 | | 256,330 | - |
| Low Income Home Energy | 93.568 | | 34,814 | - |
| | | | 70,169 | - |
| Child Welfare Services - State Grants: | | | | |
| Permanency Planning - Special | 93.645 | | 7,847 | 4,449 |

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| <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> |
|--|------------------------------------|---|---|-------------------------------|
| Social Services Block Grant: | | | | |
| In-Home Services over 60 | 93.667 | | 2,834 | - |
| Other Services and Training | 93.667 | | 202,584 | 8,281 |
| Family Violence Prevention Grant: | | | | |
| Family Violence Prevention | 93.671 | | 7,500 | - |
| Independent Living Grant: | | | | |
| Links | 93.674 | | 16,061 | 4,015 |
| State Children's Insurance Program | | | | |
| N.C. Health Choice | 93.767 | | 31,224 | 1,647 |
| Temporary Assistance for Needy Families (TANF): | | | | |
| TANF | 93.558 | | 21,485 | - |
| TANF Domestic Violence | 93.558 | | 25,117 | - |
| Work First Administration | 93.558 | | 21,671 | - |
| Work First Service | 93.558 | | 264,620 | - |
| Direct Benefit Payments | | | | |
| Temporary Assistance for Needy Families | | | | |
| TANF Payments and Penalties | 93.558 | | 230,843 | - |
| Total TANF Cluster | | | <u>563,736</u> | <u>-</u> |
| Direct Benefit Payments | | | | |
| Family Support Payments to States | | | | |
| AFDC Payments and Penalties | 93.560 | | (505) | (132) |
| Low-Income Home Energy Assistance | | | | |
| Block Grant | 93.568 | | (403) | - |
| Independent Living Grant | | | | |
| Links Transitional Funds | 93.674 | | 16,600 | - |
| 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 | | 90,257 | - |
| Division of Child Development: | | | | |
| Child Care and Development -- Discretionary | 93.575 | | 812,613 | - |
| Child Care and Development Fund -- Mandatory | 93.596 | | 290,940 | - |
| Child Care and Development Fund -- Match | 93.596 | | 397,731 | 172,591 |
| Total Child Care Development Fund Cluster | | | <u>1,591,541</u> | <u>172,591</u> |
| Temporary Assistance for Needy Families (TANF) | 93.558 | | 351,344 | - |
| ARRA - Emergency Contingency Fund for TANF | 93.714 | | 47,702 | - |
| Foster Care Title IV-E | 93.658 | | 9,869 | - |
| Smart Start | | | - | 29,470 |
| State Appropriations | | | - | 226,347 |
| TANF-MOE | | | - | 124,358 |
| Total Subsidized Child Care (Note 4) | | | <u>2,000,456</u> | <u>552,766</u> |
| 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 | | 31,541,847 | 18,365,834 |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| Division of Social Services: | | | | |
| Medical Assistance Program | | | | |
| Adt Cr Hm Cs Mgt/Spec | 93.778 | | 10,285 | 4,348 |
| Medical Assistance Expansion | 93.778 | | 6,821 | 6,821 |
| Medical Assistance Administration | 93.778 | | 663,031 | - |
| Medical Transportation Service | 93.778 | | 13,205 | 7,062 |
| Total Medicaid Cluster | | | <u>32,235,189</u> | <u>18,384,065</u> |

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures |
|--|---------------------------|---|---|-----------------------|
| <u>Centers for Disease Control</u> | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| Division of Public Health: | | | | |
| Public Health Emergency Preparedness | 93.069 | | 42,085 | - |
| Immunization Program/Aid to County Funding | 93.268 | | 17,056 | - |
| Prevention Investigations and Technical Assistance | 93.283 | | 22,440 | - |
| ARRA Preventing Healthcare-Associated Infections | 93.717 | | 4,027 | - |
| Coop Agreement for Breast and Cervical Cancer | 93.919 | | 8,880 | - |
| <u>Health Resources and Services Administration</u> | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| Division of Public Health: | | | | |
| Maternal and Child Health Services Block Grant | 93.994 | | 80,443 | 124,706 |
| <u>Office of Population Affairs</u> | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| Office of Population Affairs | | | | |
| Family Planning Services | 93.217 | | 38,442 | - |
| Total U.S. Dept. of Health and Human Services | | | 37,490,096 | 19,274,452 |
| Total Federal Awards | | | 39,602,543 | 19,274,771 |
| State Awards: | | | | |
| <u>N.C. Department of Commerce</u> | | | | |
| One North Carolina Fund | | | - | 250,000 |
| Total N.C. Dept of Commerce | | | - | 250,000 |
| <u>N.C. Dept. of Cultural Resources</u> | | | | |
| Division of State Library | | | | |
| State Aid to Public Libraries | | | - | 101,029 |
| Total N.C. Dept. of Cultural Resources | | | - | 101,029 |
| <u>N.C. Department of Environment and Natural Resources</u> | | | | |
| White Goods Management Program | | | - | 45,903 |
| Scrap Tire Grant | | | - | 1,005 |
| Electronics | | | - | 4,838 |
| Environmental Health Services | | | - | 3,400 |
| Food & Lodging Grant | | | - | 5,391 |
| Agricultural Cost Share-Technical Assistance | | | - | 22,834 |
| Education Grant | | | - | 3,600 |
| Clean Water Management Trust Fund | | | - | 214,290 |
| Total N.C. Dept. of Environmental and Natural Resources | | | - | 301,261 |
| <u>N.C. Dept. of Health and Human Services</u> | | | | |
| Division of Social Services: | | | | |
| Administration and Services | | | | |
| AFDC-Program Integrity | | | - | 594 |
| Energy Assistance Private Grants | | | - | 11,744 |
| TANF Incentive / Program Integrity | | | - | 299 |
| Direct Benefit Payments: | | | | |
| State/County Special Assistance for Adults | | | | |
| Domiciliary Care Payments | | | - | 458,260 |
| State Foster Home | | | - | 54,862 |
| State Foster Home Maximization | | | - | 12,448 |
| CWS Adoption Subsidy & Vendor | | | - | 225,567 |
| F/C At Risk Maximization | | | - | 6,874 |
| Total Division of Social Services | | | - | 770,647 |

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures |
|--|------------------------------------|---|---|-------------------------------|
| Division of Public Health | | | | |
| General Aid to Counties | | | - | 94,830 |
| General Communicable Disease Control | | | - | 1,610 |
| TPPI-Pregnancy Prevention | | | - | 43,009 |
| Risk Reduction/Health Promotion | | | - | 8,935 |
| Obesity Prevention | | | - | 21,050 |
| Interpreter Grant II | | | - | 20,900 |
| WHSF | | | - | 8,177 |
| TB Medical Services | | | - | 540 |
| Tuberculosis | | | - | 9,148 |
| Total Division of Public Health | | | - | 208,199 |
| Division of Vocational Rehabilitation Services | | | | |
| Vocational Rehabilitation | | | - | 9,306 |
| Total N. C. Department of Health and Human Services | | | - | 1,089,181 |
| <u>N.C. Dept. of Public Instruction</u> | | | | |
| Public School Building Capital Fund-Lottery Proceeds | | | - | 496,589 |
| Total N.C. Dept. of Public Instruction | | | - | 496,589 |
| <u>N.C. Dept. of Transportation</u> | | | | |
| Rural Operating Assistance Program (ROAP) | | | | |
| ROAP-Elderly and Disabled Transportation Assistance Program | | | - | 68,005 |
| ROAP Rural General Public Program | | | - | 69,334 |
| ROAP Work First Transitional - Employment Transportation Assistance Program | | | - | 20,865 |
| Total ROAP | | | - | 158,204 |
| <u>Passed through Triangle J Council of Governments</u> | | | | |
| In-Home Services for Frail Older Individuals | | | - | 123,226 |
| Access for Grants for Supportive Services and Senior Centers | | | - | 61,890 |
| Congregate Nutrition | | | - | 7,920 |
| Home Delivered Meals | | | - | 43,775 |
| Senior Center Development | | | - | 8,136 |
| Total Passed through Triangle J Council | | | - | 244,947 |
| Total State awards | | | - | 2,641,211 |
| Total Federal and State awards | | | \$ 39,602,543 | \$ 21,915,982 |

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012. 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 | \$ 89,165 |
| Revolving Fund Program | H-SRF-D-97-0410C | 142,258 |
| Revolving Fund Program | H-LRX-R-DW-0960A | 4,235,677 |
| Revolving Fund Program | H-LRX-F-03-0960A | 124,788 |

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.

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 | | | \$ - | \$ 109,182 |
| Chatham County Transit Network | | | | |
| Elderly and Disabled Trans Assist Prog | | 36220.6.1.1 | - | 68,005 |
| Rural General Public Program | | 36228.16.1.1 | - | 69,334 |
| Work First / Employment Transportation Operating Assistance | | 36236.2.1.1 | - | 20,865 |
| Boys & Girls Club Eastern | | | | |
| Juvenile Crime Prevention Program | | | - | 32,500 |
| Haven House | | | | |
| Juvenile Crime Prevention Program | | | - | 10,583 |
| Mental Health America-Triangle | | | | |
| Juvenile Crime Prevention Program | | | - | 5,447 |
| Orange-Person-Chatham Mental Health | | | | |
| Juvenile Crime Prevention Program | | | - | 4,607 |
| Total Passed Through to Subrecipients | | | <u>\$ -</u> | <u>\$ 320,523</u> |