

**CHATHAM COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2013

CHATHAM COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2013

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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*

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2013, not presented here, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements, and have issued our report thereon dated November 26, 2013. The financial statements of the Chatham County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chatham County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chatham County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chatham County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 26, 2013

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

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

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report On Compliance for Each Major Federal Program

We have audited Chatham County, North Carolina, 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chatham County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Chatham County's compliance.

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Opinion On Each Major Federal Program

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report On Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements. We issued our report thereon dated November 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chatham County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 26, 2013

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report On Compliance for Each Major State Program

We have audited Chatham County, North Carolina, 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chatham County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major State program. However, our audit does not provide a legal determination of Chatham County's compliance.

Opinion On Each Major State Program

In our opinion, Chatham County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2013.

Report On Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report On Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements. We issued our report thereon dated November 26, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chatham County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 26, 2013

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ Yes <u> X </u> No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Non-compliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	_____ Yes <u> X </u> No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes <u> X </u> No

Identification of major federal programs:

Program Name

CFDA#

Medicaid Cluster	93.778, 93.777, 93.775, 93.720
Child Care Development Fund Cluster	93.575, 93.596

Dollar threshold used to distinguish between Type A and Type B Programs:	\$1,187,604
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Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No
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CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

2. Financial Statement Findings

None reported.

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

CHATHAM COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

None reported.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local 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 Cluster:					
FS Incentive Retention	10.551		\$ 7,655	\$ -	\$ -
Supplemental Nutrition Assistance Program	10.561		440,872	-	-
Supplemental Nutrition Assistance Program-Fraud	10.561		613	-	-
Total for State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster			449,140	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Direct Benefit Payments:					
Child Nutrition Cluster:					
AGRI-SFP Food Program Meal	10.559		83	-	-
Passed through Triangle J Council of Governments					
USDA Supplement	10.570		17,044	-	-
Passed-through the N.C. Department of Environment and Natural Resources					
Urban & Community Forestry Grant	10.664		1,187	-	-
<u>Rural Utilities Service</u>					
Direct Program:					
Water and Waste Water Disposal Systems for Rural Communities (Note 2)	10.760				
Total U.S. Dept. of Agriculture			467,454	-	-
<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		79,192	-	-
Passed through N.C. Department of Commerce					
Division of Community Assistance					
CDBG-State Administered Cluster					
Community Development Block Grant - Scattered Site Housing	14.228	10-C-2116	214,737	-	-
Community Development Block Grant - Economic Recovery	14.228	10-C-2139	240,820	-	-
Total U.S. Department of Housing and Urban Development			534,749	-	-
<u>U.S. Dept. of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Passed-through N.C. Dept. of Crime Control and					
Public Safety:					
Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EMI)	16.590	019106001BL230	64,109	-	-
Crime Victim Assistance	16.575	019-1-07-001-BH-761	64,868	-	-
Direct Program:					
Supervised Visitation, Safe Havens for Children	16.527	2009-CW-AX-K008	80,981	-	-
Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR)	16.590	2011-WE-AX-0039	192,028	-	-
ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.804	XXXX			
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0709	12,807	-	-
Total U.S. Dept. of Justice			414,793	-	-
<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		34,591	-	-
Total U. S. Department of Homeland Security			34,591	-	-

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
U.S. Dept. of Health and Human Services					
Administration on Aging					
Division of Aging and Adult Services					
Passed through Triangle J Council of Governments:					
Aging Cluster: ⁴					
Special Programs for the Aging - Title III D					
Disease Prevention and Health Promotion Services	93.043		5,100	300	-
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers					
Access Services	93.044		50,046	2,944	-
In-Home Services	93.044		13,280	781	-
Special Programs for the Aging					
Title III C - Nutrition Services					
Congregate Nutrition	93.045		115,785	6,811	-
Home Delivered Meals	93.045		54,019	3,178	-
Total Aging Cluster			233,130	13,714	-
National Family Caregiver Support	93.052		35,737	2,382	-
Administration for Community Living					
Passed-through the N.C. Board of Elections:					
Voting Access for Individuals with Disabilities	93.617		1,066	-	-
Administration of Children and Families					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster (Note 4)					
Administration:					
Title IV-E Adoption	93.659		106	-	-
Title IV-E Adoption Training	93.659		43,887	-	40,145
Title IV-E Foster Care	93.658		53,630	24,634	28,996
Title IV-E Foster Care Training	93.658		484,497	5,971	256,540
Direct Benefit Payments:					
Foster Care	93.658		133,901	38,492	40,411
Adoption Assistance	93.659		433,430	114,515	114,515
Total Foster Care and Adoption Cluster (Note 4)			1,149,451	183,611	480,607
Promoting Safe and Stable Families	93.556		6,821	-	-
Temporary Assistance for Needy Families (TANF) Cluster:					
TANF	93.558		3,636	-	-
Work First Administration	93.558		48,249	-	51,363
Work First Service	93.558		243,011	-	288,830
Direct Benefit Payments					
Temporary Assistance for Needy Families					
Special Children Adoption	93.558		7,524	-	-
TANF Payments and Penalties	93.558		204,595	-	-
Total TANF Cluster			507,015	-	340,193
N.C. Child Support Enforcement Section:					
IV-D Administration	93.563		377,430	-	194,434
IV-D Offset Fees - ESC	93.563		68	-	35
IV-D Offset Fees - Federal	93.563		1,160	(5)	602
Low Income Home Energy Assistance:					
Crisis Intervention Program	93.568		251,628	-	-
Low Income Energy Administration	93.568		33,811	-	-
Low Income Home Energy	93.568		77,000	-	-
Child Welfare Services - State Grants:					
Permanency Planning - Special	93.645		44,077	-	14,692
Social Services Block Grant:					
Social Services Block Grant	93.667		-	500	-
CPS TANF to SSBG	93.667		364,179	-	-
In Home Services	93.667		(1,830)	-	(262)
In-Home Services over 60	93.667		9,973	-	1,425
Other Services and Training	93.667		192,269	15,425	69,481

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
Independent Living Grant:					
Links	93.674		14,627	3,657	-
State Children's Insurance Program					
N.C. Health Choice	93.767		62,335	2,930	15,639
Medical Assistance Program					
Adt Cr Hm Cs Mgt/Spec	93.778		9,267	4,633	4,633
Medical Assistance Expansion	93.778		8,252	8,252	-
Medical Assistance Administration	93.778		620,327	-	614,443
Medical Transportation Administration	93.778		46,061	-	46,061
Medical Transportation Service	93.778		11,634	6,136	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778		31,995,443	17,614,339	1,712
			32,690,984	17,633,360	666,849
Direct Benefit Payments					
Family Support Payments to States					
AFDC Payments and Penalties	93.560		(547)	(150)	(150)
Independent Living Grant					
Links Transitional Funds	93.674		10,679	-	-
Division of Child Development:					
Subsidized Child Care (Note 4)					
<u>Child Care Development Fund Cluster:</u> ^{4,5,6}					
Division of Social Services:					
Child Care Development Fund-Administration	93.596		80,468	-	-
Division of Child Development:					
Child Care and Development -- Discretionary	93.575		697,774	-	-
Child Care and Development Fund -- Mandatory	93.596		301,797	-	-
Child Care and Development Fund -- Match	93.596		370,124	151,619	-
Total Child Care Development Fund Cluster			1,450,163	151,619	-
Social Services Block Grant	93.667		8,032	-	-
Temporary Assistance for Needy Families (TANF)	93.558		385,331	-	-
Foster Care Title IV-E	93.658		16,558	7,945	-
State Funds					
Smart Start			-	6,593	-
State Appropriations			-	176,131	-
TANF-MOE			-	129,597	-
Total Subsidized Child Care (Note 4)			1,860,084	471,885	-
<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		49,177	-	-
Immunization Program/Aid to County Funding	93.268		14,132	-	-
Prevention Investigations and Technical Assistance	93.283		4,796	-	-
Coop Agreement for Breast and Cervical Cancer	93.919		8,880	-	-
Statewide Health Promotion Program	93.991		19,556	-	-
<u>Health Resources and Services Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
State Health Access Program	93.256		2,199	-	-
Maternal and Child Health Services Block Grant	93.994		76,229	57,178	-
<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		34,009	-	-
Total U.S. Dept. of Health and Human Services			38,135,225	18,384,786	1,783,546
Total Federal Awards			39,586,812	18,384,786	1,783,546

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
State Awards:					
<u>N.C. Dept. of Cultural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	96,151	-
Total N.C. Dept. of Cultural Resources			-	96,151	-
<u>N.C. Department of Environment and Natural Resources</u>					
White Goods Management Program			-	17,440	-
Scrap Tire Grant			-	1,656	-
Electronics Management			-	3,612	-
Waste Reduction Grant			-	3,366	-
Environmental Health Services			-	4,000	-
Agricultural Cost Share-Technical Assistance			-	23,019	-
Education Grant			-	3,600	-
Total N.C. Dept. of Environmental and Natural Resources			-	56,692	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
Administration and Services					
AFDC-Program Integrity			-	718	-
Energy Assistance Private Grants			-	24,664	-
Non-Allocating County Cost			-	-	239,200
State/County Special Assistance for Adults-Administration			-	12,145	29,002
Direct Benefit Payments:					
State/County Special Assistance for Adults					
Domiciliary Care Payments			-	429,479	429,479
State Foster Home			-	43,209	43,209
State Foster Home Maximization			-	28,399	28,399
CWS Adoption Subsidy & Vendor			-	236,570	78,857
F/C At Risk Maximization			-	751	399
Total Division of Social Services			-	775,934	848,544
Division of Public Health					
General Aid to Counties			-	80,663	-
General Communicable Disease Control			-	1,610	-
Environmental Health			-	4,000	-
Food and Lodging Fees			-	7,818	-
School Nurse Funding Initiative			-	100,000	-
Tuberculosis			-	9,148	-
Healthy Communities			-	2,839	-
TPPI-Pregnancy Prevention			-	60,000	-
Risk Reduction/Health Promotion			-	6,206	-
Interpreter Grant II			-	20,900	-
WHSF			-	8,609	-
TB Medical Services			-	540	-
Total Division of Public Health			-	302,333	-
Division of Vocational Rehabilitation Services					
Vocational Rehabilitation			-	4,030	-
Total N. C. Department of Health and Human Services			-	1,178,448	848,544
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund-Lottery Proceeds			-	542,984	-
Total N.C. Dept. of Public Instruction			-	542,984	-
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP)					
ROAP-Elderly and Disabled Transportation Assistance Program			-	63,570	-
ROAP Rural General Public Program			-	78,325	-
ROAP Work First Transitional - Employment			-	16,667	-
Total ROAP			-	158,562	-

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
<u>Passed through Triangle J Council of Governments</u>					
In-Home Services for Frail Older Individuals			-	167,863	-
Access for Grants for Supportive Services and Senior Centers			-	30,992	-
Home Delivered Meals			-	37,524	-
Senior Center Development			-	15,670	-
Total Passed through Triangle J Council			-	252,049	-
Total State awards			-	2,284,887	848,544
Total Federal and State awards			\$ 39,586,812	\$ 20,669,673	\$ 2,632,090

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013. 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	\$ 80,248
Revolving Fund Program	H-SRF-D-97-0410C	124,476
Revolving Fund Program	H-LRX-R-DW-0960A	3,933,129
Revolving Fund Program	H-LRX-F-03-0960A	115,874

Note 3 - Subrecipients

<u>Subrecipient/Program Title</u>	<u>CFDA</u>	<u>State/Pass-Through</u>	<u>Federal</u>	<u>State</u>
Juvenile Crime Prevention Program				\$ 97,602
Chatham County Transit Network				
Elderly and Disabled Trans Assist Prog		36235.19.1.2		63,570
Rural General Public Program - Discretionary		36228.15.1.1		
Rural General Public Program		36228.22.5.1		78,325
Work First / Employment Transportation Operating Assistance		36235.19.2.2		16,677
Cardinal Innovations Healthcare				
Juvenile Crime Prevention Program				5,119
El Futuro				
Juvenile Crime Prevention Program				16,830
Haven House				
Juvenile Crime Prevention Program				11,760
Mental Health America-Triangle				
Juvenile Crime Prevention Program				5,980
NC Admin Office of the Courts				
Juvenile Crime Prevention Program				3,183
Total Passed-Through to Subrecipients			\$ -	\$ 299,046

Note 4 - 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 5 - 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: Special Programs for the Aging, Subsidized Child Care, and Foster Care and Adoption.

Note 6 - Subsidized Child Care Cluster and Child Care Development Fund Cluster

These programs as administered as a pass-through from Chatham County to Child Care Networks of \$2,331,969.