

COMPLIANCE SECTION

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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 units, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 22, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first preceding 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, 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 22, 2007



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

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

To the Board of Commissioners
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, 2007. 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 Standard*, 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 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 federal programs for the year ended June 30, 2007.

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.

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October 22, 2007



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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, 2007. 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; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of *OMB Circular A-133*, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about 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, 2007.

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.

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 22, 2007

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

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, 2007 are:

Program Name	CFDA#
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

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

- I. Major State programs for Chatham County, North Carolina for the fiscal year ended June 30, 2007 are:

Program Name	CFDA#
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 \$1,084,636.
- 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, 2007**

None.

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Federal Awards:			
<u>U.S. Dept. of Agriculture</u>			
<u>Food and Nutrition Service</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	229,844	
E&T & Dependent Care	10.561	1,700	
Fraud Administration	10.561	8,855	
Direct Benefit Payment:			
Food Stamp Program	10.551	2,977,541	
Total Food Stamp Cluster		3,217,940	-
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	1,013,233	
Child and Adult Care Food Program	10.558	472	
Passed through Triangle J Council of Governments			
USDA Supplement	10.570	19,221	
Total U.S. Dept. of Agriculture		4,250,865	-
<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 - Southern Supreme	14.228	224,199	
Community Development Block Grant - Infrastructure Program	14.228	59,899	
Community Development Block Grant - Scattered Site Housing	14.228	80,613	
Total U.S. Department of Housing and Urban Development		364,711	-
<u>U.S. Dept. of Justice</u>			
<u>Bureau of Justice Assistance</u>			
Passed-through N.C. Dept. of Crime Control and Public Safety:			
Justice Assistance Grant Program	16.738	31,238	
Direct Program:			
Supervised Visitation, Safe Havens for Children	16.527	154,636	
Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR)	16.590	177,759	
State Criminal Alien Assistance Program	16.606	22,513	
Total U.S. Dept. of Justice		386,146	-
<u>U.S. Dept. of Transportation</u>			
<u>Federal Highway Traffic Safety Administration</u>			
Passed-through the N.C. Department of Transportation:			
State and Community Highway Safety	20.600	8,556	
Total U.S. Dept. of Transportation		8,556	-

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>U. S. Department of Homeland Security</u>			
Passed-through N.C. Dept. of Crime Control and Public Safety:			
Division of Emergency Management			
Home Land Security Grant Program	97.004	300,000	
Emergency Management Performance Grants	97.042	24,963	
Total U. S. Department of Homeland Security		324,963	-
<u>U.S. Institute of Museum and Library Services</u>			
Office of Library Services			
Passed-through the NC Dept. of Cultural Resources			
Library Services and Technology Act Funds	45.310	19,633	
Total U.S. Institute of Museum and Library Services		19,633	-
<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>			
Special Programs for the Aging - Title III D			
Disease Prevention and Health Promotion Services	93.043	5,173	330
Special Programs for the Aging - Title III B			
Grants for Supportive Services and Senior Centers			
Access Services	93.044	24,246	1,411
In-Home Services	93.044	33,691	1,902
Legal Services	93.044	1,371	88
Special Programs for the Aging			
Title III C - Nutrition Services			
Congregate Nutrition	93.045	25,307	1,501
Home Delivered Meals	93.045	25,264	1,516
Total Aging Cluster		109,879	6,418
National Family Caregiver Support	93.052	31,290	1,997
Social Service Block Grant (SSBG) - In Home Services	93.667	11,140	272
<u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
<u>Foster Care and Adoption Cluster(Note 4)</u>			
Administration:			
Title IV-E Foster Care	93.658	655,970	102,445
Direct Benefit Payments:			
Foster Care	93.658	126,239	32,797
Adoption Assistance	93.659	181,974	50,637
Total Foster Care and Adoption Cluster (Note 4)		964,182	185,879
Promoting Safe and Stable Families	93.556	50,563	
Temporary Assistance for Needy Families (TANF):			
Work First Administration	93.558	43,167	
Work First Service	93.558	146,205	
TANF Domestic Violence	93.558	18,694	
N.C. Child Support Enforcement Section:			
IV-D Administration	93.563	472,956	
IV-D Offset Fees - ESC	93.563	144	
IV-D Offset Fees - Federal	93.563	1,013	

CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Low Income Home Energy Assistance:			
Low Income Energy Administration	93.568	8,620	
Crisis Intervention Program	93.568	95,895	
Child Welfare Services - State Grants:			
Permanency Planning - Regular	93.645	12,599	4,200
Permanency Planning - Special	93.645	3,661	-
Social Services Block Grant:			
In-Home Services	93.667	354	
In-Home Services over 60	93.667	14,345	
Other Services and Training	93.667	150,246	15,612
Independent Living Grant:			
Links	93.674	13,978	3,494
State Children's Insurance Program			
N.C. Health Choice	93.767	8,544	2,138
Medical Assistance Program			
Adt Cr Hm Cs Mgt/Spec	93.778	26,595	13,039
Medical Assistance Expansion	93.778	8,152	8,152
Medical Assistance Administration	93.778	422,673	-
Medical Transportation Administration	93.778	98	-
Medical Transportation Service	93.778	25,051	11,882
Direct Benefit Payments			
Temporary Assistance for Needy Families			
TANF Payments and Penalties	93.558	299,381	-
Family Support Payments to States			
AFDC Payments and Penalties	93.560	(992)	(272)
Low-Income Home Energy Assistance			
Block Grant	93.568	108,036	-
Child Welfare Services - State Grants			
IV-B Adoption Guardianship	93.645	10,125	3,375
Independent Living Grant			
Links	93.674	1,467	367
Links Transitional Funds	93.674	7,970	-
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	74,742	
Division of Child Development:			
Child Care and Development -- Discretionary	93.575	609,701	
Child Care and Development Fund -- Mandatory	93.596	246,934	
Child Care and Development Fund -- Match	93.596	282,803	160,523
Social Services Block Grant	93.667	24,819	
TANF	93.558	226,179	
Total Child Care Development Fund Cluster		1,465,178	160,523
State Funds			
Smart Start			87,648
State Appropriations			166,098
TANF-MOE			269,588
Total Subsidized Child Care (Note 4)		1,465,178	683,857

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<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	25,892,428	12,747,410
<u>Centers for Disease Control</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Prevention Investigations and Technical Assistance	93.283	7,175	
Temporary Assistance for Needy Families	93.558	4,494	
Social Service Block Grant	93.667	9,916	
Medical Assistance Program	93.778	47,881	
Cardiovascular Health Program	93.945	483	
Diabetes Control Program Project Direct	93.988	2,000	
Preventive Health and Health Services Block Grant	93.991	22,630	
Maternal and Child Health Services Block Grant	93.994	114,577	
<u>Health Resources and Services Administration</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Family Planning Services	93.217	62,343	
Maternal and Child Health Services Block Grant	93.994		
Immunization Grants	93.268	17,934	
Bioterrorism Grant	93.283	81,404	
Total U.S. Dept. of Health and Human Services		<u>30,799,646</u>	<u>13,685,822</u>
Total Federal Awards		<u>36,154,520</u>	<u>13,685,822</u>
State Awards:			
<u>N.C. Health and Wellness Trust Fund Commission</u>			
Teen Tobacco Use Grant			65,664
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Public Libraries			116,174
Total N.C. Dept. of Cultural Resources		-	<u>116,174</u>
<u>N.C. Department of Environment and Natural Resources</u>			
White Goods Management Program			24,153
Nuisance Tire Grant			5,026
Environmental Health Services			6,000
Food & Lodging Grant			7,836
Childhood Lead Poisoning			1,200
Agricultural Cost Share-Technical Assistance			21,905
Education Grant			4,000
Environmental Enhancement Program			7,525
Total N.C. Dept. of Environmental and Natural Resources		-	<u>77,646</u>

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>N.C. Dept. of Health and Human Services</u>			
Division of Social Services:			
Administration and Services			
AFDC-Program Integrity			128
Child Protective Services			387,897
Energy Assistance Private Grants			7,782
Non-Allocating County Cost		-	-
State Aid to Counties			25,306
State/County Special Assistance for Adults-Administration			-
TANF Incentive / Program Integrity			1,375
Direct Benefit Payments:			
State/County Special Assistance for Adults			
Domiciliary Care Payments			444,654
State Foster Home			27,675
CWS Adoption Subsidy & Vendor		-	106,156
F/C At Risk Maximization			11,570
Total Division of Social Services		-	<u>1,012,542</u>
Division of Public Health			
General			17,708
Interpreter Services			20,000
Public Health Nurse Training			1,000
Communicable Disease			1,610
Tuberculosis			9,148
AIDS			500
Maternal Care Coordinator			35,160
Women's Preventative Health			6,354
Children's Special Health Services			2,974
Risk Reduction/Health Promotion			11,759
Immunization-State			207
TB Medical Services			540
Diabetes Today			
Statewide Health Promotions			9,811
Total Division of Public Health			<u>116,771</u>
Total N. C. Department of Health and Human Services		-	<u>1,129,313</u>
<u>N.C. Dept. of Public Instruction</u>			
Public School Building Capital Fund			1,705,000
Public School Building Capital Fund-Lottery Proceeds			387,250
Total N.C. Dept. of Public Instruction		-	<u>2,092,250</u>
<u>N.C. Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP)			
ROAP-Elderly and Disabled Transportation Assistance Program			64,416
ROAP Rural General Public Program			80,521
ROAP Work First Transitional - Employment			
Transportation Assistance Program			6,064
Total ROAP		-	<u>151,001</u>

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>Passed through Triangle J Council of Governments</u>			
In-Home Services for Frail Older Individuals			224,696
Access for Grants for Supportive Services and Senior Centers			41,507
Congregate Nutrition			16,085
Home Delivered Meals			19,155
Fans Program			368
Senior Center Development			10,245
Total Passed through Triangle J Council		-	<u>312,056</u>
<u>N.C. Dept. of Corrections</u>			
Criminal Justice Partnership Program			
Total State awards		-	<u>3,491,189</u>
Total Federal and State awards		<u>36,154,520</u>	<u>17,177,011</u>

**CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2007**

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, 2007. 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	133,749
Revolving Fund Program	H-SRF-D-97-0410C	231,169
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, 2007

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 Council on Aging Elderly and Disabled Trans Assist Prog		36220.6.1.1	-	34,637
Chatham County Group Home Elderly and Disabled Trans Assist Prog		36220.6.1.1	-	2,074
Chatham County Together Juvenile Crime Prevention Program			-	34,800
Chatham County Transit Network Elderly and Disabled Trans Assist Prog		36220.6.1.1	-	27,705
Rural General Public Program - Discretionary		36228.15.1.1	-	-
Rural General Public Program		36228.16.1.1	-	80,521
Work First / Employment Transportation Operating Assistance		36236.2.1.1	-	6,064
Chatham Family Resource Center State Domestic Preparedness Support Homeland Security Grant	97.004	2004-GE-T4-0014-4018	4,630	-
Deep River Mediation Juvenile Crime Prevention Program			-	65,582
Hillcrest Youth Shelter Juvenile Crime Prevention Program			\$ -	10,000
Orange County Juvenile Crime Prevention Program			-	18,647
Orange-Person-Chatham Mental Health Juvenile Crime Prevention Program			-	4,411
Town of Chapel Hill, NC Juvenile Crime Prevention Program			-	10,359
Total Passed Through to Subrecipients			<u>\$ 4,630</u>	<u>\$ 294,800</u>

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