

CHATHAM COUNTY
NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2008

CHATHAM COUNTY, NORTH CAROLINA
Compliance Letters
For the Year Ended June 30, 2008

TABLE OF CONTENTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
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	3-4
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	5-6
Schedule of Findings, Responses, and Questioned Costs	7-8
Summary Schedule of Prior Year Findings and Questioned Costs	9
Schedule of Expenditures of Federal and State Awards	10-15



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

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

To the Board of Commissioners
Chatham County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2008, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 30, 2008. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chatham County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chatham County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chatham County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 30, 2008



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, 2008. Chatham County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings, responses, and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Chatham County's management. Our responsibility is to express an opinion on Chatham County's compliance based on our audit.

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

In our opinion, Chatham County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Chatham County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chatham County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Schedule of Expenditures of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 30, 2008. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Chatham County, North Carolina. The accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 30, 2008



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A Professional Association of Certified Public Accountants and Management Consultants

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, 2008. Chatham County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings, responses, and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Chatham County's management. Our responsibility is to express an opinion on Chatham County's compliance based on our audit.

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

In our opinion, Chatham County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

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 an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County'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 County's internal control.

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

Schedule of Expenditures of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 30, 2008. We did not audit the financial statements of the Chatham County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Chatham County, North Carolina. The accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nont-Profit Organizations*, and the State Single Audit Implementation Act, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 30, 2008

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2008

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, 2008 are:

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

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

- I. Major State programs for Chatham County, North Carolina for the fiscal year ended June 30, 2008 are:

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

- J. The threshold for determining Type A programs for Chatham County, North Carolina is \$1,142,537.
- 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, 2008**

None.

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2008

<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>				
<u>Food and Nutrition Service</u>				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Food Stamp Cluster: *				
Administration:				
State Administrative Matching Grants for the Food Stamp Program:				
Administration	10.561		\$ 247,580	\$ -
E&T & Dependent Care	10.561		175	
Fraud Administration	10.561		10,516	
Direct Benefit Payment:				
Food Stamp Program	10.551		3,584,233	
Total Food Stamp Cluster			3,842,504	-
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, and Children	10.557		316,050	
Child and Adult Care Food Program	10.558		256	
Passed through Triangle J Council of Governments				
USDA Supplement	10.570		19,284	
Total U.S. Dept. of Agriculture			4,178,094	-
<u>U.S. Department of Housing and Urban Development</u>				
Passed through N.C. Department of Commerce				
Division of Community Assistance				
Community Development Block Grant - Scattered Site Housing	14.228	07-C-1654	148,860	
Total U.S. Department of Housing and Urban Development			148,860	-
<u>U.S. Dept. of Justice</u>				
<u>Bureau of Justice Assistance</u>				
Passed-through N.C. Dept. of Crime Control and Public Safety:				
Byrne Justice Assistance Grant Program	16.738	019-1-06-001-BN-010	36,996	
Direct Program:				
Supervised Visitation, Safe Havens for Children	16.527	2004-CS-AX-0012	165,959	
Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR)	16.590	2005-WE-AX-0023	187,564	
Grants to Encourage Arrest Policies & Enforcement of Protection Orders (EDVR)	16.590	019106001BL230	60,461	
State Criminal Alien Assistance Program	16.606	2007-F6965-NC-AP	12,886	
Total U.S. Dept. of Justice			463,866	-
<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	PT-07-04-04-55	45,908	
Safety Belt Performance Grants	20.609	K4-07-05-32	3,995	
State and Community Highway Safety	20.600	PT-08-03-04-70	16,006	
Total U.S. Dept. of Transportation			65,909	-
<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		29,305	
Total U. S. Department of Homeland Security			29,305	-

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<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 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 D Disease Prevention and Health Promotion Services	93.043		5,171	307
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers				
Access Services	93.044		26,865	1,612
In-Home Services	93.044		61,395	3,695
Legal Services	93.044		4,529	269
Special Programs for the Aging Title III C - Nutrition Services				
Congregate Nutrition	93.045		34,745	2,059
Home Delivered Meals	93.045		27,102	1,608
Total Aging Cluster			154,636	9,243
National Family Caregiver Support	93.052		31,526	2,102
Social Service Block Grant (SSBG) - In Home Services	93.667		18,191	569
<u>Administration for Children and Families</u>				
Passed-through the N.C. Board of Elections:				
Voting Access for Individuals with Disabilities	93.617		8,781	
Passed-through the N.C. Dept. of Health and Human Services:				
<u>Division of Social Services:</u>				
<u>Foster Care and Adoption Cluster (Note 4)</u>				
Administration:				
Title IV-E Foster Care	93.658		690,324	55,367
Direct Benefit Payments:				
Foster Care	93.658		136,847	31,137
Adoption Assistance	93.659		206,769	53,963
Total Foster Care and Adoption Cluster (Note 4)			1,033,939	140,467
Promoting Safe and Stable Families	93.556		83,957	
Temporary Assistance for Needy Families (TANF):				
Work First Administration	93.558		33,812	
Work First Service	93.558		260,473	
Work First Demonstration	93.558		56,909	
TANF Domestic Violence	93.558		25,884	
N.C. Child Support Enforcement Section:				
IV-D Administration	93.563		406,868	
IV-D Offset Fees - ESC	93.563		218	
IV-D Offset Fees - Federal	93.563		1,425	
Low Income Home Energy Assistance:				
Low Income Energy Administration	93.568		10,554	
Crisis Intervention Program	93.568		114,868	
Child Welfare Services - State Grants:				
Permanency Planning - Regular	93.645		13,476	4,492
Permanency Planning - Special	93.645		3,807	
Social Services Block Grant:				
In-Home Services over 60	93.667		13,818	
Other Services and Training	93.667		151,103	15,612
Independent Living Grant:				
Links	93.674		10,387	2,597
State Children's Insurance Program				
N.C. Health Choice	93.767		10,528	2,200
Medical Assistance Program				
Adt Cr Hm Cs Mgt/Spec	93.778		19,831	12,284
Medical Assistance Expansion	93.778		8,152	8,152
Medical Assistance Administration	93.778		512,528	
Medical Transportation Administration	93.778		77	
Medical Transportation Service	93.778		12,794	6,055

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<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>
Direct Benefit Payments				
Temporary Assistance for Needy Families				
TANF Payments and Penalties	93.558		270,897	
Family Support Payments to States				
AFDC Payments and Penalties	93.560		(154)	(42)
Low-Income Home Energy Assistance				
Block Grant	93.568		68,660	
Independent Living Grant				
Links Transitional Funds	93.674		1,534	
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		79,248	
Division of Child Development:				
Child Care and Development -- Discretionary	93.575		416,449	
Child Care and Development Fund -- Mandatory	93.596		258,076	
Child Care and Development Fund -- Match	93.596		285,195	159,418
Total Child Care Development Fund Cluster			<u>1,038,968</u>	<u>159,418</u>
Social Services Block Grant	93.667		29,130	
TANF	93.558		420,745	
State Funds				
Smart Start				154,386
State Appropriations				194,948
TANF-MOE				296,983
Total Subsidized Child Care (Note 4)			<u>1,488,843</u>	<u>805,735</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		28,095,844	14,467,719
Centers for Disease Control				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Immunization Grants	93.268		13,994	
Prevention Investigations and Technical Assistance	93.283		76,483	
Temporary Assistance for Needy Families	93.558		8,112	
Social Service Block Grant	93.667		9,916	
Medical Assistance Program	93.778		12,540	
Preventive Health and Health Services Block Grant	93.991		22,308	
Maternal and Child Health Services Block Grant	93.994		65,486	
Health Resources and Services Administration				
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Family Planning Services	93.217		65,539	
Total U.S. Dept. of Health and Human Services			<u>33,198,543</u>	<u>15,477,184</u>
Total Federal Awards			<u>38,084,578</u>	<u>15,477,184</u>
State Awards:				
 N.C. Health and Wellness Trust Fund Commission				
Teen Tobacco Use Grant				
 N.C. Dept. of Cultural Resources				
Division of State Library				
State Aid to Public Libraries				113,868
Total N.C. Dept. of Cultural Resources			-	<u>113,868</u>

**CHATHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>N.C. Department of Environment and Natural Resources</u>				
White Goods Management Program				16,319
Environmental Health Services				5,500
Food & Lodging Grant				5,557
Childhood Lead Poisoning				6,000
Agricultural Cost Share-Technical Assistance				25,362
Education Grant				4,000
Environmental Enhancement Program				8,224
Total N.C. Dept. of Environmental and Natural Resources			-	70,962
<u>N.C. Dept. of Health and Human Services</u>				
Division of Social Services:				
Administration and Services				
Adoption Guardianship				20,475
AFDC-Program Integrity				18
Child Protective Services				416,220
Energy Assistance Private Grants				13,817
Non-Allocating County Cost				
State Aid to Counties				25,306
State/County Special Assistance for Adults-Administration				
TANF Incentive / Program Integrity			1,302	
Direct Benefit Payments:				
State/County Special Assistance for Adults				
Domiciliary Care Payments				486,839
State Foster Home				49,145
CWS Adoption Subsidy & Vendor				114,605
F/C At Risk Maximization				4,788
Total Division of Social Services			-	1,131,213
Division of Public Health				
General				32,708
Public Health Nurse Training				400
Communicable Disease				1,610
Tuberculosis				9,148
AIDS				500
Maternal Health				17,340
Maternal Care Coordinator				35,160
Women's Preventative Health				63,381
Children's Special Health Services				250
Child Care Coordination				12,095
Adolescent Health Project				279
Risk Reduction/Health Promotion				12,083
TB Medical Services				540
Total Division of Public Health			-	185,494
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Capital Fund				319,100
Public School Building Capital Fund-Lottery Proceeds				303,572
Total N.C. Dept. of Public Instruction			-	622,672
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (ROAP)				
ROAP-Elderly and Disabled Transportation Assistance Program				80,475
ROAP Rural General Public Program				75,023
ROAP Work First Transitional - Employment				
Transportation Assistance Program				12,894
Total ROAP			-	168,392
<u>Passed through Triangle J Council of Governments</u>				
In-Home Services for Frail Older Individuals				200,387
Access for Grants for Supportive Services and Senior Centers				38,686
Congregate Nutrition				6,091
Home Delivered Meals				17,225
Fans Program				618
Senior Center Development				10,932
Total Passed through Triangle J Council			-	273,939
Total State awards			-	2,566,539
Total Federal and State awards			\$ 38,084,578	\$ 18,043,723

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2008

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

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

<u>Program Title</u>	<u>State / Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
NC Drinking Water Bond Program:		
Revolving Loan Program	H-LRX-A-87-0727	\$ 124,832
Revolving Fund Program	H-SRF-D-97-0410C	213,387
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.

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	\$ -	\$ 59,800
Chatham County Group Home				
Elderly and Disabled Trans Assist Prog		36220.6.1.1		4,150
Chatham County Together				
Juvenile Crime Prevention Program				45,721

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

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

<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 Transit Network				
Elderly and Disabled Trans Assist Prog		36220.6.1.1		91,548
Rural General Public Program - Discretionary		36228.15.1.1		
Rural General Public Program		36228.16.1.1		
Work First / Employment Transportation Operating Assistance		36236.2.1.1		12,894
Chatham Family Resource Center				
State Domestic Preparedness Support Homeland Security Grant	97.067	2006-GE-T6-0010-5014	3,749	
Deep River Mediation				
Juvenile Crime Prevention Program				63,728
Hillcrest Youth Shelter				
Juvenile Crime Prevention Program				10,000
Hispanic Liaison				
Gang Prevention Grant	16.738	019107001BH761	15,201	
Orange County				
Juvenile Crime Prevention Program				15,500
Orange-Person-Chatham Mental Health				
Juvenile Crime Prevention Program			-	4,353
Total Passed-Through to Subrecipients			\$ 18,949	\$ 307,694