

# **Catawba County North Carolina**

## **Compliance Letters**

**For the Year Ended June 30, 2006**



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Martin Starnes & Associates, CPAs, P.A.

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

**Report On Compliance and On Internal Control over Financial Reporting Based On  
An Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

To the Board of Commissioners  
Catawba County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2006, not presented here, which collectively comprises Catawba County's basic financial statements and have issued our report thereon dated October 5, 2006. We did not audit the financial statements of the Catawba County ABC Board or Catawba Valley Medical Center. 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 Catawba County ABC Board and Catawba Valley Medical Center is based solely on the reports 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 Catawba County ABC Board and Catawba Valley Medical Center were not audited in accordance with Government Auditing Standards.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Catawba County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness

## Compliance and Other Matters

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

October 5, 2006



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Martin Starnes & Associates, CPAs, P.A.

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*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  
Catawba County, North Carolina

**Compliance**

We have audited the compliance of Catawba 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, 2006. Catawba 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 Catawba County's management. Our responsibility is to express an opinion on Catawba 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 Catawba 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 Catawba County's compliance with those requirements.

In our opinion, Catawba 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, 2006.

## Internal Control over Compliance

The management of Catawba 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 Catawba 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County as of and for the year ended June 30, 2006, and have issued our report thereon dated October 5, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Catawba 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 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 audit committee, management, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

October 5, 2006



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Martin Starnes & Associates, CPAs, P.A.

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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 OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of Commissioners  
Catawba County, North Carolina

**Compliance**

We have audited the compliance of Catawba 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, 2006. Catawba 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 Catawba County's management. Our responsibility is to express an opinion on Catawba County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133 as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Catawba 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 Catawba County's compliance with those requirements.

In our opinion, Catawba 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, 2006.

## Internal Control over Compliance

The management of Catawba 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 Catawba 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County as of and for the year ended June 30, 2006, and have issued our report thereon dated October 5, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Catawba 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 applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act 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 audit committee, management, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*Martin Starnes & Associates, CPAs, P.A.*

# CATAWBA COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2006

### 1. SUMMARY OF AUDITORS' RESULTS

- A. An unqualified opinion was issued on the financial statements of Catawba County, North Carolina.
- B. Our audit of the basic financial statements disclosed no reportable conditions 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 reportable conditions in internal controls over major programs.
- E. An unqualified opinion was issued on Catawba County, North Carolina's compliance with the types of compliance requirements applicable to its major federal programs.
- F. An unqualified opinion was issued on Catawba 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 relate to federal and State awards.
- H. Major federal programs for Catawba County, North Carolina for the fiscal year ended June 30, 2006 are:

<u>Program Name</u>	<u>CFDA#</u>
Title XIX Medicaid Cluster	93.778
Food Stamp Cluster:	
Food Stamp Program	10.551
State Administrative Matching Grants for Food Stamps	10.561
Special Supplemental Nutrition Program For Women, Infants, and Children	10.557
Subsidized Child Care Cluster:	
Child Care and Development Fund (Discretionary)	93.575
Child Care and Development Fund (Mandatory & Match)	93.596
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
Temporary Assistance for Needy Families	93.558
Foster Care and Adoption Cluster	93.658, 93.659
Block Grant for Community Mental Health Svcs.	93.958
Developmental Disability Cluster	93.667
Substance Abuse Services Cluster	93.959

# CATAWBA COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2006

- I. Major State programs for Catawba County, North Carolina for the fiscal year ended June 30, 2006 are:

### Program Name

Public School Building Capital Fund  
State/County Special Assistance for Adults –  
    Aid to the Aged and Disabled  
Foster Care and Adoption Cluster  
Subsidized Child Care Cluster  
Smart Start  
Medical Assistance Program –  
    Title XIX – Medicaid  
Mental Health Cluster  
Developmental Disability Cluster  
Developmental Disabilities Adult  
Comprehensive Treatment Services Program  
    (AT Risk Children)  
Mental Retardation / Mental Illness (Thomas S)  
Crisis Services  
Work First Block Grant  
Systems Management Transition  
Special Children Adoption Fund  
Substance Abuse Services Cluster

- J. The threshold for determining Type A programs for Catawba County, North Carolina is \$3,000,000.
- K. Catawba County, North Carolina did not qualify as a low risk auditee under Section .530 of Circular No. A-133.

**CATAWBA COUNTY, NORTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR YEARS' AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

**Section I - Financial Statements Findings**

None

**Section II - Federal Award Findings and Questioned Costs**

None

**Section III - State Award Findings and Questioned Costs**

None

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Federal Awards:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through N.C. Department of Health and Human Services				
Division of Social Services				
<u>Food Stamp Cluster</u>				
Food Stamp Program - Noncash	10.551		\$ 15,261,855	\$ -
Administration: Food stamps	10.561		590,565	-
Employment and Training	10.561		15,198	-
Total Food Stamp Cluster			<u>15,867,618</u>	<u>-</u>
Division of Public Health				
Women, Infants and Children Program				
Special Supplemental Nutrition Program	10.557	15405403G 15405404G 15405405G 15405409G	500,297	-
Direct Benefit Payments	10.557		2,826,912	-
Total Women, Infants and Children Program			<u>3,327,209</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Administration for Children and Families</u>				
Passed through N.C. Department of Health and Human Services				
Subsidized Child Care (Note 2)				
<u>Child Care Development Fund Cluster</u>				
Division of Social Services				
Child Care Development Fund - Administration	93.596		218,478	-
Division of Child Development				
Child Care and Development Fund - Discretionary	93.575	18111810TB	1,616,334	-
Child Care and Development Fund - Mandatory	93.596	18111810MF	708,172	-
Child Care and Development Fund - Match	93.596	18111810VL	1,086,630	624,341
Total Child Care Fund Cluster			<u>3,629,614</u>	<u>624,341</u>
Social Service Block Grant	93.667	18111812Q4	45,788	-
Temporary Assistance for Needy Families - TANF	93.558	18111810T2	517,382	-
TANF - Maintenance of Effort		18111810T6	-	1,286,087
Smart Start		1711174040	-	89,337
State Appropriations		1811181200	-	417,751
Total Subsidized Child Care Cluster			<u>4,192,784</u>	<u>2,417,516</u>
<u>Foster Care and Adoption Cluster</u>				
Title IV-E Administration	93.658		694,595	-
Title IV-E Foster Care	93.658		838,415	82,920
Title IV-E Child Protective Services	93.658		568,573	169,833
Legal Services	93.658		2,542	-
<u>Adoption Assistance</u>				
Title IV-E Vendor Payments	93.659		185,338	58,528
Direct benefit payments	93.659		85,150	759,885
Total Foster Care and Adoption Cluster			<u>2,374,614</u>	<u>1,071,167</u>
<u>Administration</u>				
Independent Living	93.674		48,622	-
Other Social Services Block Grant	93.667		385,570	-
Work First Block Grant	93.558		1,785,710	-
Temporary Assistance Needy Families (TANF)	93.558		26,933	-
TANF Domestic Violence	93.558		14,518	-
TANF Foster Care	93.558		201,890	-
TANF Direct Benefits Payments	93.558		1,201,435	-
Title IV-D	93.563		1,043,030	-
Title IV-D incentives	93.563		410,637	-
Permanency planning	93.645		42,118	10,758
Family preservation	93.556		73,265	-
Low Income Home Energy Assistance				
Administration	93.568		31,398	-
Crisis Intervention Payments	93.568		197,613	-
Energy Assistance Direct benefit payments	93.568		230,985	-
Total Administration			<u>5,693,724</u>	<u>10,758</u>
<u>Division of Aging</u>				
Social Services Block Grant In-home aid	93.667		141,965	-
Links - Independent Living Trust Fund	93.674		25,790	-
Total Division of Aging			<u>167,755</u>	<u>-</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Public Health				
Tuberculosis Control Programs	93.116	1451272GNF	1,160	-
Family Planning Outreach Project	93.217	15116075FP	57,233	-
Immunization/Aid to County Funding	93.268	15706024EJ 15706025EJ	34,122	-
Bioterrorism Grant	93.283	14515683EN 14515685EN	138,164	-
Temporary Assistance for Needy Families	93.558	15115151T2	14,810	-
Statewide Health Promotion Program	93.991	15515503PH	12,212	-
Child Health	93.994	15055745AP	85,793	-
Maternal Health	93.994	15055740AP	40,113	-
Child Care Coordination	93.994	15315318AP	83,941	-
Child Health	93.994	15355351AP	1,233	-
Women's Preventative Health	93.994	15055735AP 15116015FP 15116014 FP	21,630	-
School Nursing Funding Initiative	93.994	15355358AA	27,371	20,530
Total Division of Public Health			517,782	20,530
Office of Emergency Medical Services				
Bioterrorism Grant	93.283		29,385	-
<u>U.S. Department of Housing and Urban Development</u>				
<u>Community Planning &amp; Development</u>				
Passed through N.C. Department of Commerce				
Division of Community Assistance				
Advents Crossroads Water Project	14.228	02-C-1025	147,598	-
Scattered Site Housing	14.228	03-C-1121	192,759	-
Gregory Wood Products Community Development Block Grant	14.228	04-E-1275	65,710	-
Total Division of Community Assistance			406,067	-
<u>U.S. Department of Justice</u>				
<u>Office of Justice Programs</u>				
Direct Program				
Local Law Enforcement Block Grant	16.592	2003-LB-BX-1852		-
State Criminal Alien Assistance Program	16.606	2004-F2166-NC-AP	7,605	-
Child Sexual Abuse Investigator	16.580	18104018-AD-843	35,138	-
Total Office of Justice Programs			42,743	-
<u>U.S. Department of Transportation</u>				
Passed through N.C. Department of Transportation				
Sheriff's Department				
Highway 321 Connection Traffic	20.605		5,213	-
Total U.S. Department of Transportation			5,213	-
<u>U.S. Election Assistance Commission</u>				
Passed through N.C. State Board of Elections				
HAVA Accessibility Grant	90.401		603,755	-
Total U.S. Election Assistance Commission			603,755	-
<u>Office Of Homeland Security</u>				
<u>Federal Emergency Management Agency</u>				
Passed through N.C. Department of Crime Control and Public Safety				
Civil Defense	83.503		35,078	-
<u>Administration on Aging</u>				
<u>Division of Social Services</u>				
Passed through Western Piedmont Council of Governments				
<u>Aging Cluster</u>				
Title III B				
Transportation - general	93.044		63,011	-
Transportation - medical	93.044		6,685	-
Chore Level II	93.044		149,921	-
Chore Level III	93.044		95,615	-
Home Delivered Meals Coordination	93.044		150,289	-
Home Delivered Meals	93.044		34,822	-
Supplemental Meals	93.044		2,628	-
Adult Day Health	93.044		11,310	-
Adult Day Care	93.044		65,995	-

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Title III C				
Nutrition	93.045		145,575	-
Total Aging cluster			<u>725,851</u>	<u>-</u>
<u>Office of Economic Opportunity</u>				
Community Services Block Grant	93.569		210,626	-
Future Forward Grant			66,338	-
Total Office of Economic Opportunity			<u>276,964</u>	<u>-</u>
<u>Substance Abuse and Mental Health Service Administration</u>				
Passed through N.C Department of Health and Human Services				
Division of Mental Health, Developmental Disabilities and Substance Abuse Services				
Prenatal and Maternal Substance Abuse Initiative	93.959		34,487	-
Substance Abuse Training	93.959		517	-
Total Substance Abuse Services			<u>35,004</u>	<u>-</u>
<u>Mental Health Cluster</u>				
Block Grant for Community Mental Health Services	93.958		165,235	-
State Appropriations - Child		536945	-	143,391
State Appropriations - Adult		536941, 536949	-	1,201,571
State Appropriations - Other			-	4,597
Total Mental Health Cluster			<u>165,235</u>	<u>1,349,558</u>
<u>Developmental Disability Cluster</u>				
Developmental Disability Waiting List Funds	93.667	536995	-	132,603
Developmental Disabilities - Adult	93.667		101,422	-
Developmental Disabilities - Child	93.667		12,032	-
Total Developmental Disability Cluster			<u>113,454</u>	<u>132,603</u>
<u>Substance Abuse Services Cluster</u>				
Block Grant Prevention and Treatment of Substance Abuse	93.959		294,595	-
State Appropriations - Child		536945, 536949	-	2,348
State Appropriations - Adult			-	270,384
State Appropriations - Other			-	186
Total Substance Abuse Services Cluster			<u>294,595</u>	<u>272,918</u>
<u>Centers for Medicare and Medicaid Service</u>				
Passed through N.C. Department of Health and Human Services				
Division of Medical Assistance				
Administration				
Medical Assistance	93.778		1,270,864	-
Medical Transportation	93.778		897,303	-
Direct benefit payments				
Title XIX - Medicaid	93.778		74,487,693	36,761,989
Community Alternatives Program				
Chore Contract Services	93.778		2,472,471	-
Medical Equipment and Supplies	93.778		164,358	-
High Risk Intervention	93.778		413,282	-
Adult Care Home Case Management	93.778		419,808	-
Community Support Contract Services			29,825	-
Community Support Contract Services - CVBH			6,176	-
North Carolina Health Choice	93.767		61,729	-
Home Delivered Meals			15,992	-
Total Centers for Medicare and Medicaid Service			<u>80,239,501</u>	<u>36,761,989</u>
Total Federal Awards and State Matches			<u>115,114,329</u>	<u>42,037,040</u>
<b>State Awards:</b>				
<u>N.C. Department of Health and Human Services</u>				
Division of Social Services				
Adult Services (State Contract)			-	32,823
Adult Day Care			-	104,529
Children's Foster Home			-	98,116
Child Protective Services			-	227,124
State Adult Specialist Fund			-	43,425
Special Children Adoption Fund			-	204,000
State Aid to Counties			-	69,158
Non Targeted Consumers			-	25,568
Share the Warmth			-	11,100

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	Federal CFDA Number	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Work First Block Grant - Maintenance of Effort			-	496,504
Restoring Families		00515-05	-	51,980
Direct benefit payments				
Aid to the aged and disabled			-	1,164,392
Division of Mental Health, Developmental Disabilities and Substance Abuse Services				
Developmental Disabilities - Child			-	-
Developmental Disabilities - Adult			-	800,882
Developmental Disabilities - Traumatic Brain Injury			-	192,000
Mental Retardation/Mental Illness			-	1,119,584
Comprehensive Treatment Services Program (At Risk Children)		1290-536930	-	497,970
Emergency Services			-	86,340
Multidisciplinary Evaluation			-	100
Domiciliary Care		1290-536950	-	25,888
Crisis Services			-	437,000
Systems Management Transition			-	3,709,587
Division of Public Health				
Health Department Aid		1410411000	-	70,939
Communicable Disease		1451451000	-	8,197
Tuberculosis		1451455100	-	24,139
Tuberculosis Medical Services		1451455400	-	787
School Nursing Funding Initiative		15355358AA	-	35,930
Acquired Immune Deficiency Syndrome (AIDS)		14614536BN	-	12,500
High Risk Maternity Clinic		1505574600	-	75,869
Women's Preventative Health		15116014FR	-	7,000
Comprehensive Adolescent Health Project		1535535700	-	40,000
Risk Reduction/Health Promotion		1551550300	-	12,249
Interpreter Services			-	3,596
NC Health and Wellness			-	64,351
NC Partnership for Children				
Smart Start			-	497,536
Smart Start - early childhood development			-	99,988
Smart Start - early childhood support team			-	443,853
Division of Services for the Blind				
Special Assistance Blind Equalization			-	72
<b>Total N.C. Department of Health and Human Services</b>			<b>-</b>	<b>10,795,077</b>
<b><u>N.C. Department Juvenile Justice and Delinquency Prevention</u></b>				
Peace Pipeline Conflict Resolution			-	19,861
Project Challenge			-	50,125
Reasoning and Reacting Cognitive Skills			-	21,752
Corner Houses I & II			-	215,631
Planning			-	9,932
Catawba Parenting Network			-	12,626
Hickory Public Housing Authority		918034	-	7,800
<b>Total N.C. Department Juvenile Justice and Delinquency Prevention</b>			<b>-</b>	<b>337,727</b>
<b><u>N.C. Department of Environment and Natural Resources</u></b>				
Department of Soil and Water Conservation				
Soil and Water Conservation			-	27,395
Public Water Section				
Clean Water Bond High Unit Cost Grant		DEH-0986	-	10,123
Division of Pollution Prevention & Environmental Assistance				
Community Waste Reduction & Recycling Grant		DEH-06036	-	7,350
USGS National Geospatial Programs Office				
Digital Orthophotography Grant		AZ05007	-	6,059
Sedimentation Control Comm		L06001	-	23,931
<b>Total N.C. Department of Environment and Natural Resources</b>			<b>-</b>	<b>74,858</b>
<b><u>N.C. Department of Cultural Resources</u></b>				
Library Department				
LSTA Grant			-	28,660
Library State Aid Grant			-	166,278
<b>Total N.C. Department of Cultural Resources</b>			<b>-</b>	<b>194,938</b>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State</u> <u>Grantor's</u> <u>Number</u>	<u>Federal (Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
<u>N.C. Division of Veterans Affairs</u>				
Department of Emergency Services Veterans Service			-	2,000
<u>N.C. Department of Commerce</u>				
One NC Fund - Industrial Recruitment			-	76,000
<u>N.C. Department of Administration</u>				
State Board of Election List Maintenance Grant		39.011	-	1,259
Total N.C. Department of Administration			-	1,259
<u>Office of the Governor</u>				
<u>Office of State Budget, Planning and Management</u>				
Public School Building Capital Fund			-	1,389,050
<u>N.C. Department of Health and Human Services</u>				
State Crisis Intervention Funds			-	44,554
<u>N.C. Department of Corrections</u>				
Criminal Justice Partnership Program			-	101,461
<u>N.C. Department of Transportation</u>				
Elderly Handicapped Transportation			-	74,090
Work First Transitional Transportation (ROAP)			-	12,049
Community Transportation Grant Funds			-	185,806
Safe Roads Act			-	15,057
Rural General Public Funds			-	66,103
Piedmont Wagon Transit System			-	15,707
Total N.C. Department of Transportation			-	368,812
<u>N.C. Department of Crime Control and Public Safety</u>				
<u>Division of Emergency Management</u>				
Emergency Services	MOAHS-TE-03- 1018 MOU 022604	030-804-0507	-	222,040
<u>Governor's Crime Commission</u>				
Cooperative Extension Lifeskills II			-	629
Drug Treatment Coordinator			-	1,156
Total N.C. Department of Crime Control and Public Safety			-	223,825
<u>N.C. Department of Justice</u>				
Investigative and Traffic Enforcement Upgrade		2006-DJ-BX-0454	-	47,683
<u>North Carolina Housing Finance Agency</u>				
Urgent Repair Housing Projects		UPR 05	-	50,000
Total State Awards			-	13,707,244
Total Federal and State Awards			<u>\$ 115,114,329</u>	<u>\$ 55,744,283</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

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

1. Basis of Presentation

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of Catawba County 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.

2. 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.

3. Subrecipients

Of the Federal and State expenditures presented in the schedule, Catawba County provided Federal and State awards to subrecipients as follows:

<u>Subrecipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>State CFDA Number</u>	<u>Federal</u>	<u>State</u>
Project Challenge NC, Inc.	JJDP Project Challenge			-	50,125
Conflict Resolution	Peace Pipeline			-	19,861
Blue Ridge Community Action	Cognitive Connection Reasoning & Reacting			-	21,752
Council on Adolescents	NC Health and Wellness Trust			-	64,351
Child Care and Development Block Grant		93.575		1,616,334	-
	Title III-B Transportation				
City of Hickory	General	93.044		63,011	-
City of Hickory	Medical	93.044		6,685	-
City of Hickory	Elderly Handicapped Transportation			-	74,090
City of Hickory	Rural General Public Funds			-	66,103
City of Hickory	Community Transportation Grant			-	185,806
Hickory Public Housing Authority	Choices		918034	-	7,800
Public School Building Capital Fund				-	1,389,050