

CATAWBA COUNTY NORTH CAROLINA

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2007



Martin Starnes & Associates, CPAs, P.A.

A Professional Association of Certified Public Accountants and Management Consultants

**CATAWBA COUNTY, NORTH CAROLINA
COMPLIANCE LETTERS
FOR THE YEAR ENDED JUNE 30, 2007**

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**Report on Compliance and 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
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, 2007, not presented here, which collectively comprises Catawba County's basic financial statements and have issued our report thereon dated November 19, 2007. 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 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 Catawba 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.

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. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2007-1 to be a significant deficiency in internal control over financial reporting.

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 the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above, 2007-1, is considered to be a 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.

Catawba County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Catawba County's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of, 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.
November 19, 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 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, 2007. Catawba County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses. 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, 2007.

Internal Control Over Compliance

The management of Catawba County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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, 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 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 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 weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2007, and have issued our report thereon dated November 19, 2007. 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 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.
November 19, 2007



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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, 2007. Catawba County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses. 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, 2007.

Internal Control Over Compliance

The management of Catawba County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered 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, 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 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.

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, 2007, and have issued our report thereon dated November 19, 2007. 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 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.
November 19, 2007

CATAWBA COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

• Material weakness identified Yes

• Significant deficiency identified that is not
considered to be a material weakness No

Noncompliance material to financial statements noted No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified No

• Significant deficiency identified that is not
considered to be a material weakness No

Noncompliance material to federal awards No

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

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

CATAWBA COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results (Continued)

Identification of major federal programs:

<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 Services	93.958
Substance Abuse Services Cluster	93.959

Dollar threshold used to distinguish between
Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee? No

CATAWBA COUNTY, NORTH CAROLINA

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

1. Summary of Auditors' Results (Continued)

State Awards

Internal control over major State programs:

- Material weakness identified No
- Significant deficiency identified that is not considered to be a material weakness No

Noncompliance material to State awards No

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act No

Identification of major State programs:

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 Disabilities Adult
- Comprehensive Treatment Services Program
(At Risk Children)
- Mental Retardation / Mental Illness (Thomas S)
- Work First Block Grant
- Substance Abuse Services Cluster
- Systems Management Transition
- State Clean Water Grant

CATAWBA COUNTY, NORTH CAROLINA

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

2. Financial Statements Findings

2007-01

Criteria: Internal control concepts require segregation of duties as the duties relate access to the County's books and records.

Condition: Every employee in the Finance Department can process a journal entry. The County does not have a formal policy for processing journal entries and there is not a system of review or approval for journal entries.

Effect: The employee can originate, complete and record a transaction without conflict.

Cause: Lack of segregation of duties.

Recommendation: Restrict posting of journal entries that are not approved and reviewed by the Assistant Finance Director.

Views of responsible officials and planned corrective actions: Catawba County recognizes that the journal entry process needs additional review prior to posting of these entries to the financial records.

Name of contact person: Jeanne C. Jarrett, Assistant Finance Director

Corrective action: Catawba County has implemented an electronic review process utilizing its existing financial software. Finance department staff can prepare and key a journal entry but cannot post the entry to the financial records. The keyed entries are stored pending review. The Assistant Finance Director and Accounting Supervisor are the only staff members with approval authority. They review each entry before using the financial program to edit the entries, check amounts against approved budgets, and post the entries. Each entry is marked "approved" and then filed.

Proposed completion date: August, 2007

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

CATAWBA COUNTY, NORTH CAROLINA

**SUMMARY SCHEDULE OF PRIOR YEARS' AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007**

None reported.

CATAWBA 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	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Federal Awards:				
U.S. Department of Agriculture				
Passed through N.C. Department of Health and Human Services				
Division of Social Services				
Food Stamp Cluster				
Food Stamp Program - Noncash	10.551		\$ 16,376,077	\$ -
Administration: Food stamps	10.561		618,476	-
Employment and Training	10.561		14,858	-
Total Food Stamp Cluster			<u>17,009,411</u>	<u>-</u>
Division of Public Health				
Women, Infants and Children Program				
Special Supplemental Nutrition Program	10.557	15405403G 15405404G 15405405G 15405409G	535,633	-
Direct Benefit Payments	10.557		2,970,177	-
Total Women, Infants and Children Program			<u>3,505,810</u>	<u>-</u>
U.S. Department of Health and Human Services				
Administration for Children and Families				
Passed through N.C. Department of Health and Human Services				
Subsidized Child Care (Note 2)				
Child Care Development Fund Cluster				
Division of Social Services				
Child Care Development Fund - Administration	93.596		224,417	-
Division of Child Development				
Child Care and Development Fund - Discretionary	93.575	18111810TB	1,949,273	-
Child Care and Development Fund - Mandatory	93.596	18111810MF	757,486	-
Child Care and Development Fund - Match	93.596	18111810VL	1,187,025	659,360
Total Child Care Fund Cluster			<u>4,118,201</u>	<u>659,360</u>
Social Service Block Grant	93.667	18111812Q4	39,493	-
Temporary Assistance for Needy Families - TANF	93.558	18111810T2	694,851	-
TANF - Maintenance of Effort		18111810T6	-	921,821
Smart Start		1711174040	-	75,327
State Appropriations		1811181200	-	264,297
Total Subsidized Child Care Cluster			<u>4,852,545</u>	<u>1,920,805</u>
Foster Care and Adoption Cluster				
Title IV-E Administration	93.658		817,607	-
Title IV-E Foster Care	93.658		764,018	-
Title IV-E Child Protective Services	93.658		825,822	-
Legal Services	93.658		1,145	-
Adoption Assistance				
Title IV-E Vendor Payments	93.659		262,127	-
Direct benefit payments	93.659		233,020	691,690
Total Foster Care and Adoption Cluster			<u>2,903,739</u>	<u>691,690</u>
Administration				
Independent Living	93.674		39,396	-
Other Social Services Block Grant	93.667		320,596	-
Work First Block Grant	93.558		1,775,999	-
Temporary Assistance Needy Families (TANF)	93.558		37,057	-
TANF Domestic Violence	93.558		31,564	-
TANF Foster Care	93.558		209,486	-
TANF Direct Benefits Payments	93.558		957,391	-
Title IV-D	93.563		1,050,278	-
Title IV-D incentives	93.563		414,070	-
Permanency planning	93.645		48,327	10,312
Family preservation	93.556		67,027	-
Low Income Home Energy Assistance				
Administration	93.568		35,571	-
Crisis Intervention Payments	93.568		292,926	-
Energy Assistance Direct benefit payments	93.568		516,215	-
Total Administration			<u>5,795,903</u>	<u>10,312</u>

CATAWBA 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	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Aging				
Social Services Block Grant In-home aid	93.667		132,786	32,416
Links - Independent Living Trust Fund	93.674		22,257	-
Total Division of Aging			155,043	32,416
Division of Public Health				
Family Planning Outreach Project	93.217	15116075FP	145,389	-
Immunization/Aid to County Funding	93.268	15706024EJ 15706025EJ	32,702	-
Bioterrorism Grant	93.283	14515683EN 14515685EN	83,222	-
Temporary Assistance for Needy Families	93.558	15115151T2	4,800	-
Breast Cancer	93.919	15115452EK	56,875	-
Statewide Health Promotion Program	93.991	15515503PH	14,728	-
Child Health	93.994	15055745AP	86,293	-
Maternal Health	93.994	15055740AP	115,982	-
Child Care Coordination	93.994	15315318AP	66,219	-
Child Health - Fatality Prevention	93.994	15355351AP	1,351	-
Total Division of Public Health			607,561	-
U.S. Department of Commerce				
Passed through N.C. Department of Commerce				
Division of Community Assistance				
Individual Development Account (IDA) 1st Time Homebuyer	14.228	05-C-1472	25,965	-
Scattered Site Housing	14.228	06-C-1521	125,039	-
Economic Recovery Planning - Future Forward Grant	14.228	03-P-1166	31,304	-
Total Division of Community Assistance			182,308	-
Division of Economic Development Administration				
Gregory Wood Products Community Development Block Grant	14.228	04-E-1275	326,316	-
Gregory Wood Products Pump Station and Sanitary Sewer	14.228	04-01-05519	200,082	-
Total Division of Economic Development Administration			526,398	-
U.S. Department of Justice				
Office of Justice Programs				
Direct Program				
Bullet Proof Vest Grant	16.607		4,099	-
Child Sexual Abuse Investigator	16.580	18104018-AD-843	6,863	-
Total Office of Justice Programs			10,962	-
U.S. Department of Transportation				
Passed through N.C. Department of Transportation				
Planning Department				
Bunker Hill Covered Bridge	20.205-2	E-4806	100	-
Total U.S. Department of Transportation			100	-
Office Of Homeland Security				
Federal Emergency Management Agency				
Passed through N.C. Department of Crime Control and Public Safety				
Homeland Security Grant	97.004		174,045	-
Hazardous Mitigation Funds	97.039	HMGP	73,447	24,482
Homeland Security Overtime Program	97.004	2003OMWX0157	42,000	-
Civil Defense	83.503		33,312	-
Total Office of Homeland Security			322,804	24,482
Administration on Aging				
Division of Social Services				
Passed through Western Piedmont Council of Governments				
Aging Cluster				
Title III B				
Transportation - general	93.044		76,801	-
Transportation - medical	93.044		4,037	-
Chore Level II	93.044		200,610	-
Chore Level III	93.044		94,346	-
Home Delivered Meals Coordination	93.044		156,640	-
Home Delivered Meals	93.044		33,475	-
Supplemental Meals	93.044		5,131	-
Adult Day Health	93.044		5,381	-
Adult Day Care	93.044		95,446	-
Nutrition	93.045		150,859	-
Total Aging cluster			822,726	-

CATAWBA 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	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Office of Economic Opportunity				
Community Services Block Grant	93.569		182,044	-
Total Office of Economic Opportunity			<u>182,044</u>	<u>-</u>
Substance Abuse and Mental Health Service Administration				
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		48,144	-
Total Substance Abuse Services			<u>48,144</u>	<u>-</u>
Mental Health Cluster				
Block Grant for Community Mental Health Services	93.958		134,996	-
State Appropriations - Child		536945	-	187,021
State Appropriations - Adult		536941, 536949	-	1,491,111
State Appropriations - Other			-	1,780
Total Mental Health Cluster			<u>134,996</u>	<u>1,679,912</u>
Developmental Disability Cluster				
Developmental Disability Waiting List Funds	93.667	536995	-	87,649
Developmental Disabilities - Adult	93.667		98,217	-
Developmental Disabilities - Child	93.667		24,137	-
Total Developmental Disability Cluster			<u>122,354</u>	<u>87,649</u>
Substance Abuse Services Cluster				
Block Grant Prevention and Treatment of Substance Abuse	93.959		358,175	-
State Appropriations - Adult			-	398,656
Total Substance Abuse Services Cluster			<u>358,175</u>	<u>398,656</u>
Centers for Medicare and Medicaid Service				
Passed through N.C. Department of Health and Human Services				
Division of Medical Assistance				
Administration				
Medical Assistance	93.778		1,291,321	-
Medical Transportation	93.778		882,121	-
Direct benefit payments				
Title XIX - Medicaid	93.778		78,051,745	38,383,807
Community Alternatives Program				
Chore Contract Services	93.778		2,160,231	-
Medical Equipment and Supplies	93.778		144,071	-
High Risk Intervention	93.778		639,950	-
Adult Care Home Case Management	93.778		470,514	-
Community Support Contract Services	93.778		2,652	-
Community Support Contract Services - CVBH	93.778		914	-
North Carolina Health Choice	93.767		53,341	-
Home Delivered Meals	93.778		14,197	-
Total Centers for Medicare and Medicaid Service			<u>83,711,057</u>	<u>38,383,807</u>
Total Federal Awards and State Matches			<u>121,252,080</u>	<u>43,229,729</u>
State Awards:				
N.C. Department of Health and Human Services				
Division of Social Services				
Adult Services (State Contract)			-	46,900
Adult Day Care			-	130,906
Children's Foster Home			-	113,007
Child Protective Services			-	253,234
State Adult Specialist Fund			-	41,407
Special Children Adoption Fund			-	91,500
State Aid to Counties			-	69,158
Non Targeted Consumers			-	6,621
Work First Block Grant - Maintenance of Effort			-	494,215
Restoring Families		00515-05	-	46,089
Direct benefit payments				
Aid to the aged and disabled			-	1,162,494

CATAWBA 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	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Mental Health, Developmental Disabilities and Substance Abuse Services				
Developmental Disabilities - Child			-	46,095
Developmental Disabilities - Adult			-	774,861
Developmental Disabilities - Traumatic Brain Injury			-	219,832
Developmental Disabilities - Service Funds			-	127,067
Mental Retardation/Mental Illness			-	1,375,105
Comprehensive Treatment Services Program (At Risk Children)		1290-536930	-	383,023
Emergency Services			-	86,340
Multidisciplinary Evaluation			-	6,020
General Program Services			-	143,600
Crisis Services			-	130,000
Systems Management Transition			-	3,184,485
Division of Public Health				
Health Department Aid		1410411000	-	68,977
Communicable Disease		1451451000	-	8,197
Tuberculosis		1451455100	-	24,139
Tuberculosis Medical Services		1451455400	-	787
School Nursing Funding Initiative		15355358AA	-	96,961
Acquired Immune Deficiency Syndrome (AIDS)		14614536BN	-	12,500
Women's Preventative Health		15116014FR	-	8,895
Comprehensive Adolescent Health Project		1535535700	-	44,000
Risk Reduction/Health Promotion		1551550300	-	9,125
Immunization		1570570100	-	1,420
MCV4 Vaccinations			-	8,838
Interpreter Services			-	20,000
NC Health and Wellness			-	33,244
NC Partnership for Children				
Smart Start			-	513,794
Smart Start - early childhood development			-	61,074
Smart Start - early childhood support team			-	479,964
Division of Services for the Blind				
Special Assistance Blind Equalization			-	96
Division of Facility Services				
Office of Emergency Medical Services				
Bioterrorism Preparedness Grant (Federal HRSA)			-	70,776
Total N.C. Department of Health and Human Services			-	<u>10,394,746</u>
<u>N.C. Department Juvenile Justice and Delinquency Prevention</u>				
Peace Pipeline Conflict Resolution			-	20,168
Project Challenge			-	50,900
Reasoning and Reacting Cognitive Skills			-	22,088
Corner Houses I & II			-	218,948
Planning			-	12,986
Catawba Parenting Network			-	12,626
Salvation Army Gang Violence Grant			-	45,834
Total N.C. Department Juvenile Justice and Delinquency Prevention			-	<u>383,550</u>
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Water Quality				
State Clean Water Grant			-	981,673
Department of Soil and Water Conservation				
N.C. Agriculture Cost Share Program			-	26,155
Soil and Water Conservation			-	4,000
Ecosystem Enhancement Program			-	2,375
USGS National Geospatial Programs Office				
Digital Orthophotography Grant		AZ05007	-	6,059
Total N.C. Department of Environment and Natural Resources			-	<u>1,020,262</u>
<u>N.C. Department of Cultural Resources</u>				
Library Department				
LSTA Grant			-	5,808
Library State Aid Grant			-	158,248
Library Summer Reading Grant			-	4,300
Total N.C. Department of Cultural Resources			-	<u>168,356</u>

CATAWBA 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	State Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
N.C. Division of Veterans Affairs Department of Emergency Services Veterans Service			-	2,000
N.C. Department of Commerce NC Corporation Fund - Industrial Recruitment			-	75,000
N.C. Department of Public Instruction Public School Building Capital Fund			-	1,329,466
N.C. Department of Corrections Criminal Justice Partnership Program			-	73,766
N.C. Department of Transportation Elderly Handicapped Transportation		DOT-16CL	-	100,776
Work First Transitional Transportation (ROAP)		DOT-16CL	-	12,358
Community Transportation Grant Funds			-	210,029
Safe Roads Act			-	13,409
Rural General Public Funds		DOT-16CL	-	104,272
Total N.C. Department of Transportation			-	440,844
N.C. Department of Crime Control and Public Safety Division of Emergency Management Crisis Housing Assistance Funds (CHAF)		018-0-04	-	5,572
Total N.C. Department of Crime Control and Public Safety			-	5,572
N.C. Department of Justice Investigative and Traffic Enforcement Upgrade		2006-DJ-BX-0454	-	10,945
N.C. Department of Agriculture and Consumer Services Structural Pest Control and Pesticides Division Pesticide Environmental Trust Grant			-	4,635
Total State Awards			-	13,909,142
Total Federal and State Awards			\$ 121,252,080	\$ 57,138,871

CATAWBA 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

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:

Program Name	Federal CFDA Number	State Number	Federal	State
Child Care and Development Block Grant	93.575		1,949,273	-
Title III-B Transportation General	93.044		76,801	-
Medical	93.044		4,037	-
JJDP Project Challenge			-	50,900
Peace Pipeline			-	20,168
Cognitive Connection Reasoning & Reacting			-	22,088
NC Health and Wellness Trust			-	33,244
Elderly Handicapped Transportation		DOT -16CL	-	100,776
Rural General Public Funds		DOT -16CL	-	104,272
Community Transportation Grant			-	210,029
Public School Building Capital Fund			-	1,329,466
Salvation Army Gang Violence				45,834