

**GASTON COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2009

GASTON COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2009

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

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

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
Gaston County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of and for the year ended June 30, 2009, not presented here, which collectively comprises Gaston County's basic financial statements, and have issued our report thereon dated October 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gaston County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gaston County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County'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 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 Gaston County's financial statements are free of material misstatement, we performed tests of its compliance and other matters with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, members of 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 22, 2009

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

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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
Gaston County, North Carolina

Compliance

We have audited the compliance of Gaston 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, 2009. Gaston County, North Carolina'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 Gaston County's management. Our responsibility is to express an opinion on Gaston 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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gaston 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 Gaston County's compliance with those requirements.

In our opinion, Gaston County, North Carolina 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, 2009.

Internal Control Over Compliance

The management of Gaston 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 Gaston 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 non-compliance 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 County's ability to administer a federal program such that there is more than a remote likelihood that non-compliance 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 non-compliance 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 Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gaston County, North Carolina, as of and for the year ended June 30, 2009, not presented here, and have issued our report thereon dated November 12, 2008. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Gaston 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 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.

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October 22, 2009

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Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of Commissioners
Gaston County, North Carolina

Compliance

We have audited the compliance of Gaston 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, 2009. Gaston County's major State programs are identified in the summary of auditor's 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 Gaston County's management. Our responsibility is to express an opinion on Gaston County, North Carolina'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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Gaston County, North Carolina's compliance with those requirements and performing such other procedures 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 Gaston County, North Carolina's compliance with those requirements.

In our opinion, Gaston County, North Carolina 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, 2009.

Internal Control Over Compliance

The management of Gaston 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 Gaston 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.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 22, 2009

GASTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of Gaston County, North Carolina.
- B. Our audit of the basic financial statements disclosed no material weaknesses or significant deficiencies in internal control.
- C. Our audit of the basic financial statements disclosed no instances of non-compliance 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 material weaknesses or significant deficiencies in internal controls over major programs.
- E. An unqualified opinion was issued on Gaston County's compliance with the types of compliance requirements applicable to its major Federal programs.
- F. An unqualified opinion was issued on Gaston County'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. The major federal programs for Gaston County for the year ended June 30, 2009 were:

<u>Federal Program/Cluster Name</u>	<u>CFDA Number</u>
Food Stamp Cluster	10.551, 10.561
Subsidized Childcare Cluster	93.575, 93.596, 93.667, 93.558
Medical Assistance Program	93.778
CHIPS/NC Health Choice	93.767
TANF	93.558
WIC	10.557
WIA-Workforce Investment Aid	17.259, 17.258
Low Income Energy Assistance	93.568
Foster Care Title IV-E and Adoption	93.658

GASTON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

I. The major State programs for Gaston County for the year ended June 30, 2009 were:

Program Name

Public School Building Capital Fund
State/County Special Assistance for Adults
Juvenile Crime and Delinquency
Rural Capital Program 08-SC-008
State Aid to Public Libraries

J. The threshold for determining Type A programs for Gaston County was \$3,000,000.

K. Gaston County did not qualify as a low risk auditee under Section .530 of Circular A-133.

Financial Statements Findings

None reported

Federal Award Findings and Questioned Costs

None reported

State Award Findings and Questioned Costs

None reported

GASTON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

There were no prior year findings.

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures	Sub-recipient Amount
FEDERAL AWARDS:					
<u>U. S. Department of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through the N. C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster:</u>					
Food Stamp Program - Direct Benefit Payment	10.551	40,478,347			
State Administrative Matching Grants for the Food Stamp Program	10.561	1,224,949	-	1,224,949	
Total Food Stamp Cluster		41,703,296	-	1,224,949	-
Passed-through the N. C. Department of Health and Human Services:					
Division of Public Health:					
Special Supplemental Nutrition Program for Women, Infants and Children (WIC):					
Administration					
	10.557	784,243	-	-	
Direct Benefit Payments	10.557	4,474,667	-	-	
Child and Adult Care Food Program	10.558	12,671	-	-	
Summer Food Service Program for Children	10.559	2,119	-	-	
Total U.S. Department of Agriculture		46,976,996	-	1,224,949	-
<u>U. S. Department of Health and Human Services</u>					
<u>Administration on Aging</u>					
Passed-through Centralina Council of Governments:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - TITLE III D Disease Prevention and Health Promotion Services	93.043	13,184	-	1,935	
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers	93.044	696,430	40,966	-	
Special Programs for the Aging - TITLE III C Nutrition Services	93.045	269,996	15,882	-	
National Family Caregiver Support - Title III E	93.052	65,741	-	-	
Nutrition Services Incentive Program	93.053	47,564	-	-	
Total Aging Cluster		1,092,915	56,848	1,935	-
<u>Administration for Children and Families</u>					
Passed-through the N. C. Department of Health and Human Services:					
<u>Subsidized Child Care Cluster:</u>					
Division of Social Services:					
Child Care and Development Fund - Administration	93.596	300,205	-	110,918	
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	2,873,968	-	-	
Child Care and Development Fund - Mandatory	93.596	1,423,385	-	-	
Child Care and Development Fund - Matching	93.596	530,199	292,140	-	
Total Child Care Fund Cluster		5,127,757	292,140	110,918	
Social Services Block Grant	93.667	22,707	-	-	
Temporary Assistance for Needy Families (TANF)	93.558	1,695,286	-	-	
Smart Start		-	129,833	-	
State Appropriations		-	216,101	-	
TANF-MOE		-	437,373	-	
Total Subsidized Child Care Cluster		6,845,750	1,075,447	110,918	-
Division of Social Services:					
Promoting Safe and Stable Families	93.556	4,064	-	1,754	
Temporary Assistance for Needy Families (TANF)	93.558	3,261,120	-	3,382,520	
TANF - Direct Benefit Payments:					
Temporary Assistance for Needy Families (TANF)	93.558	1,783,078	(127)	-	
Aid to Families with Dependent Children (AFDC) -					
Direct Benefit Payments	93.560	(3,926)	(1,076)	(1,076)	
Child Support Enforcement:					
Administration	93.563	1,491,729	-	768,466	
IV-D Offset Fees	93.563	12,502	-	6,441	
Refugee and Entrant Assistance - State Administered Program:					
Administration	93.566	303	-	-	
Direct Benefit Payments	93.566	1,629	-	-	

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures	Sub-recipient Amount
<u>Low-Income Home Energy Assistance:</u>					
Administration	93.568	515,397	-	-	
Energy Assistance Payments - Direct Benefit Payments	93.568	920,309	-	-	
Child Welfare Services - State Grants	93.645	55,730	13,303	53,760	
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care - Administration	93.658	1,012,768	188,886	811,551	
<u>Foster Care - Direct Benefit Payments:</u>					
IV-E Foster Care	93.658	315,927	86,854	86,850	
IV-E Foster Care Maximization	93.658	99,169	18,403	36,181	
IV-E Foster Care Maximization / Family	93.658	3,527	-	1,933	
IV-E Foster Care Level III Maximization	93.658	14,128	-	7,742	
IV-E Foster Care Administration	93.658	65,642	32,612	33,030	
<u>Adoption Assistance (IV-E):</u>					
Administration	93.659	20,650	-	19,388	
Direct Benefit Payments	93.659	582,589	161,171	161,121	
Total Foster Care and Adoption Cluster		2,114,400	487,926	1,157,796	-
Social Services Block Grant	93.667	771,237	-	550,448	
Services for the Blind - Direct Benefit Payments	93.667	31,227	23,975	1,450	
<u>Family Violence Prevention and Services / Grants for Battered Women's Shelters - Grants to State's and Indian Tribes</u>					
Chafee Foster Care Independence Program:	93.671	25,853	-	6,018	
<u>Independent Living Grant</u>					
Independent Living - Direct Benefit Payments:	93.674	57,411	14,353	-	
Transitional / Links	93.674	8,007	2,002	-	
<u>Centers for Disease Control and Prevention</u>					
Passed-through the N. C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services	93.217	157,151	-	-	
Immunization Grants / Aid to County Funding	93.268	58,905	-	-	
Bioterrorism Grant	93.283	-	-	-	
<u>Centers for Disease Control and Prevention - Investigations and Technical Assistance</u>					
Temporary Assistance for Needy Families	93.283	49,207	-	-	
Medical Assistance Program	93.558	54,029	-	-	
HIV Prevention Activities - Health Department Based	93.778	27,988	-	-	
Inject Drug User Program	93.940	46,011	-	-	
Statewide Health Promotion Program	93.959	3,360	-	-	
Maternal and Child Health Services Block Grant	93.991	12,280	-	-	
	93.994	346,681	-	-	
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through the N. C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medical Assistance Program - Administration	93.778	2,203,374	104,977	2,097,855	
Medical Assistance Program - Direct Benefit Payments	93.778	188,095,808	74,226,871	5,216,690	
Division of Social Services:					
State Children's Insurance Program - Administration	93.767	51,203	6,476	10,444	
At Risk Case Management	93.778	36,217	-	-	
Community Alternative Program - Disabled Adults	93.778	378,617	164,281	-	
<u>Office of the Secretary</u>					
Passed-through the N. C. Department of Health and Human Services:					
Charlotte-Mecklenburg Hospital Authority:					
National Bioterrorism Hospital Preparedness Program	93.889	25,374	-	-	
Total U. S. Department of Health and Human Services		210,534,940	76,175,256	13,365,419	-
<u>U. S. Department of Homeland Security</u>					
Passed-through the N. C. Department of Crime Control and Public Safety:					
Homeland Security Grant Program:					
EMPG-2007-37071	97.067	5,320	-	155,307	
EMPG-2008-37071		36,164	-	65,667	
Total U. S. Department of Homeland Security		41,484	-	220,974	-

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures	Sub-recipient Amount
<u>U. S. Department of Housing and Urban Development</u>					
<u>Community Planning and Development</u>					
Passed-through the N. C. Department of Health and Human Services:					
Office of Economic Opportunity:					
Emergency Shelter Grants Program	14.231	6,812	-	-	
Passed-through the N. C. Department of Commerce:					
Community Assistance Division:					
Community Development Block Grants/State's Program	14.228	198,878	-	60,000	-
Total U. S. Department of Housing and Urban Development		205,690	-	60,000	-
<u>U. S. Department of Interior</u>					
<u>National Park Service</u>					
Passed-through the N. C. Department of Cultural Resources:					
Office of Archives and History:					
Historic Preservation Fund Grants-in-Aid	15.904	2,100	-	1,400	
Total U. S. Department of Interior		2,100	-	1,400	-
<u>U. S. Department of Justice</u>					
<u>Office of Justice Programs</u>					
Direct Program:					
State Criminal Alien Assistance Program	16.606	19,585	-	-	
Bulletproof Vest Partnership Program	16.607	1,380	-	1,407	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	19,639	-	-	-
Passed-through the N. C. Department of Crime Control and Public Safety:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	37,498	-	12,500	49,998
<u>Office for Victims of Crime</u>					
Passed-through the N. C. Department of Crime Control and Public Safety:					
Division of Governor's Crime Commission:					
Crime Victim Assistance	16.575	143,920	-	67,157	
Total U. S. Department of Justice		222,022	-	81,064	49,998
<u>U. S. Department of Labor</u>					
<u>Employment and Training Administration</u>					
Passed-through the N. C. Department of Commerce:					
Employment and Training Division:					
<u>Workforce Investment Act Cluster:</u>					
WIA Adult Program:					
Administration	17.258	100,698	-	-	
Adults - Program Costs		372,878	-	-	
CAP/Incentive - Program Costs		140,383	-	-	
EDWAA - Program Costs		555,678	-	-	
Rapid Response - Program Costs		55,166	-	-	
WIA Youth Activities:					
TITLE II C - In School Youth	17.259	266,371	-	-	
TITLE II C - Out of School Youth		117,524	-	-	
WIA Dislocated Workers:					
National Emergency Grant - Program Costs	17.260	489,601	-	-	
Total Workforce Investment Act Cluster		2,098,299	-	-	
Total U. S. Department of Labor		2,098,299	-	-	-
<u>Election Assistance Commission</u>					
Passed-through the N. C. State Board of Elections:					
Help America Vote Act Requirements Payments	90.401	11,132	-	-	-
Total Federal Awards		260,092,663	76,175,256	14,953,806	49,998

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures	Sub-recipient Amount
STATE AWARDS:					
<u>N. C. Department of Administration</u>					
Domestic Violence Program			45,342	-	
Marriage License Grant			21,735	-	
Division of Veterans Affairs:					
County Veterans Service Program			2,000	197,316	
Total N. C. Department of Administration			69,077	197,316	-
<u>N. C. Department of Commerce</u>					
One North Carolina Fund O-2005-0248			250,000	-	250,000
<u>N. C. Department of Corrections</u>					
Criminal Justice Partnership Program 36-0708-I-A			155,397	-	155,397
<u>N. C. Department of Cultural Resources</u>					
Division of State Library: State Aid to Public Libraries			427,826	-	-
<u>N. C. Department of Environment and Natural Resources</u>					
Clean Water Management Trust Fund			199,771	30,000	-
Division of Environmental Health:					
Environmental Health			6,000	-	
Environmental Health - Childhood Lead Poisoning Prevention			4,000	-	
Environmental Health - Food and Lodging			22,651	-	
Total Division of Environmental Health			32,651	-	-
Division of Soil and Water Conservation:					
N. C. Agriculture Cost Share - Technical Assistance			27,175	27,175	
Gaston County Natural Resources Conservation District - Matching Funds			4,000	565,050	
Total Division of Soil and Water Conservation			31,175	592,225	-
Division of Water Resources:					
Water Resources Development Project Grant Program			19,277	12,851	
Total Division of Water Resources			19,277	12,851	-
Total N. C. Department of Environment and Natural Resources			83,103	605,076	-
<u>N. C. Department of Health and Human Services</u>					
Division of Aging and Adult Services:					
Senior Center General Purpose			4,353	1,383	
Senior Center Outreach and Development			653	217	
Total Division of Aging and Adult Services			5,006	1,600	-
Division of Public Health:					
Adolescent Pregnancy Prevention			48,813	-	
AIDS - State			95,203	-	
Breast and Cervical Cancer Program			49,215	-	
General Communicable Disease Control			28,152	-	
General Aid to Counties for Health Services			243,028	-	
Healthy Carolinians			5,727	-	
Maternal Health			107,971	-	
Preparedness and Response			56,493	-	
Risk Reduction / Health Promotion			22,111	-	
Targeted Infant Mortality Grant			43,157	-	
Tuberculosis			29,833	-	
Tuberculosis - Medical Services			1,529	-	
Women's Preventive Health			18,117	-	
Total Division of Public Health			749,349	-	-
Division of Services for the Blind:					
Special Assistance to the Blind Equalization Payments			1,234	-	
Total Division of Services for the Blind			1,234	-	-

COUNTY OF GASTON, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Local Expenditures	Sub-recipient Amount
Division of Social Services:					
Adoption / Foster Care			63,890	90,543	
Child Welfare Services Adoption Subsidy -					
Direct Benefit Payments			452,450	134,383	
CPS/MRS Expansion - State			46,514	-	
Finding Family Pilot			45,097	-	
Smart Start - Administration			100,000	256	
Social Services Block Grant - State			76,364	160,384	
Special Children Adoption Fund			7,500	-	
Special Adult Day Care			50,880	7,269	
State Adult Services			55,424	-	
State/County Special Assistance for Adults (SC/SA) -					
Direct Benefit Payments			2,221,923	2,221,923	
State Foster Care - Direct Benefits Program:					
State Foster Care			257,527	257,526	
State Foster Care Maximization			108,733	108,732	
Foster Care At Risk Maximization			69,883	38,490	
Foster Care Special Provision			100,568	-	
Total Division of Social Services			<u>3,656,753</u>	<u>3,019,506</u>	-
Total N. C. Department of Health and Human Services			<u>4,412,342</u>	<u>3,021,106</u>	-
<u>N. C. Department of Justice</u>					
State Bureau of Investigation:					
SAFIS Live-scan Equipment Grant			23,780	-	-
<u>N. C. Department of Juvenile Justice and Delinquency Prevention</u>					
Juvenile Crime and Delinquency Prevention Council			518,069	90,844	502,824
<u>N. C. Department of Public Instruction</u>					
Education Lottery Funds					
Corporate Income Tax Collections			3,500,000	-	-
Total Public School Building Capital Project Fund			<u>827,742</u>	<u>1,214,459</u>	<u>827,742</u>
<u>N. C. Department of Transportation</u>					
Public Transportation Division:					
Human Service Transportation Management Program:					
09-US-008			164,526	29,034	
Rural Capital Program:					
09-SC-008			310,553	34,506	
Rural Operating Assistance Program (ROAP):					
Elderly and Disabled Transportation Assistance					
Program (E&DTAP)			157,132	-	
Rural General Public Program (RGP)					
Work First/Employment Transportation Operating			137,547	-	
Assistance Program			37,791	-	
Total ROAP			<u>332,470</u>	<u>-</u>	
Total N. C. Department of Transportation			<u>807,549</u>	<u>63,540</u>	-
<u>N. C. Arts Council</u>					
Grassroots Arts Program			3,753	2,373	-
<u>N. C. Governor's Crime Commission</u>					
Passed-through the City of Gastonia Police Department:					
Gang Violence Prevention Grant Program			93,267	49,468	-
<u>N. C. Partnership for Children</u>					
Smart Start:					
3-89-5-16-003			47,570	-	
3-89-5-16-005			96,436	-	
Total N. C. Partnership for Children			<u>144,006</u>	<u>-</u>	-
Total State Awards		-	<u>11,315,911</u>	<u>5,244,182</u>	<u>1,735,963</u>
Total Federal and State Awards		<u>\$ 260,092,663</u>	<u>\$ 87,491,167</u>	<u>\$ 20,197,988</u>	<u>\$ 1,785,961</u>

GASTON COUNTY, NORTH CAROLINA

NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2009

1. Basis of Presentation

The accompanying schedule of expenditures of Federal and State Awards includes the Federal and grant activity of the County of Gaston 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. 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. Subrecipients

Of the federal and State expenditures, the County provided awards to subrecipients as follows:

Federal:

NC Department of Crime Control - Edward Byrne	\$ 49,998
Total federal	<u>\$ 49,998</u>

State:

Public School Building Capital Fund	\$ 827,742
Juvenile Justice and Delinquency Prevention	502,824
Criminal Justice Partnership Program	155,397
One North Carolina Fund	<u>250,000</u>
Total State	<u>\$ 1,735,963</u>

3. Cluster Reporting

The following programs are clustered by the N.C. Department of Health and Human Services and are treated separately for State audit requirement purposes:

Subsidized Child Care
Foster Care and Adoption