

**Year Ended June 30, 2010**



**Compliance Letters**



**Stanly County, NC**





***STANLY COUNTY  
NORTH CAROLINA***

***COMPLIANCE LETTERS***

***For Fiscal Year Ended  
June 30, 2010***



***Prepared and Issued by:  
Stanly County Finance Department***

***Toby R. Hinson  
Finance Director***



**STANLY COUNTY, NORTH CAROLINA  
COMPLIANCE LETTERS  
For the Fiscal Year Ended June 30, 2010  
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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  
Stanly County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2010, not presented here, which collectively comprise Stanly County's basic financial statements and have issued our report thereon dated October 22, 2010. 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 the 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 the 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 the 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, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, others within the organization, members of the Stanly County 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 specified parties.

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

Martin Starnes & Associates, CPAs, P.A.  
October 22, 2010

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

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

## **Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act**

To the Board of County Commissioners  
Stanly County, North Carolina

### **Compliance**

We have audited Stanly County's compliance 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 could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2010. The 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 the County's management. Our responsibility is to express an opinion on the 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 the 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 the County's compliance with those requirements.

In our opinion, Stanly County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.



## **Internal Control Over Compliance**

Management of Stanly 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 the County's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program 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, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

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

## **Schedule of Expenditures of Federal and State Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 22, 2010. Our audit was performed for the purpose of forming an opinion of the financial statements that collectively comprise the 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 for the information and use of management, others within the organization, members of the Stanly County 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 specified parties.

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

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October 22, 2010

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## **Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major State Program And On Internal Control Over Compliance In Accordance With Applicable Sections of the OMB Circular A-133 And The State Single Audit Implementation Act**

To the Board of County Commissioners  
Stanly County, North Carolina

### **Compliance**

We have audited Stanly County's compliance 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 could have a direct and material effect on each of Stanly County's major State programs for the year ended June 30, 2010. The 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 the County's management. Our responsibility is to express an opinion on the 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, *Audits of States, Local Governments, and Non Profit Organizations*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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 the 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 the County's compliance with those requirements.

In our opinion, Stanly County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010.

## **Internal Control Over Compliance**

Management of Stanly 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 the County's internal control over compliance with the 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 applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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This report is intended for the information and use of management, others within the organization, members of the Stanly County 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 specified parties.

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

Martin Starnes & Associates, CPAs, P.A.  
October 22, 2010

# STANLY COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

### 1. Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

Non-compliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

#### Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

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 Circular A-133? \_\_\_\_\_ Yes      X   No

Identification of major federal programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
93.778	Title XIX Medicaid
93.713, 93.575, 93.596, 93.667, 93.558	Subsidized Childcare Cluster
10.561	Supplemental Nutrition Assist. Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,789,539

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes      X   No



**STANLY COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

There were no findings from the prior year.

**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<b>Federal Awards:</b>			
<b>U.S. Department of Health and Human Services:</b>			
<b>Administration for Children and Families:</b>			
Passed-through the N.C. Department of Health and Human Services			
<b>Division of Social Services:</b>			
Child Support Enforcement	93.563	\$ 429,376	\$ (21)
Temporary Assistance for Needy Families:			
Administration	93.558	500,292	-
Direct Benefit Payment	93.558	313,617	-
Total Temporary Assistance for Needy Families		813,909	-
Foster Care and Adoption Cluster:			
Title IV-E Foster Care:			
Administration	93.658	225,929	29,307
Adoption Training	93.659	2,900	-
Direct Benefit Payments	93.658	148,627	30,297
Title IV-E Adoption Assistance Program:			
Direct Benefit Payments	93.659	240,261	48,751
Total Foster Care and Adoption Cluster		617,717	108,354
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	295,788	-
Direct Benefit Payments	93.568	423,245	-
Total Low-Income Home Energy Assistance Block Grant		719,033	-
LINKS	93.674	9,598	2,399
LINKS-Direct Benefit	93.674	12,848	-
Family Preservation	93.556	1,080	-
AFDC Payments and Penalties	93.560	(315)	(86)
Social Services Block Grant	93.667	203,536	12,043
Child Welfare Services-State Grants			
Adoption Subsidy - Direct Benefit Payments	93.645	-	130,032
Child Welfare Services-State Grants			
Permanency Planning	93.645	16,814	5,037
Sub total		243,560	149,425
Subsidized Childcare Cluster			
Child Care Development Fund Cluster:			
<b>Division of Social Services</b>			
CCDF-Administration	93.596	104,522	-
<b>Division of Child Development</b>			
CCDF-Discretionary	93.575	778,376	-
CCDF-Mandatory	93.596	277,906	-

**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>Grantor / Pass-through Grantor / Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>	
		<b>Federal</b>	<b>State</b>
CCDF-Match	93.596	562,081	302,340
ARRA-CCDBG	93.713	149,001	-
Total Child Care Development Fund Cluster:		<u>1,871,886</u>	<u>302,340</u>
Social Services Block Grant	93.667	10,715	-
Temporary Assistance for Needy Families	93.558	240,361	-
Smart Start		-	66,716
TANF - MOE		-	305,940
State Appropriations		-	80,298
Total Subsidized Childcare Cluster		<u>2,122,962</u>	<u>755,294</u>
<b>U.S. Department of Agriculture:</b>			
Passed-through N.C. Department of Health & Human Services			
<b>Division of Public Health:</b>			
Special Supplemental Nutrition Program for			
Women Infant and Children (WIC)	10.557	281,184	-
WIC - Direct Benefit Payment	10.557	1,215,904	-
Total Division of Public Health		<u>1,497,088</u>	<u>-</u>
<b>Health Care Financing Administration:</b>			
Passed-through the N.C. Department of Health and Human Services			
<b>Division of Medical Assistance:</b>			
Direct Benefit Payments:			
Medical Assistance Program	93.778	50,515,881	17,357,619
Administration:			
Medical Assistance Program	93.778	580,898	17,234
Health Choice	93.767	31,014	3,024
Total Health Care Financing Administration		<u>51,127,793</u>	<u>17,377,877</u>
<b>U.S. Department of Agriculture:</b>			
Food and Nutrition Service			
Passed-through N.C. Department of Health & Human Services			
<b>Division of Social Services:</b>			
Administration:			
Supplemental Nutrition Assist. Program Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	292,133	-
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	70,325	-
Total Supplemental Nutrition Assistance Program Cluster		<u>362,458</u>	<u>-</u>
<b>U.S. Department of Health and Human Services:</b>			
Passed-through N.C. Department of Health and Human Services			
<b>Division of Public Health:</b>			



**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>Grantor / Pass-through Grantor / Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>	
		<b>Federal</b>	<b>State</b>
Family Planning Services	93.218	42,907	-
Temporary Assistance for Needy Families	93.558	4,638	-
Immunization Program/Aid to County Funding	93.268	23,467	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	135,114	-
Statewide Health Promotion Program	93.991	13,657	-
Maternal and Child Health Services Block Grant	93.994	110,536	-
ARRA - Immunizations	93.712	26,048	-
Total Division of Public Health		<u>356,367</u>	<u>-</u>
<b>Administration of Aging:</b>			
Passed-through Centralina Council of Governments			
<b>Division of Aging:</b>			
Aging Cluster:			
Access Title III B	93.044	20,310	27,899
In-Home Services:			
Title IIIB	93.044	50,045	129,136
Title IIIC1	93.045	51,953	3,404
Title IIIC2	93.045	<u>45,301</u>	<u>38,198</u>
Total Aging Cluster		167,609	198,637
USDA Supplement	10.570	<u>37,078</u>	<u>-</u>
Total Division of Aging		<u>204,687</u>	<u>198,637</u>
<b>Division of Social Services:</b>			
Senior Center -General		-	12,653
Fan/Heat Program		-	581
DP/HP (90%)	93.043	5,022	359
Title IIIE (Caregiver)	93.052	<u>18,807</u>	<u>1,459</u>
Total Division of Social Services		<u>23,829</u>	<u>15,052</u>
<b>U.S. Department of Transportation:</b>			
Vision 100	20.930	395,098	-
Passed-through N.C. Department of Transportation:			
Public transportation for non-urbanized area	20.509	267,552	22,134
Federal Aviation Admin	20.108	<u>14,022</u>	<u>-</u>
Total U.S. Department of Transportation		<u>676,672</u>	<u>22,134</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed-through N.C. Department of Commerce:			
<b>Division of Community Assistance:</b>			
CDBG (07-C-1697)	14.228	237,133	-
CDBG (08-C-1845)	14.228	75,000	-
CDBG (00-D-1917)	14.228	54,007	-

**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
CDBG (09-R-1980)	14.228	6,485	-
CDBG (02-D-1916)	14.228	3,317	-
Urgent Repair	14.228	37,500	-
Total U.S. Department of Housing and Urban Development		<u>413,442</u>	<u>-</u>
<b>U.S Department of Justice</b>			
Passed through N.C. Department of Crime Control and Public Safety			
<b>Division of Emergency Management:</b>			
Emergency Management EMPG-2009-37167	97.042	34,915	-
Byrne Justice Assistance Grants	16.738	7,507	-
Total U.S. Department of Justice		<u>42,422</u>	<u>-</u>
<b>Total Federal Awards</b>		<u>\$ 59,651,315</u>	<u>\$ 18,626,752</u>
<b>State Awards:</b>			
<b>N.C. Department of Health and Human Services:</b>			
<b>Division of Social Services:</b>			
State/County Special Assistance for Adults-Direct Benefit Payment			545,196
AFDC Incentive/Program Integrity			44
TANF Incentive/Program Integrity			660
Foster Care At-Risk Maximization			395
Foster Care Special Provision			23,444
SFHF Maximization			41,727
Energy Assistance & Private Grants			2,411
State Foster Home			15,847
Total Division of Social Services			<u>629,724</u>
<b>Division of Public Health:</b>			
Womens Preventive Health			6,585
Communicable Disease			2,732
AIDS-State			500
General			114,326
Smart Start			51,100
Tuberculosis			2,871
TB Medical Services			1,034
Preparedness and Response			41,755
Risk Reduction / Health Promotion			4,839
Breast and Cervical Cancer Control			12,240
LHD Smokefree Law			1,710
Total Division of Public Health			<u>239,692</u>
<b>N.C. Office of Emergency Medical Services</b>			
Office of Assistant Secretary for Preparedness and Response			<u>9,866</u>

**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
Total N.C. Department of Health and Human Services			<u>879,282</u>
<b>N.C. Department of Environmental &amp; Natural Resources:</b>			
Soil & Water Conservation-Admin			31,468
<b>Division of Environmental Assistance and Outreach</b>			
Abandoned Manufactured Homes Program			<u>16,310</u>
Total N.C. Department of Environmental & Natural Resources			<u>47,778</u>
<b>N.C. Dept. of Public Instruction</b>			
Public School Building Capital Fund:			
ADM			117,817
Lottery Proceeds			<u>1,588,457</u>
Total N.C. Department of Public Instruction			<u>1,706,274</u>
<b>N.C. Department of Transportation:</b>			
ROAP Elderly and Disabled Transportation Assistance Program			84,106
ROAP Work-First			20,800
ROAP Rural General Public Program			96,555
Rocky River RPO WBS 39269.16			84,672
State Aid to Airports			<u>600,000</u>
Total N.C. Department of Transportation			<u>886,133</u>
<b>N.C. Department of Administration:</b>			
Veterans Commission			<u>2,000</u>
<b>N.C. Department of Correction:</b>			
Criminal Justice Partnership Program			69,848
Juvenile Crime Prevention Counseling Rest			60,750
Office of Juvenile Justice			<u>124,411</u>
Total N.C. Department of Correction:			<u>255,009</u>
<b>N.C. Department of Crime Control and Public Safety:</b>			
Drug seizure			10,879
Governors Highway Safety Program			1,705
Forfeiture Property			3,571
Pre Trial			<u>2,502</u>
Total N.C. Department of Crime Control and Public Safety:			<u>18,657</u>
<b>N.C. Department of Cultural Resources:</b>			
Direct Programs			
Aid to Public Libraries			<u>120,011</u>

**STANLY COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<b>N.C. Department of Insurance:</b>			
Division of Seniors' Health Insurance Information Program			2,685
<b>N.C. Rural Economic Development Center, Inc.</b>			
Rural Center Grant 2007-274-40101-102			100,000
Rural Center Grant 2009-276-60501-117			108,000
Rural Center Grant 2010-166-60501-107			48,345
Total N.C. Rural Economic Development Center, Inc.:			256,345
<b>Total State Awards</b>			22,800,927
<b>Total Federal and State Awards</b>		<u>\$ 59,651,315</u>	<u>\$ 22,800,927</u>

**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 Stanly 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. Subrecipients**

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Public School Building Capital Fund	N/A	\$ -	\$ 1,706,274

**3. 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 and Foster Care and Adoption