



STATE OF NORTH CAROLINA
Office of the State Auditor

Leslie W. Merritt, Jr., CPA, CFP
State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601
Telephone: (919) 807-7500
Fax: (919) 807-7647
Internet
<http://www.ncauditor.net>

October 6, 2008

Mr. Philip DeLuca, Executive Director
Family Services, Inc. of Gaston County
214 E. Franklin Boulevard
Gastonia, NC 28054

RE: State Grants from:

Department of Administration-
State Fiscal Year 2006, \$15,530
State Fiscal Year 2007, \$16,020
Department of Crime Control and Public Safety
State Fiscal Year 2006, \$25,000
State Fiscal Year 2008, \$36,305
Department of Health and Human Services
State Fiscal Year 2006, \$38,462
State Fiscal Year 2007, \$43,539
State Fiscal Year 2008, \$12,500

Grant Overview:

Department of Administration– Displaced Homemaker and Divorce Filing Fees--All funds budgeted for Displaced Homemaker and Divorce Filing Fees were for salary related expenditures travel and providing training or education pertaining to displaced homemakers toward self-sufficiency.

Department of Crime Control and Public Safety- The Victims of Crime Act grant provides services to current and past victims of sexual assault. All funds budgeted were for salary related expenditures.

Department of Health and Human Services- These funds included both Adult Health Promotion and Family Services Administration. These funds were used to provide staff for counseling referrals and child advocacy services.

Dear Mr. DeLuca:

We have completed a special review described below at Family Services, Inc. of Gaston County related to its management of state grant funds.

Our objective was to identify whether there were any instances of noncompliance with laws, regulations, and provisions of contracts or grants agreements; deficiencies in internal control; and/or deficiencies in the management of financial resources based on the performance of the procedures described below.

Procedures included, but were not limited to, interviewing personnel; examining accounting and other grant records for the purpose of identifying state grant transactions; and reviewing available policies and procedures.

The results of the special review did not disclose instances of noncompliance, internal control deficiencies, and/or other matters of concern. Since no significant matters of concern were detected, we do not require a response from your entity.

This letter will be published on our Electronic Publication System (EPS) at www.ncauditor.net. You and others who are interested in the publication should register on the web site to receive an email notification and a link to the publication as soon as it is available.

Sincerely,



Leslie W. Merritt, Jr., CPA, CFP
State Auditor

LWMjr/jhp

CC: Secretary Britt Cobb
Department of Administration
Secretary Bryan Beatty
Department of Crime Control and Public Safety
Secretary Dempsey Benton
Department of Health and Human Services
Ms. Laketha Miller, Comptroller
Department of Health and Human Services