

DURHAM COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and
State Awards for the Year Ended June 30, 2009
Report on Compliance and on Internal Control

DURHAM COUNTY, NORTH CAROLINA
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**INDEPENDENT AUDITORS' 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**

Board of County Commissioners
Durham 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 Durham County, North Carolina (the "County") as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. We did not audit the financial statements of the Durham County ABC Board. 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 Durham County ABC Board 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 Durham County ABC Board were not audited in accordance with *Government Auditing Standards*.

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 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 County'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 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 a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

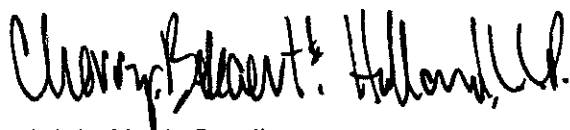
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify 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 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing Board, management, others within the organization, 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.

CHERRY, BEKAERT & HOLLAND, L.L.P.

A handwritten signature in black ink, appearing to read "Cherry, Bekert & Holland, LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 27, 2009



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Board of County Commissioners
Durham, North Carolina

Compliance

We have audited the compliance of Durham County, North Carolina (the "County"), 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. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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; 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the 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, 2009.

Internal Control Over Compliance

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

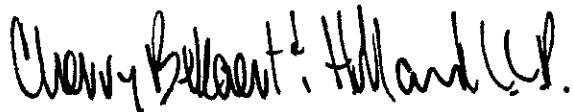
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Schedule of Expenditures of Federal and State Awards

We have audited the basic 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 the County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. We did not audit the financial statements of the Durham County ABC Board. 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 for the Durham County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, audits of States, Local Governments, and non-profit organizations 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 governing Board, management, others within the organization, 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.

CHERRY, BEKAERT & HOLLAND, L.L.P.



Raleigh, North Carolina
October 27, 2009



**INDEPENDENT AUDITORS' 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**

Board of County Commissioners
Durham County, North Carolina

Compliance

We have audited the compliance of Durham County, North Carolina (the "County"), 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. The County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of 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, 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the 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, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act, and which is described in the accompanying schedule of findings and questioned costs as item 09-02.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity'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 a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-01 to be a significant deficiency.

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. We did not consider the above deficiency described in the accompanying schedule of findings and questioned costs to be material weakness.

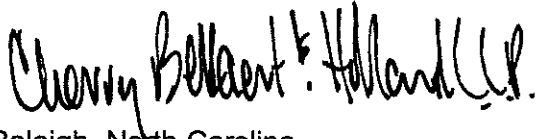
The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal and State Awards

We have audited the basic 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 the County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 27, 2009. We did not audit the financial statements of the Durham County ABC Board. 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 for the Durham County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, audits of States, Local Governments and non-profit organizations and the State Single Audit Implementation Act and is not a required part of the 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 governing Board, management, others within the organization, federal and State awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than specific parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Handwritten signature in black ink that reads "Cherry Bekaert & Holland L.L.P." in a cursive, stylized font.

Raleigh, North Carolina
October 27, 2009

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO THE
AUDIT OF FEDERAL AND STATE AWARDS**

II – Financial Statement Findings

None

III – Federal Award Findings and Questioned Costs

None

IV – State Award Findings and Questioned Costs

Program Title: Domiciliary Care

Finding 09-01

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: The County should maintain proper internal controls to allow the proper eligibility and verification documentation to be obtained for each individual approved for the program. The Domiciliary Care department requires three cases of each caseworker per month to be reviewed for quality control to achieve this requirement.

Condition: One caseworker for the County had six cases that did not contain the minimum documentation necessary to support eligibility. One of his reviews performed during November 2008 received a rating of 78%. However, this case should have been found to be ineligible and that the documentation did not meet the minimum requirements. The quality control failed to identify this case as ineligible.

Context: The quality control should have identified the eligibility noncompliance finding.

Questioned Costs: None.

Effect: Several cases performed by the caseworker did not include proper documentation. These recipients could have received assistance for which they were not eligible.

Cause: Issues found during the quality control process were not properly identified and addressed.

Recommendation: The County needs to ensure that quality controls are being performed properly and that possible issues are identified and addressed in a timely manner.

Management Response: This is an isolated incident and the caseworker is no longer with the agency. The County agrees that cases performed by the caseworker will be reviewed and ensure that all recipients are properly eligible and that all necessary documentation will be obtained during future reviews.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Program Title: Domiciliary Care

Finding 09-02

NONMATERIAL NONCOMPLIANCE
Eligibility

Criteria: Durham County is required to maintain eligibility and verification documents to support the eligibility determination of an individual applying for the program.

Condition: In six cases reviewed, the County did not have the necessary eligibility and verification files to support the eligibility determination.

Context: A caseworker of the County was reviewing files, but not completing the required documentation. A significant lack of documentation was noted in six of the eighteen case files completed by the caseworker.

Questioned Costs: \$61,746. 40 Domiciliary Care files were tested and one exception was noted. Questioned costs of the one individual who should not have received assistance was extrapolated to the population tested to determine the likely questioned costs.

Effect: The County was unable to support through documentation the eligibility determination. This could lead to funds being paid to ineligible recipients.

Cause: A caseworker of the County was not following the necessary eligibility and verification documentation requirements.

Recommendation: The County should review cases performed by this caseworker and ensure that all recipients are properly eligible and that all necessary documentation is obtained during future reviews.

Management Response: The County will continue to work to ensure that Quality Controls are being performed properly and that possible issues are identified and addressed properly and timely.

SECTION III – SCHEDULE OF CORRECTIVE ACTION PLANS

II – Financial Statement Findings

None

III – Federal Award Findings and Questioned Costs

None

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

IV – State Award Findings and Questioned Costs

Finding: 09-01

Name of contact person: Cynthia M. Cason, Program Manager Health Access (Medicaid)

Corrective Action: The County will continue to ensure that cases are being reviewed for accuracy as changes and recertification's occur by the income maintenance caseworkers. Internal monitoring of these cases using the state's recommended tool has been in effect since May 2009.

Proposed Completion Date: Fiscal 2009-2010.

Finding: 09-02

Name of contact person: Cynthia M. Cason, Program Manager Health Access (Medicaid)

Corrective Action: The lead worker continues to use the state's recommended tool for quality assurance. The lead workers will pull and read a random sample of three cases per worker per month. If errors are cited, the caseworker will have five days to rebut or return the case to the lead worker with the corrections. If the caseworker rebuts the finding, the rebuttal will be submitted to the supervisor in writing. Only the supervisor can change the score and only through the rebuttal process. The supervisors will randomly pull and review at least three cases reviewed by the lead workers and review 100% of the work completed by a new employee.

Proposed Completion Date: This will be an ongoing expectation of both the lead workers and supervisors.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

II – Financial Statement Findings

Finding 08-01

Status: Corrected

III – Federal Award Findings and Questioned Costs

None

IV – State Award Findings and Questioned Costs

Juvenile Crime Prevention Programs

Finding 08-02

SIGNIFICANT DEFICIENCY
Reporting

Status: Corrected

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2009

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
FEDERAL AWARDS			
<u>U.S. Dept. of Agriculture</u>			
<u>Food and Nutrition Service</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Administration:			
<u>Food Stamp Cluster</u>			
Food Stamp Administration	10.561	\$ 1,475,735	\$
Food Stamp-Noncash	10.551	37,098,181	
Total Food Stamp Cluster		<u>38,573,916</u>	
Food & Nutrition Service Recovery	10.561	<u>23,843</u>	
Division of Public Health:			
Administration:			
Food Stamp Administration	10.561	319,229	
FAGRI-SFP Food Program Meal	10.559	2,900	
Division of Aging:			
Elderly Feeding Program	10.570	<u>560,718</u>	
Passed-through the N.C. Dept. of Agriculture			
Food Distribution Division	10.565	917	
Passed-through the N.C. Dept. of Agriculture & Consumer Service			
Natural Resources Conservation Service			
Farm and Ranch Lands Protection Program	10.913	158,044	
Total U.S. Dept. of Agriculture		<u>39,639,567</u>	
<u>U.S. Dept. of Justice</u>			
<u>Bureau of Justice Assistance</u>			
Passed-through the N.C. Dept. of Crime Control & Public Safety:			
Governor's Crime Commission			
State Criminal Alien Assistance Program	16.606	141,562	
Gang Resistance Education and Training	16.737	6,279	
Edward Byrne Memorial Justice Assistance Grant	16.738	309,172	
Byrne Formula Grant Program	16.744	36,594	
Total U.S. Dept of Justice		<u>493,607</u>	<u>-</u>
<u>U.S. Dept. of Homeland Security</u>			
Passed-through the N.C. Dept. of Homeland Security:			
Emergency Management Performance Grant	97.042	<u>52,782</u>	<u>52,782</u>
Total U.S. Dept. of Homeland Security		<u>52,782</u>	<u>52,782</u>

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2009

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
<u>U.S. Dept. of Health & Human Services</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
CDC Tuberculosis Project	93.116	39,133	85,023
Family Planning Services	93.217	108,051	
CDC Immunization	93.268	57,158	
Center for Disease Control & Prevention - Investigation & Technical Assistance	93.283	45,083	87,962
Temporary Assistance for Needy Families	93.558	89,784	17,950
CDC Aids Prevention	93.940	136,771	181,234
SSBG-HIV Program	93.667	3,239	13,224
Prevent Health Service STD Control Grant	93.977	82,888	
Diabetes Control Program Project Direct	93.988	437	109
Preventive Health Block Grant	93.991	17,581	16,810
Maternal Health	93.994	184,627	
MCH Block Grant -Women's Prevention	93.994	102,019	8,182
-Child Care Coordination	93.994	96,669	
-Child Health	93.994	19,065	150,000
Total Public Health		982,505	560,494
<u>Administration for Children and Families</u>			
Passed-through N.C. Dept. of Health and Human Services:			
Division of Social Services:			
<u>Foster Care and Adoption Cluster:</u>			
CWS Adopt Subsidy - Direct Benefit Payments	93.645		602,763
Title IV E Adopt Assistance - Direct Benefit Payments	93.658	732,770	476,140
IV E CPS/Optional	93.658	1,108,866	243,930
IV E Foster Care	93.658	940,947	413,035
Adoption/Guardianship	93.659	263,430	
Total Foster Care and Adoption Cluster		3,046,013	1,735,868
TANF - Direct Benefit Payments	93.558	1,858,669	
Work First Administration	93.558	569,703	
Work First Service	93.558	2,365,138	
Special Children Adoption	93.558	4,684	
Family Preservation	93.556	3,802	
Domestic Violence	93.558	14,498	
Title IV D - Child Support Enforcement	93.563	2,377,519	
ARRA - Child Support Enforcement	93.563	17,621	
LIEAP Administration	93.568	162,044	
Crisis Intervention	93.568	1,160,460	
Energy Assistance - Direct Benefit Payments	93.568	828,748	
Refugee Assistance - Direct Benefit Payments	93.566	30,770	
Day Care Coordinator	93.596	658,790	
Permanency Planning - Child Welfare Services	93.645	71,080	18,270
SSBG - Other Service and Training	93.667	1,064,321	142,847
Independent Living - (LINK)	93.674	76,840	11,258
Division of Aging:			
SSBG - In Home Service Fund	93.667	562,976	
SSBG - Adult Day Care	93.667	100,095	145,350
Total Administration for Children and Families		11,927,758	317,725

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2009

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
Division of Child Development:			
<u>Subsidized Child Care Cluster</u>			
Child Care and Development Fund - Discretionary	93.575	6,530,047	
Child Care and Development Fund - Mandatory	93.596	4,387,237	549,922
Social Services Block Grant	93.667	145,239	
TANF	93.558	4,648,740	3,112,329
Smart Start			1,680,238
Total Subsidized Child Care Cluster		15,711,263	5,342,489
<u>Substance Abuse and Mental Health Service Administration</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Path Homeless Block Grant	93.150	134,000	
<u>Mental Health Cluster</u>			
Block Grant for Community Mental Health Services	93.958	90,052	17,217
Total Mental Health Cluster		90,052	17,217
<u>Developmental Disability Cluster</u>			
SSBG-Developmental Disabilities	93.667	145,351	
Total Developmental Disability Cluster		145,351	
<u>Substance Abuse Services Cluster</u>			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	903,825	
Total Substance Abuse Services Cluster		903,825	
<u>Health Care Financing Administration</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	189,099,463	86,470,628
ARRA Stimulus Credit	93.778	10,265,284	(9,495,387)
Division of Social Services:			
Administration:			
Health Choice	93.767	84,748	9,722
Adult Care Home Case Management	93.778	197,084	104,117
Medical Assistance Administration	93.778	2,402,971	
Medical Assistance Transportation	93.778	983,400	30,200
Total Division of Medical Assistance		203,032,950	77,119,280
Total U.S. Dept. of Health and Human Services		235,973,717	85,093,073
Total Federal Awards		276,159,673	85,145,855

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
STATE AWARDS			
<u>N.C. Dept. of Health and Human Services</u>			
Division of Social Services:			
Domiciliary Care - Direct Benefit Payments			2,307,517
State Aid to Counties			166,945
DCD Smart Start Administration			360,649
Energy Assistance Private Grant			3,075
Program Integrity			12,199
Special Assistance for Blind			120,203
Total Division of Social Services			2,970,588
Division of Public Health:			
State Aid to Counties			208,609
Communicable Disease			21,517
Healthy Carolinians			5,275
Tobacco Grant			112,963
Lincoln Aids Grant			28,000
Environmental Health			28,049
Children's Special Health Services			16,792
Maternity Care Coordinator			32,230
Child Health Grant			94,848
EPSDT Program			136,366
Lead Prevention			53,500
Total Division of Public Health			738,149
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Crisis Services -MH			303,750
State Appropriation			10,999,476
General Services			4,465,848
Multidisciplinary Evaluation			5,000
Total N.C. Department of Health and Human Services and Substance Abuse Services			15,774,074
Total N.C. Dept. of Health and Human Services			19,482,811
<u>N.C. Dept. of Cultural Resources</u>			
State Aid To Libraries			262,649
Total N.C. Dept. of Cultural Resources			262,649
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation Assistance (E&DTAP)			184,993
Community Transportation			191,728
Total N.C. Dept. of Transportation			376,721
<u>N.C. Dept. of Environment, Health and Natural Resources</u>			
Storm Water Education Program			31,039
Soil and Water Conservation			51,094
Community Conservation Assistance Program			1,398
Total N.C. Dept of Environment, Health and Natural Resources			83,531

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2009

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
<u>N.C. Division of Veterans Affairs</u>			
Veterans Service Program			2,000
<u>State Board of Elections</u>			
HAVA One-Stop Site Grant			124,000
Kids Voting Program			9,096
Total State Board of Elections			133,096
<u>N.C. Cooperative Extension Services</u>			
Welcome Baby			338,928
Total N.C. Cooperative Extension Services			338,928
<u>N.C. Dept of Crime Control and Public Safety</u>			
State Partnership Program			189,430
Safe Road Funds			14,307
Juvenile Crime Prevention (OJJ Program)			575,378
Total N.C. Dept. of Crime Control and Public Safety			779,115
<u>N.C. Dept of Commerce</u>			
The One North Carolina Fund			1,150,000
<u>N.C. Dept. of Public Instruction</u>			
Child Nutrition Program			18,232
Total N.C. Dept. of Public Instruction			18,232
<u>Office of State Budget and Management</u>			
Public School Building Capital Fund			620,766
Total Other State Awards			3,765,038
TOTAL FEDERAL AND STATE AWARDS		\$ 276,159,673	\$ 108,393,704

DURHAM COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2009

1. GENERAL

The Schedule of Expenditures and Federal and State Awards (the "Schedule") presents the activities of all Federal and State financial award programs of Durham County, North Carolina (i.e. primary government only). The Durham County, North Carolina (the "County") reporting entity is defined in Note 1 to the County's basic financial statements. All Federal and State awards received directly from Federal and State agencies as well as Federal financial awards passed through other government agencies are included in the Schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. BENEFIT PAYMENTS ISSUED BY THE STATE

Benefit payment amounts, which were paid directly by the State from Federal and State monies on behalf of the County, have been separately identified and quantified on the Schedule. These direct payments do not appear within the financial statements of the County because these amounts are not revenues and expenditures of the County. County personnel are involved in certain functions, primarily with eligibility determinations that cause benefit payments to be issued by the State.

4. SUBRECIPIENTS

During the fiscal year ended June 30, 2009, the County provided federal and State awards to subrecipients as follows:

Program Titles	Federal CFDA #	Expenditures	
		Federal	State
<u>N.C. Dept of Crime Control and Public Safety</u>			
Juvenile Crime Prevention (OJJ Program)			\$ 427,609
<u>N.C. Dept of Health and Human Services</u>			
Division of Public Health: Lead Prevention			40,000
<u>N.C. Dept of Transportation</u>			
Elderly and Disabled Transportation Assistance (E&DTAP)			180,596
<u>N.C. Dept of Commerce</u>			
The One North Carolina Fund			1,150,000
<u>Office of State Budget and Management</u>			
Public School Building Capital Fund			620,766
		<u>\$ -</u>	<u>\$ 2,418,971</u>