

DURHAM COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and
State Awards for the Year Ended June 30, 2008
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, 2008, and have issued our report thereon dated October 27, 2008. 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.

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 internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-01 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 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

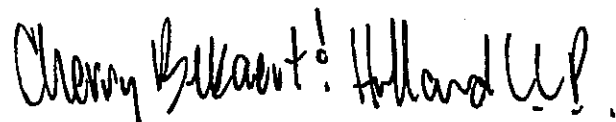
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

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

We also noted certain matters that we reported to management of the County in a separate letter dated October 27, 2008.

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.

Handwritten signature in black ink that reads "Cherry Bekaert & Holland LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 27, 2008



**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, 2008. 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, 2008.

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.

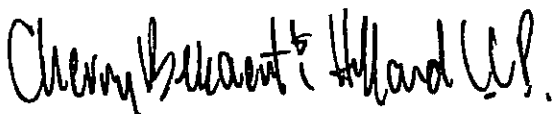
Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal 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, 2008, and have issued our report thereon dated October 27, 2008. 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, 2008



**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, 2008. 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, 2008.

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 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 items 08-02 to be 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 finding 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, 2008, and have issued our report thereon dated October 27, 2008. 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.



Raleigh, North Carolina
October 27, 2008

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weakness(es)? yes none reported

Noncompliance material to Financial Statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weakness(es)? yes no

Noncompliance material to federal awards? yes no

Type of auditor's 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 no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program/Cluster Name</u>
10.551 & 10.561	Food Stamp Cluster
93.778	Medical Assistance
93.563	IV-D Child Support Enforcement

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

Auditee qualified as low-risk auditee yes no

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

State Awards

Internal control over major state programs:

- Material weakness (es) identified? ___yes Xno
- Significant deficiency (ies) identified that
are not considered to be material weakness(es)? Xyes ___no

Noncompliance material to state awards? ___yes Xno

Type of auditor's report issued on compliance for major state programs: Unqualified

Any audit findings disclosed that are required to
be reported in accordance with the State Single
Audit Implementation Act? ___yes Xno

Identification of major state programs:

Program Name

Juvenile Crime Prevention (DJJ Program)
Welcome Baby

Another major State program for Durham County is Medical Assistance, which is a State match on a federal program. Therefore, this program has been included in the list of major federal programs above.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

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

II – Financial Statement Findings

Finding 08-01

SIGNIFICANT DEFICIENCY

Criteria: Accounts payable is made up of invoices for goods that were received prior to year end or services that were performed prior to year end which have not yet been paid at year end.

Condition: Our review of disbursements after fiscal year end revealed that an item was incorrectly recorded in accounts payable at year end.

Effect: Accounts payable was overstated.

Cause: This appears to be an isolated incident.

Recommendation: The County should be more thorough in their review of invoices when determining what should be recorded in accounts payable at year end.

Management Response: Durham County will continue to work at reviewing accounts payable items in more detail to ensure that items are properly included or properly excluded in accounts payable at year end.

III – Federal Award Findings and Questioned Costs

None

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

IV – State Award Findings and Questioned Costs

Program Title: Juvenile Crime Prevention Programs

Finding 08-02

SIGNIFICANT DEFICIENCY
Reporting

Criteria: A final accounting form is to be submitted by the requested Department of Juvenile Justice and Delinquency Prevention (DJJDP) deadline (August 15th) at the end of the Fiscal year by the program to report total revenues and expenditures for the program operation (NCAC, Title 28, Subchapter 2). This accounting form is then to be sent to the DJJDP Area Office for review.

Condition: Final Accounting forms were not submitted by the August 15, 2008 deadline.

Context: This appears to be human error, occurring on a consistent basis.

Questioned Costs: None.

Effect: DJJDP funding for the next fiscal year is dependent on whether or not the final accounting form is submitted. If forms are late, programs will not get additional funding until the forms are submitted.

Cause: There does not seem to be an effective monitoring system in place over the program to ensure that the forms are being submitted timely.

Recommendation: CBH recommends that the County take steps to better manage the reporting process over the JCPC program to ensure that the forms are submitted timely.

Management Response: The County will work at submitted the forms timely in the future.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

SECTION III – SCHEDULE OF CORRECTIVE ACTION PLANS

II – Financial Statement Findings

Finding: 08-01

Name of contact person: George Quick, Finance Director

Corrective Action: Durham County will continue to work at reviewing accounts payable items in more detail to ensure that items are properly included or properly excluded.

Proposed Completion Date: Fiscal 2008-2009.

III – Federal Award Findings and Questioned Costs

None

IV – State Award Findings and Questioned Costs

Finding: 08-02

Name of contact person: Catherine Davis, Grants Manager

Corrective Action: Durham County will continue to work at ensuring that all Final Accounting Forms are submitted on time by every program.

Proposed Completion Date: Fiscal 2008-2009.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

II – Financial Statement Findings

Finding 07-03

Status: Corrected

III – Federal Award Findings and Questioned Costs

Medical Assistance – Title XIX

Finding 07-01

SIGNIFICANT DEFICIENCY
Eligibility

Status: Corrected

North Carolina Health Choice

Finding 07-02

SIGNIFICANT DEFICIENCY
Eligibility

Status: Corrected

IV – State Award Findings and Questioned Costs

No findings noted in prior year.

DURHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2008

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	\$ 1,476,939	\$
Food Stamp-Noncash	10.551	28,892,575	
Total Food Stamp Cluster		<u>30,369,514</u>	
Division of Public Health:			
Food Stamp Administration	10.561	336,457	
Division of Aging:			
Elderly Feeding Program	10.570	465,603	
Total U.S. Dept. of Agriculture		<u>31,171,574</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:			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant	16.738	393,195	
Total U.S. Dept of Justice		<u>393,195</u>	-
<u>U.S. Dept. of Homeland Security</u>			
Passed-through the N.C. Dept. of Homeland Security:			
Emergency Management Performance Grant	97.042	84,271	
Assistance to Firefighters Grant	97.044	69,196	
Total U.S. Dept. of Homeland Security		<u>153,467</u>	-
<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	42,216	81,965
Family Planning Services	93.217	107,759	
CDC Immunization	93.268	57,158	
Bioterrorism Grant	93.283	187,874	4,849
Temporary Assistance for Needy Families	93.558	82,658	
Ryan White Program	93.917	112,647	
CDC Aids Prevention	93.940	43,218	137,496
Syphilis Elimination Funds	93.977	95,842	
Diabetes Prevention and Control	93.988	874	
Preventive Health Block Grant	93.991	17,581	16,561
Maternal Health	93.994	105,486	79,131
MCH Block Grant -Women's Prevention	93.994	58,294	52,620
-Child Care Coordination	93.994	55,237	41,432
-Child Health	93.994	11,158	127,053
Total Public Health		<u>978,012</u>	<u>541,107</u>
<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	93.645	236,036	793,717
Title IV E Adopt Assistance	93.658	584,968	
IV E CPS/Optional	93.658	838,363	243,930
IV E Foster Care	93.658	344,142	350,339
Adoption/Guardianship	93.659	821,505	190,871
Total Foster Care and Adoption Cluster		<u>2,825,014</u>	<u>1,578,857</u>
TANF - Direct Benefit Payments	93.558	1,951,354	
Work First Administration	93.558	559,480	
Work First Service	93.558	2,338,820	
Family Preservation	93.558	28,315	
Domestic Violence	93.558	18,608	
Title IV D - Child Support Enforcement	93.563	2,974,669	
LIEAP Administration	93.568	79,811	
Crisis Intervention	93.568	884,138	

DURHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2008

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
Energy Assistance Payments	93.568	338,809	
Refugee Assistance Payments	93.568	3,975	
Day Care Coordinator	93.596	635,021	
Permanency Planning - Child Welfare Services	93.645	70,882	18,219
SSBG - Other Service and Training	93.667	785,318	142,847
Independent Living - (LINK)	93.674	65,022	11,050
Division of Aging:			
SSBG - In Home Service Fund	93.667	651,329	
SSBG - Adult Day Care	93.667	90,880	118,614
Total Administration for Children and Families		11,474,731	290,730
Division of Child Development:			
<u>Subsidized Child Care Cluster</u>			
Child Care and Development Fund - Discretionary	93.575	6,630,879	
Child Care and Development Fund - Mandatory	93.598	4,203,607	647,409
Social Services Block Grant	93.667	155,141	
TANF	93.558	1,334,263	4,779,083
Smart Start			1,827,811
Total Subsidized Child Care Cluster		12,323,890	7,254,303
<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	123,337	
<u>Mental Health Cluster</u>			
Block Grant for Community Mental Health Services	93.958	148,666	
Social Services Block Grant	93.667	77,656	
State Appropriations -Child			114,728
-Adult			671,438
-Other			619,280
Total Mental Health Cluster		226,322	1,405,446
<u>Developmental Disability Cluster</u>			
SSBG-Developmental Disabilities	93.667	914,201	
State Appropriations -Child			169,633
-Adult			384,925
-Other			119,815
Total Developmental Disability Cluster		914,201	674,373
<u>Substance Abuse Services Cluster</u>			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	1,406,962	
State Appropriations -Child			1,987
-Adult			783,491
-Other			6,017
Total Substance Abuse Services Cluster		1,406,962	791,495
<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	167,111,932	84,952,397
Division of Social Services:			
Administration:			
Health Choice	93.767	72,583	8,954
Adult Care Home Case Management	93.778	255,886	122,960
Medical Assistance Administration	93.778	1,977,772	
Medical Assistance Transportation	93.778	1,095,051	49,427
Total Division of Medical Assistance		170,513,224	85,134,738
Total U.S. Dept. of Health and Human Services		200,785,693	97,671,049
Total Federal Awards		232,503,929	97,671,049

DURHAM COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2008

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			2,101,077
State Aid to Counties			166,945
DCD Smart Start Administration			552,321
Program Integrity			9,371
Special Assistance for Blind			114,889
Total Division of Social Services		-	2,944,603
Division of Public Health:			
State Aid to Counties			135,160
Communicable Disease			21,517
Healthy Carolinians			11,825
Tobacco Grant			120,714
Lincoln Aids Grant			28,000
Environmental Health			27,280
Children's Special Health Services			11,391
Child Health Grant			72,855
Lead Prevention			52,000
Total Division of Public Health			480,842
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
MR/MI Program			375,845
CTSP Program			48,102
Crisis Services -MH			87,167
Multidisciplinary Evaluation			9,917
Emergency Services			158,889
General Services			4,783,871
State Appropriations			6,077,391
Total Division of Mental Health			11,539,262
Total N.C. Dept. of Health and Human Services		-	14,984,707
<u>N.C. Dept. of Cultural Resources</u>			
State Aid To Libraries			236,667
Total N.C. Dept. of Cultural Resources			236,667
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation Assistance (E&DTAP)			200,802
Community Transportation			19,524
			220,326
<u>N.C. Dept. of Environment, Health and Natural Resources</u>			
Storm Water Education Program			26,742
Soil and Water Conservation			25,913
Division of Air Quality			18,537
Pest Control			5,059
Total N.C. Dept of Environment, Health and Natural Resources			76,251
<u>N.C. Division of Veterans Affairs</u>			
Veterans Service Program			2,000
<u>State Board of Elections</u>			
HAVA One-Stop Site Grant			31,020
<u>N.C. Cooperative Extension Services</u>			
Welcome Baby			319,650
<u>N.C. Dept of Crime Control and Public Safety</u>			
State Partnership Program			176,808
Juvenile Crime Prevention (OJJ Program)			640,594
Total N.C. Dept. of Crime Control and Public Safety			817,400
<u>N.C. Dept of Insurance</u>			
Seniors' Health Insurance Information Program			5,000
<u>Office of State Budget and Management</u>			
Public School Building Capital Fund			2,466,675
Total Other State Awards			4,174,989
TOTAL FEDERAL AND STATE AWARDS		\$ 232,503,929	\$ 116,810,745

DURHAM COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2008

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.