

DURHAM COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and
State Awards for the Year Ended June 30, 2011
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, 2011, which collectively comprises the County's basic financial statements, and have issued our report thereon dated October 26, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of the Durham County ABC Board (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

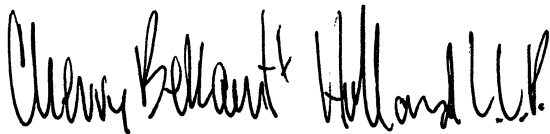
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material 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, 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.

Handwritten signature in cursive script, appearing to read "Cherry Bekaert & Holland L.L.P."

Raleigh, North Carolina
October 26, 2011



**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 could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. 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 that 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 compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 11-01 and 11-02.

Internal Control Over Compliance

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 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, 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, noncompliance 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 noncompliance 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 the 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.


The County's responses to the findings identified in our audit are 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 the responses.

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 the County as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. We did not audit the financial statements of the Durham County ABC Board (the "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 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. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the 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.

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Raleigh, North Carolina
October 26, 2011



**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, 2011. 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 that 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 could have a direct and material effect on each of its major State programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances 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 are described in the accompanying schedule of findings and questioned costs as items 11-01 and 11-02.

Internal Control Over Compliance

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

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 the County as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. We did not audit the financial statements of the Durham County ABC Board (the "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 Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on 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 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.

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

Raleigh, North Carolina
October 26, 2011

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Questioned Costs: None. General and administrative time would not affect the percentage allocation of an employee's time; therefore none are considered questioned costs.

Effect: Day sheets for employees do not account for 100% of the time logged by employees. Time that is spent on other programs could be booked incorrectly and the percentage of time report could be misstated.

Cause: Supervisors are not properly ensuring that all time is logged by County employees.

Recommendation: The County should adopt controls to ensure that employees account for 100% of their time in the County's time system, and ensure supervisors are confirming compliance.

Management Response: The problem was a result of staff forgetting to put in time relating to general and administrative activities. A detailed corrective action plan has been adopted that requires more oversight by supervisors and program managers.

Finding 11-02

NONMATERIAL NONCOMPLIANCE

Allowable costs

Criteria: The NC DHHS Compliance Supplement stipulates that for costs to be allowable for purposes of reimbursement, they must be determined allowable in accordance with the NC DSS Fiscal Manual and the Federal OMB Circular A-87.

Condition: During testing, it was noted that a parking citation was included in the reported reimbursed costs.

Context: During testing for Part II of DSS Crosscutting, auditor sample included the cost of a parking citation of \$45. Consequence of finding is that there may be other unallowable costs that may have been included in the reported reimbursable costs.

Questioned Costs: We identified a questioned cost of \$45 which was derived from the actual invoice sent by the parking deck to the County.

Effect: Unallowable costs were reimbursed to the DSS.

Cause: Unallowable costs were not properly identified and were not properly excluded from reimbursable costs by the person in-charge.

Recommendation: DSS should improve existing control in identifying unallowable costs to ensure that these costs are properly excluded from reported reimbursable costs.

Management Response: The unallowable cost has been reimbursed back to the State.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

IV – State Award Findings and Questioned Costs

**U.S. Department of Health and Human Services
DSS Crosscutting**

Finding 11-01

NONMATERIAL NONCOMPLIANCE
Eligibility

See Section III above – Federal Award Findings and Questioned Costs

Finding 11-02

NONMATERIAL NONCOMPLIANCE
Allowable costs

See Section III above – Federal Award Findings and Questioned Costs

SECTION III – SCHEDULE OF CORRECTIVE ACTION PLANS

II – Financial Statement Findings

None

III – Federal Award Findings and Questioned Costs

**U.S. Department of Health and Human Services
DSS Crosscutting**

Finding 11-01

NONMATERIAL NONCOMPLIANCE
Eligibility

Name of contact person: Catherine Davis, Compliance Manager

Corrective Action: Supervisors and program managers will review total minutes, for accuracy of entries and address needed corrections with appropriate staff members. Upon completion of their review, the supervisors and program managers will sign off and date the report(s) accordingly by the end of each work week. Further, program managers will compile Monthly Day Sheet Summary reports for their respective areas. Upon validation and signing off, the program managers will forward the summary reports to assistant directors for review. Assistant directors will sign off on summary reports and retain these signed off monthly summaries as verification and confirmation of review.

Program managers will ensure that all new staff members are trained in 100% time reporting. Day sheet training will also be included as part of the training in at least one division meeting per year.

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

Assistant directors will ensure that day sheet training is on the agenda and that staff sign in in order to track training participation. Day sheet reporting expectations will be disseminated to every worker and supervisor in the division.

Proposed Completion Date: Ongoing. Day sheet reporting expectations will be sent out to all staff members by October 1, 2011. Assistant directors will monitor and ensure that action items are continuously implemented.

Finding 11-02

NONMATERIAL NONCOMPLIANCE

Allowable costs

Name of contact person: Catherine Davis, Compliance Manager

Corrective Action: DSS will improve existing control in identifying unallowable costs to ensure that these costs are properly excluded from reported reimbursable cost. The accounting supervisor will review the DSS 1571 Part II for reported and unallowable cost to ensure they are reported correctly and signed off accordingly by the 14th day of the following month. The supervisor has also provided training to the affected staff on allowable and unallowable cost. The unallowable cost has been reimbursed to the State.

Proposed Completion Date: Already completed.

IV – State Award Findings and Questioned Costs

**U.S. Department of Health and Human Services
DSS Crosscutting**

Finding 11-01

NONMATERIAL NONCOMPLIANCE

Eligibility

See Section III above – Federal Award Findings and Questioned Costs

Finding 11-02

NONMATERIAL NONCOMPLIANCE

Allowable costs

See Section III above – Federal Award Findings and Questioned Costs

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

II – Financial Statement Findings

None

III – Federal Award Findings and Questioned Costs

None

IV – State Award Findings and Questioned Costs

DSS Crosscutting

Finding 10-01

NONMATERIAL NONCOMPLIANCE
Eligibility

Status: Uncorrected

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

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:			
Food Stamp Cluster			
Food Stamp Administration	10.561	\$ 1,867,508	\$
ARRA FNS Recovery/Contingency Admin.	10.551	170,511	
Total Food Stamp Cluster		<u>2,038,019</u>	
Division of Public Health:			
Administration:			
Food Stamp Administration	10.561	327,884	
Division of Aging:			
Special Programs for the Aging - Title III-B	93.044	388,132	
ARRA Special Programs for the Aging - Title II-B	93.044	4,685	
Special Programs for the Aging - Title III-C	93.045	133,650	
Nutrition Services Incentive Program(NSIP)	93.053	32,966	
Passed-through the N.C. Dept. of Agriculture			
Food Distribution Division	10.565	1,660	
Passed-through the N.C. Agricultural and Technical State University			
Sustainable Agriculture Research and Education	10.215	28,181	
Total U.S. Dept. of Agriculture		<u>2,955,177</u>	
<u>U.S. Dept. of Justice</u>			
<u>Bureau of Justice Assistance</u>			
National Asset Seizure Forfeiture Program	16.000	34,268	
Passed-through the N.C. Dept. of Crime Control & Public Safety:			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	124,193	
Edward Byrne Memorial Justice Assistance Grant	16.738	259,874	
ARRA - Edward Byrne Memorial JAG - Peace Grant/Planning	16.803	91,293	
Second Chance Act Prisoner Reentry Initiative	16.812	27,900	
Passed-through the City of Durham			
Edward Byrne Memorial Justice Assistance Grant	16.738	49,172	
Criminal & Juvenile Justice & Mental Health Collaboration Program	16.745	26,707	
Total U.S. Dept. of Justice		<u>613,407</u>	
<u>U.S. Dept. of Labor</u>			
Passed-through the N.C. Dept. of Homeland Security:			
Homeless Veterans Reintegration Project	17.805	6,217	
Total U.S. Dept. of Labor		<u>6,217</u>	
<u>U.S. Dept. of Homeland Security</u>			
Passed-through the N.C. Dept. of Homeland Security:			
Emergency Management Performance Grant	97.042	36,156	
Buffer Zone Protection Program	97.078	223,645	
Total U.S. Dept. of Homeland Security		<u>259,801</u>	
<u>U.S. Dept. of Housing and Urban Development</u>			
Passed-through the N.C. Dept. of Housing and Urban Development			
Supportive Housing Program	14.235	10,791	
HOME Investment Partnerships Program	14.239	12,082	
Total U.S. Dept. of Housing and Urban Development		<u>22,873</u>	

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
U.S. Dept of Transportation			
Passed- through the N.C. Dept. of Transportation			
Division of Public Transportation			
ARRA - Community Transportation Program	20.509	\$ 178,963	\$ -
Passed- through the N.C. Dept. of Crime Control & Public Safety:			
Division of Emergency Management			
Hazardous Materials Emergency Planning	20.703	8,536	
Total U.S. Dept. of Transportation		<u>187,499</u>	
U.S. Dept. of Health & Human Services			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
CDC Tuberculosis Project	93.116	48,816	78,243
Family Planning Services	93.218	102,997	18,254
CDC Immunization	93.268	48,487	
Bioterrorism - Preparedness and Response			
Planning	93.283	95,703	8,315
NC System for Public Health-Emergency Response for H1N1			
Enhanced	93.283	122	
NC System for Public Health-Emergency Response for H1N1			
Counties Response	93.283	35,829	
Temporary Assistance for Needy Families	93.558	29,321	
Refugee Health Services	93.576	1,950	
CDC Aids Prevention	93.940	153,751	134,757
Prevent Health Service STD Control Grant	93.977	51,452	
Preventive Health Block Grant	93.991	11,340	20,846
Maternal Health	93.994	147,747	
MCH Block Grant -Women's Prevention	93.994	168,192	
-Child Care Coordination	93.994	59,951	
-Child Health	93.994	14,180	124,214
Total Public Health		<u>969,838</u>	<u>384,629</u>
U.S. Dept. of Health & Human Services			
Administration for Children and Families			
Passed-through N.C. Dept. of Health and Human Services:			
Division of Social Services:			
Foster Care and Adoption Cluster:			
CWS Adopt Subsidy - Direct Benefit Payment	93.645		837,699
Title IV E Adopt Assistance - Direct Benefit Payment	93.658	926,179	233,481
ARRA - IV-B Adoption Assistance	93.658	25,970	
IV E CPS	93.658	1,023,147	204,901
IV-E Optional	93.659	93,279	77,708
IV E Foster Care	93.658	839,563	62,934
ARRA - IV E Foster Care	93.658	6,981	
Adoption/Guardianship	93.659	236,469	
Total Foster Care and Adoption Cluster		<u>3,151,588</u>	<u>1,416,723</u>
TANF - Direct Benefit Payments	93.558	1,720,355	
Work First Administration	93.558	602,017	
Work First Service	93.558	2,230,368	
Family Preservation	93.556	14,502	
Domestic Violence	93.558	12,544	
Title IV D - Child Support Enforcement	93.563	2,808,268	
LIEAP Administration	93.568	179,573	
Crisis Intervention	93.568	1,351,514	
Energy Assistance Payments - Direct Benefit Payment	93.568	1,474,701	
Refugee Assistance Payments - Direct Benefit Payment	93.566	57,790	
Day Care Coordinator	93.596	769,485	
Permanency Planning - Child Welfare Services	93.645	73,329	
SSBG - Other Service and Training	93.667	906,689	143,578
Family Violence Prevention & Services	93.671	1,522	
Independent Living - (LINK)	93.674	58,929	10,409
Division of Aging:			
SSBG - In Home Service Fund	93.667	527,729	
ARRA - SSBG - In Home Service Fund	93.667	8,141	
SSBG - Adult Day Care	93.667	99,489	83,944
Sub-Total		<u>12,896,945</u>	<u>237,931</u>

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
<u>Division of Child Development:</u>			
<u>Subsidized Child Care Cluster</u>			
Child Care and Development Fund - Discretionary	93.575	\$ 2,337,924	\$
ARRA - Child Care and Development Fund - Discretionary	93.713	33,542	
Child Care and Development Fund - Mandatory	93.596	2,933,264	
Child Care and Development Fund - Match	93.596	476,224	260,866
Social Services Block Grant	93.667	20,536	
Temporary Assistance for Needy Families	93.558	2,216,601	
Temporary Assistance for Needy Families	93.575	4,322,836	
ARRA - TANF Emergency Fund	93.714	1,212,759	
TANF - MOE			431,968
State Appropriations			1,814,474
Total Subsidized Child Care Cluster		<u>13,553,686</u>	<u>2,507,308</u>
<u>Division of Social Services:</u>			
Promoting Safe and Stable Families	93.556	50,000	-
Passed-through University of North Carolina at Chapel Hill UNC School of Social Work			
Healthy Marriage Demonstration	93.086	433,897	
Total Division of Social Services:		<u>483,897</u>	
Total Administration for Children and Families		<u>30,086,116</u>	<u>4,161,962</u>
<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	193,275	
Building Every Chance of Making It Now and Grown Up Project	93.243	147,180	
<u>Mental Health Cluster</u>			
Block Grant for Community Mental Health Services	93.958	103,760	
State Appropriation			3,034,296
Total Mental Health Cluster		<u>103,760</u>	<u>3,034,296</u>
<u>Developmental Disability Cluster</u>			
SSBG-Developmental Disabilities	93.667	206,670	
State Appropriation			4,208,797
Total Developmental Disability Cluster		<u>206,670</u>	<u>4,208,797</u>
<u>Substance Abuse Services Cluster</u>			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	962,744	
State Appropriation			3,742,531
Total Substance Abuse Services Cluster		<u>962,744</u>	<u>3,742,531</u>
<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	201,198,797	78,231,458
Division of Social Services: Administration:			
Health Choice	93.767	101,182	9,689
Adult Care Home Case Management	93.778	195,783	79,051
Medical Assistance Administration	93.778	2,952,199	
Medical Assistance Transportation	93.778	752,459	15,168
Medical - At Risk Adults	93.778	444,774	
Total Division of Medical Assistance		<u>205,645,194</u>	<u>78,335,366</u>
Total U.S. Dept. of Health and Human Services		<u>238,314,777</u>	<u>93,867,581</u>
Total Federal Awards		<u>242,359,751</u>	<u>93,867,581</u>

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

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 Payment		\$	\$ 2,470,521
State Foster Home			337,010
State Adult Protective Service			34,768
Program Integrity			7,898
Special Assistance for Blind - Direct Benefit Payment			92,110
Total Division of Social Services			<u>2,942,307</u>
Division of Public Health:			
State Aid to Counties			210,015
Tobacco Grant			115,007
Environmental Health			25,195
Children's Special Health Services			15,604
HIV Risk Reduction			5,843
Lead Prevention			34,440
Total Division of Public Health			<u>406,104</u>
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:			
Crisis Services -MH			792,750
LME Systems Management			4,531,272
Multidisciplinary Evaluation			2,900
Mental Health Trust Fund			11,313
Medical Assistance - Medicaid			1,206,267
Total N.C. Department of Health and Human Services and Substance Abuse Services			<u>6,544,502</u>
Total N.C. Dept. of Health and Human Services			<u>9,892,913</u>
<u>N.C. Dept. of Cultural Resources</u>			
State Aid To Libraries			<u>257,473</u>
<u>N.C. Dept. of Transportation</u>			
Elderly and Disabled Transportation Assistance (E&DTAP)			238,930
Community Transportation			49,688
			<u>288,618</u>
<u>N.C. Dept. of Environment, Health and Natural Resources</u>			
Triangle WWTP Water Reclaimed Water Project			339,327
Storm Water Education Program			31,243
Soil and Water Conservation			26,661
			<u>397,231</u>
<u>N.C. Division of Veterans Affairs</u>			
Veterans Service Program			<u>2,000</u>
<u>N.C. Division of Child Development</u>			
Passed-through Durham's Partnership for Children:			
Smart Start Initiative			<u>376,587</u>
<u>N.C. Dept of Crime Control and Public Safety</u>			
Juvenile Crime Prevention (OJJ Program)			536,806
Safe Road Funds			18,069
Comprehensive Anti-Gang Initiative Program			46,160
Gang Intervention Team Program			101,581
Total N.C. Dept. of Crime Control and Public Safety			<u>702,616</u>
<u>N.C. Dept of Corrections</u>			
Criminal Justice Partnership Program			<u>182,958</u>
<u>N.C. Dept of Commerce</u>			
The One North Carolina Fund			<u>271,000</u>
<u>N.C. State Board of Elections</u>			
State One-Stop Voting			<u>14,580</u>

DURHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES	
		FEDERAL	STATE
<u>N.C. Dept of Public Instruction</u> Child Nutrition Program		\$	\$ 14,410
<u>N.C. Committee on Dropout Prevention</u> Dropout Prevention Grant			135,276
<u>Office of State Budget and Management</u> Public School Building Capital Fund			1,036,766
Total Other State Awards			13,572,428
TOTAL FEDERAL AND STATE AWARDS		\$ 242,359,751	\$ 107,440,009

DURHAM COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2011

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 and State 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, 2011, the County provided federal and State awards to subrecipients as follows:

<u>Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>	
		<u>Federal</u>	<u>State</u>
<u>N.C. Dept. of Crime Control and Public Safety</u>			
Juvenile Crime Prevention (OJJ Program)	\$	-	\$ 418,294
 <u>N.C. Dept. of Transportation</u>			
Rural Operating Assistance Program (ROAP)		-	226,801
 <u>Office of State Budget and Management</u>			
Public School Building Capital Fund		-	1,036,766
		<u>\$</u>	<u>\$ 1,681,861</u>