

# COMPLIANCE SECTION

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- \* Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- \* Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.
- \* 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.
- \* Schedule of Findings and Questioned Costs
- \* Corrective Action Plan
- \* Summary Schedule of Prior Audit Findings
- \* Schedule of Expenditures of Federal and State Awards



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of County Commissioners  
Harnett County, North Carolina

We have audited the general purpose financial statements of Harnett County, North Carolina, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 17, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether Harnett County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 two instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as Items 02-1 and 02-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Harnett County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Harnett County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 02-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of Harnett County in a separate letter dated October 17, 2002.

This report is intended for the information and use of the audit committee, management, others within the organization, members of the Board of Commissioners, and federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry Bekaert & Holland, LLP*

Fayetteville, North Carolina  
October 17, 2002



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

Board of County Commissioners  
Harnett County, North Carolina

Compliance

We have audited the compliance of Harnett County, North Carolina, 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, 2002. Harnett County's major federal programs are identified in the summary of auditor's 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 Harnett County's management. Our responsibility is to express an opinion on Harnett County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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 Harnett 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 Harnett County's compliance with those requirements.

In our opinion, Harnett 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, 2002.

Internal Control Over Compliance

The management of Harnett 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 Harnett 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, others within the organization, members of the Board of Commissioners, and federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Bekart & Holland, LLP*

Fayetteville, North Carolina  
October 17, 2002



**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  
Harnett County, North Carolina

Compliance

We have audited the compliance of Harnett County, North Carolina, 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, 2002. Harnett County's major State programs are identified in the summary of auditor's 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 Harnett County's management. Our responsibility is to express an opinion on Harnett 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 Harnett 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 Harnett County's compliance with those requirements.

In our opinion, Harnett 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, 2002.

Internal Control Over Compliance

The management of Harnett 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 Harnett 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 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, others within the organization, members of the Board of Commissioners, and federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Bekant & Holland, LLP*

Fayetteville, North Carolina  
October 17, 2002

**HARNETT COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2002**

SECTION I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified  Yes  No
- Reportable condition(s) identified that are not considered to be material weaknesses  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
- Reportable condition(s) identified that are not considered to be material weaknesses  Yes  None reported

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 Numbers</u>	<u>Names of Federal Program or Cluster</u>
<u>Subsidized Child Care Cluster:</u>	
93.558	Temporary Assistance for Needy Families
93.575	Child Care Development Fund Discretionary
93.596	Child Care Development Fund, Mandatory/Match
93.667	Social Services Block Grant
N/A	TANF Maintenance of Effort
N/A	TANF Maintenance of Effort – Smart Start
N/A	State Appropriations
N/A	Smart Start
93.778	Title XIX - Medicaid
10.557	Special Supplemental Food Program for Women, Infants and Children
<u>Foster Care and Adoption Assistance Cluster:</u>	
93.658	Title IV-E Foster Care
93.659	Title IV-E Adoption Subsidy
93.558	Temporary Assistance for Needy Families



**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**Year Ended June 30, 2002**

**II. Financial Statement Findings (continued)**

**FINDING: 02-2 (\*)**

Non-Compliance with Laws and Regulations

Criteria: North Carolina General Statutes require that actual expenditures do not exceed appropriated expenditures at the legal level of budgetary control.

Condition: The budgetary ordinance for the county is prepared at the department level. During the year ended June 30, 2002, expenditures exceeded appropriated amounts at the level of budget ordinance appropriation as follows:

Fund	Department	Budget	Actual	Variance
General	Emergency Medical Services	\$ 4,526,997	\$ 5,138,242	\$ (611,245)

Effect: Non-compliance with regulations.

Recommendation: We recommend that the County implement a process whereby they monitor the budget versus actual financial results monthly in order to identify the need for budgetary amendments prior to the end of the fiscal year.

**(\*) FINDING: 02-3 (\*)**

Internal Controls

Criteria: Internal controls are enhanced when the responsibilities for executing a transaction, recording the transaction, and maintaining custody of the assets resulting from the transaction are assigned to different individuals. Appropriate documentation should be used consistently throughout the departments.

Condition: In reviewing cash receipt procedures in offices outside the Finance Department, we noticed a lack of segregation of duties in many of those offices due to the small number of employees. Internal controls are enhanced when the responsibilities for executing a transaction, recording the transaction, and maintaining custody of the assets resulting from the transaction are assigned to different individuals.

Effect: While it may be convenient to have one person authorized to receive cash, record the accounts receivable payment, and make the deposit to Finance, such a situation does not provide the ideal internal control structure.

Cause: Many departments have a small number of employees, resulting in difficulty in achieving adequate segregation of duties.

Recommendation: We believe it would be in the County's best interests to implement a rotation schedule for the review of controls related to cash receipts in each ancillary department to see whether they can be strengthened. The Finance department should work with all departments, especially the transportation department, to develop the appropriate documentation for accepting cash receipts.

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (concluded)**  
**Year Ended June 30, 2002**

**II. Financial Statement Findings (continued)**

**III. Federal Award Findings and Questioned Costs**

None reported.

**IV. State Award Findings and Questioned Costs**

None reported.

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Notes to the preceding schedule

1. Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program are included in the list of major federal programs.

**HARNETT COUNTY, NORTH CAROLINA**  
**CORRECTIVE ACTION PLAN (concluded)**  
**Year Ended June 30, 2002**

**Section II - Financial Statement Findings**

**Finding: 02-1**

- A. Name of Contact Person: Vanessa W. Young, Finance Officer
- B. Corrective Action: The Board is aware of the deficit in the Fund. Checks for this fund are written at the end of the month, while funds are received at the beginning of the following month. The General Fund covers any deficit that occurs due to timing.
- C. Proposed Completion: Corrective action to be taken as funds become available.

**Finding: 02-2**

- A. Name of Contact Person: Vanessa W. Young, Finance Officer
- B. Corrective Action: Financial statements will be reviewed on a timely basis to ensure that all required budgetary amendments are obtained prior to the end of the fiscal year.
- C. Proposed Completion: Corrective action to be taken as funds become available.

**Finding: 02-3**

- A. Name of Contact Person: Vanessa W. Young, Finance Officer
- B. Corrective Action: Management will continue to monitor these activities and when applicable, reassign incompatible duties among new personnel as funding becomes available.
- C. Proposed Completion: Corrective action to be taken immediately upon completion of audit.

**HARNETT COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**Year Ended June 30, 2002**

**Finding: 01-1**

Status: A similar error was found this year.

Corrective Action: See corrective action plan at Finding 02-1.

**Finding: 01-2**

Status: Corrected.

**Finding: 01-3**

Status: A similar error was found this year.

Corrective Action: See corrective action plan at Finding 02-2.

**Finding: 01-4**

Status: A similar error was found this year.

Corrective Action: See corrective action plan at Finding 02-3.

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
<b>FEDERAL AWARD EXPENDITURES</b>				
<u>U.S. Dept. of Agriculture</u>				
Rural Development Forestry and Communities	10.672		\$ 120,600	\$ -
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
Food Stamps	10.561		500,176	-
Direct Benefit Payment:				
Food Stamp EBT Benefits	10.551		7,043,879	-
Total Food Stamp Cluster			<u>7,664,655</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women, Infants and Children	10.557		305,571	-
Direct Benefit Payment:				
Special Supplemental Food Program for Women, Infants and Children	10.557		1,664,104	-
Total U.S. Dept. of Agriculture			<u>9,634,330</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>				
Direct Program:				
Housing Assistance Payments Program: Vouchers	14.195		1,038,096	-
Passed-through N.C. Department of Commerce:				
Small Cities Community Development				
Block Grant Shawtown Infrastructure	14.228		71,891	-
Total U.S. Dept. of Housing and Urban Development			<u>1,109,987</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>				
Passed-through the N.C. Department of Crime Control and Public Safety:				
Local Law Enforcement Block Grant	16.592		66,111	-
Re-Entry-Halt	16.579	043-198-013-D338	100,000	-
Wave	16.588	043-199-OPB-J-415	26,776	-
Domestic Violence/Sexual Assault	16.588	043-199-3VA-W153	49,565	-
Total U.S. Dept. of Justice			<u>242,452</u>	<u>-</u>
<u>U.S. Dept. of Labor</u>				
Passed-through Mid-Carolina Council of Governments:				
Welfare Investment Act	17.250		432,127	-
Welfare to Work	17.250	98-WIW-01/H	57,472	-
Total U.S. Dept. of Labor			<u>489,599</u>	<u>-</u>

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Grantor/Pass-Through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Grant I.D. <u>Number</u>	Expenditures	
			Federal	State
<u>U.S. Dept. of Health and Human Services</u>				
Administration on Aging				
Passed-through Mid-Carolina Council of Governments:				
Special Programs for the Aging:				
Senior Education Corps		5321991310	\$ 39,074	\$ -
Senior Center Operations and Outreach	93.044		10,006	-
Home and Community Care Block Grant	93.633		290,591	-
Medical Transportation	93.633		60,898	-
Total Administration on Aging			400,569	-
Administration for Children and Families				
Passed-through the N.C. Department of Health & Human Services:				
Division of Child Development				
Subsidized Child Care Cluster:				
Temporary Assistance for Needy Families	93.558		192,794	-
Child Care Development Fund, Discretionary (CCR&R)	93.575		865,617	-
Child Care & Development Fund - Mandatory	93.596		527,891	-
Child Care & Development Fund - Match	93.596		307,087	14,675
Social Services Block Grant	93.667		7,225	-
TANF - Maintenance of Effort			-	296,040
State Appropriations			-	47,743
Smart Start				920,051
Total Subsidized Child Care Cluster			1,900,614	1,278,509
Passed-through the N.C. Department of Health & Human Services:				
Division of Social Services				
Foster Care and Adoption Cluster				
Temporary Assistance for Needy Families	93.558		130,795	-
Title IV-E Foster Care - Administration	93.658		444,140	228,736
Title IV-E Foster Care	93.658		173,039	48,340
Direct Benefit Payments:				
Title IV-E Adoption Subsidy	93.659		162,536	50,791
Total Foster Care and Adoption Cluster			910,510	327,867
<u>U.S. Dept. of Health and Human Services (Continued)</u>				
Division of Public Health				
Family Planning Title X	93.994		45,139	-
TANF	93.558		17,421	-
Comprehensive Breast and Cervical Cancer	93.919		21,904	-
CDC-TB	93.116		1,296	-
Risk Reduction/Statewide Health Promotion	93.991		21,011	-
HIV Substance Abuse/Aids Federal	93.959		12,000	-
Diabetes Today	93.988		6,571	-

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
<b>Maternal and Child Health Services Block Grant</b>				
Child Care Coordination	93.994		\$ 36,095	\$ -
Child Care Coordination Infant & Toddler	93.994		9,212	-
Women's Preventive Health (Family Planning)	93.994		28,131	-
Maternal Health	93.994		6,711	-
Child Health (HHS-MCH Block Grant)	93.994		69,664	-
Immunization Action Plan	93.268		34,330	-
Immunization General (School Site Immunizations)	93.268		4,931	-
Total Division of Public Health			<u>314,416</u>	<u>-</u>
<b>Division of Social Services</b>				
<b>Direct Benefit Payments:</b>				
Temporary Assistance for Needy Families ("TANF")	93.558		1,420,559	(955)
Aid to Families with Dependant Children ("AFDC")	93.560		(10,061)	(2,552)
Low Income Energy Assistance	93.568		177,279	-
Child Welfare Services - Permanency Planning	93.645		-	98,771
<b>Administration:</b>				
Temporary Assistance for Needy Families ("TANF")	93.558		1,024,266	8,423
Aid to Families with Dependant Children ("AFDC")	93.560		-	1,418
IV-D Administration	93.563		30,960	-
Low Income Energy Assistance	93.568		203,945	-
Permanency Planning-Child Welfare Services	93.645		26,990	6,373
SSBG - Adult Day Care	93.667		37,811	-
SSBG - In Home Services	93.667		37,626	-
SSBG - Other Services and Training	93.667		302,485	-
LINKS	93.674		11,743	2,936
Health Choice	93.767		36,328	4,915
<b>Division of Medical Assistance:</b>				
Medicaid Title XIX	93.778		904,709	57,987
<b>Direct Benefit Payments -</b>				
Medicaid Title XIX	93.778		45,969,550	23,773,517
Total Division of Social Services			<u>50,174,190</u>	<u>23,950,833</u>
Total U.S. Dept. of Health and Human Services			<u>53,700,299</u>	<u>25,557,209</u>
<b>U.S. Dept. of Transportation</b>				
Passed-through the N.C. Department of Transportation Airport Improvement Programs				
Land Acquisition - Runway	20.106	9.9245	-	235,549
Total U.S. Dept. of Transportation			<u>-</u>	<u>235,549</u>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>			<u>65,176,667</u>	<u>25,792,758</u>

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Grantor/Pass-Through Grantor/Program Title	Federal	Grant I.D. Number	Expenditures	
	CFDA Number		Federal	State
<b>STATE AWARD EXPENDITURES</b>				
<u>N.C. Dept. of Crime Control and Public Safety</u>				
Governor's Highway Safety Program			\$ -	\$ 99,519
State & Local Assistance Emergency Services			-	10,745
Total NC Dept. of Crime Control and Public Safety			-	110,264
<u>N.C. Dept. of Cultural Resources</u>				
State Aid to Public Libraries			-	144,395
<u>N.C. Dept. of Health and Human Services</u>				
Division of Community Health				
General Health/State Aid			-	31,500
Tuberculosis			-	31,762
TB Medical Services			-	2,400
Maternal Health			-	4,591
Women's Preventative Health			-	21,245
CSHS -Scoliosis - Orthopedic			-	3
Child Care Coordination			-	2,241
Child Health - State Supported Expenditures			-	48,693
Home Health			-	35,576
Environmental Health			-	6,000
Food and Lodging			-	3,096
Lead Screening			-	2,000
General Communicable Disease Control			-	4,100
HIV/STD - State			-	500
Healthy Carolinians			-	10,000
-				
Division of Social Services				
Direct Benefit Payment:				
Special Assistance to Adults			-	1,083,974
Division of Social Services Administration:				
State Adult Day Care			-	10,320
CP&L Energy Program			-	20,597
Families for Kids			-	5,393
Social Services Block Grant - State			-	36,576
Smart Start			-	77,556
Special Needs Adoption Fund			-	27,000
State Adult Protective Services			-	20,749
State Aid to Counties			-	88,752
State Foster Home			-	65,947
Veteran Affairs			-	2,000
Child Care Resource and Referral Grant			-	61,114
Total N.C. Dept. of Health and Human Services			-	1,703,685

**HARNETT COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
<u>N.C. Division of Child Development</u>				
N.C. Partnership for Children, Inc.:				
Family Home Care Licensure		3-01-5-12-002	\$ -	\$ 35,596
Outdoor Learning Environment		3-01-5-12-002	-	39,550
Parents as Teachers		3-01-5-12-002	-	197,797
Summer School-Age Care			-	13,510
Total N.C. Division of Child Development			-	286,453
<u>N.C. Office of Juvenile Justice</u>				
CBA-Juvenile Restitution		643032	-	83,239
CBA-Juvenile Restitution-JCPC		643000	-	10,500
CBA-Specialized Foster Care		643021	-	43,850
Hillcrest Youth Shelter		643013	-	39,000
Court Psychologist		643005	-	40,350
Woodrow Scoggins		643009	-	14,319
Court Psychologist-MAPS Program		643006	-	6,500
Total N.C. Office of Juvenile Justice			-	237,758
<u>N.C. Dept. of Public Instruction</u>				
Public School Building Bonds			-	7,062,703
<u>Office of the Governor</u>				
Office of Juvenile Justice				
Governor's One-on-One Program	93.667	543906	-	27,500
Total Office of the Governor			-	27,500
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program (ROAP):				
Work First Transportation Grant			-	8,907
Rural General Public Program (RGP)			-	43,737
Elderly and Disabled Transportation Assistance Program (EDTAP)			-	63,828
Community Transportation Program:				
Community Transportation Program (CTP) Admin		9.9041969	-	100,059
Community Transportation Program (CTP) Employee Dev.		9.9045211	-	766
Community Transportation Assistance (TDP)		9.9052043	-	118,286
Total N.C. Dept. of Transportation			-	335,583
TOTAL STATE AWARD EXPENDITURES			-	9,908,341
TOTAL AWARD EXPENDITURES			\$ 65,176,667	\$ 35,701,099

**HARNETT COUNTY, NORTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2002**

**1. GENERAL**

The Schedule of Expenditures of Federal and State Awards (the "Schedule") presents the activity of all federal and State financial award programs of Harnett County, North Carolina. Harnett County, North Carolina ("Harnett County") reporting entity is defined in Note 1 to the general purpose 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 general purpose 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 Harnett County have been separately identified and quantified on the Schedule. These direct payments do not appear within the general purpose financial statements of Harnett County because these amounts are not revenues and expenditures of Harnett County, North Carolina. County personnel are involved in certain functions, primarily with eligibility determinations, that cause benefit payments to be issued by the State.

**4. AMOUNTS PROVIDED TO SUBRECIPIENTS**

During the year ended June 30, 2002, Harnett County passed through monies received from the North Carolina Department of Public Instruction of \$7,062,703 in connection with public school funding provided to Harnett County Board of Education as a subrecipient.