

COMPLIANCE SECTION

- * 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
- * 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
- * Summary Schedule of Prior Audit Findings
- * Schedule of Expenditures of Federal and State Awards

**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
Harnett County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Harnett County, North Carolina (the County) as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 30, 2004. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of the County in a separate letter dated October 30, 2004.

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*.

Board of County Commissioners
Harnett County, North Carolina
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This report is intended solely for the information and use of management, others within the organization, the members of the Board of County 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 specific parties.

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

Cherry, Bekasert + Holland LLP

Fayetteville, North Carolina
October 30, 2004

**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 (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, 2004. The 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 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; 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 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 are applicable to each of its major federal programs for the year ended June 30, 2004.

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 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 reportable 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 caused by error or fraud 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 solely for the information and use of management, others within the organization, the members of the Board of County 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 specific parties.

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

Cherry, Bekart Holland LLP

Fayetteville, North Carolina
October 30, 2004

**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 (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, 2004. The 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 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; and 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 are applicable to each of its major State programs for the year ended June 30, 2004.

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 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 reportable 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 caused by error or fraud 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 solely for the information and use of management, others within the organization, the members of the Board of County 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 specific parties.

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

Cherry, Bekaert + Holland, LLP

Fayetteville, North Carolina
October 30, 2004

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

I – Summary of Auditors' Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to state awards? _____ yes X no

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

Any audit findings disclosed that are required to reported in accordance with the *Audit Manual for Governmental Auditors in North Carolina*? _____ yes X no

Identification of major state programs:
Public School Building Bonds

II – Financial Statement Findings

None.

III – Federal Award Findings and Questioned Costs

None.

IV – State Award Findings and Questioned Costs

None.

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
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2004**

Finding: 03-1

Status: Corrected.

Finding: 03-2

Status: Corrected.

Finding: 03-3

Status: Corrected.

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant I.D. Number | Expenditures | |
|--|---------------------------|----------------------|-------------------|----------|
| | | | Federal | State |
| FEDERAL AWARD EXPENDITURES | | | | |
| <u>U.S. Dept. of Agriculture</u> | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | |
| Division of Social Services: | | | | |
| Administration: | | | | |
| Food Stamps | 10.561 | | \$ 535,853 | \$ - |
| Direct Benefit Payment: | | | | |
| Food Stamp EBT Benefits | 10.551 | | 9,464,603 | - |
| Total Food Stamp Cluster | | | <u>10,000,456</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 | | 354,782 | - |
| Direct Benefit Payment: | | | | |
| Special Supplemental Food Program for Women, Infants and Children | 10.557 | | 1,819,688 | - |
| Total of Public Health | | | <u>2,174,470</u> | <u>-</u> |
| Passed-through Mid-Carolina Council of Governments: | | | | |
| Division of Aging and Adult Services | | | | |
| Nutrition Services Incentive | 10.570 | | 48,557 | - |
| Total U.S. Dept. of Agriculture | | | <u>12,223,483</u> | <u>-</u> |
| <u>U.S. Dept. of Commerce</u> | | | | |
| Passed-through the Economic Development Administration | | | | |
| Grants for Public Works and Economic Development Facilities | 11.300 | 02-50-07 | 100,434 | - |
| Total U.S. Dept. of Commerce | | | <u>100,434</u> | <u>-</u> |
| <u>U.S. Dept. of Housing and Urban Development</u> | | | | |
| Direct Program: | | | | |
| Housing Assistance Payments Program: | | | | |
| Vouchers | 14.195 | | 982,146 | - |
| Passed-through N.C. Department of Commerce: | | | | |
| Small Cities Community Development Block Grant Scattered Site Housing | 14.228 | 02-C-0955 | 292,713 | - |
| Total U.S. Dept. of Housing and Urban Development | | | <u>1,274,859</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 | 2003-LB-BX-1719 | 55,077 | - |
| Re-Entry-Halt | 16.579 | 043-198-013-D338 | 77,179 | - |
| Bulletproof Vest Partnership | 16.607 | 99001216/03019334 | 16,806 | - |
| Methamphetamine Lab Training | 16.710 | 2003CKWX0348 | 939 | - |
| Total U.S. Dept. of Justice | | | <u>150,001</u> | <u>-</u> |
| <u>U.S. Dept. of Labor</u> | | | | |
| Passed-through Mid-Carolina Council of Governments: | | | | |
| Welfare Investment Act | 17.263 | | 642,326 | - |
| Total U.S. Dept. of Labor | | | <u>642,326</u> | <u>-</u> |

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant I.D. Number | Expenditures | |
|--|---------------------------|----------------------|------------------|------------------|
| | | | Federal | State |
| <u>U.S. Dept. of Health and Human Services</u> | | | | |
| Division of Aging and Adult Services | | | | |
| Passed-through Mid-Carolina Council of Governments: | | | | |
| Special Programs for the Aging: | | | | |
| Senior Center Operations and Outreach | 93.044 | | \$ 4,930 | \$ - |
| Nutrition Services | 93.045 | | 238,839 | - |
| Family Care Giver Support Program | 93.052 | | 4,556 | - |
| Family Care Giver Support Program | 93.052 | | 1,502 | 375 |
| Retired Senior and Volunteer Program | 93.060 | | - | 5,807 |
| Home and Community Care Block Grant | 93.633 | | 216,944 | 4,821 |
| Medical Transportation | 93.633 | 16-701 | 47,344 | - |
| Passed-through Corporation for National Service: | | | | |
| National Senior Service | 94.002 | 03SRSNC133 | 40,640 | - |
| Division of Child Development | | | | |
| Child Care Resource and Referral | 93.575 | | 62,843 | - |
| Administration for Children & Families | | | | |
| Child Support Enforcement | 93.563 | 00040-4 | 26,018 | - |
| Total Division of Aging and Adult Services | | | <u>643,616</u> | <u>11,003</u> |
| 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 | | 273,638 | - |
| Child Care Development Fund, Discretionary (CCR&R) | 93.575 | | 1,420,367 | - |
| Child Care & Development Fund - Mandatory | 93.596 | | 731,138 | - |
| Child Care & Development Fund - Match | 93.596 | | 327,136 | 60,900 |
| Social Services Block Grant | 93.667 | | 39,379 | - |
| TANF - Maintenance of Effort | | | - | 420,958 |
| State Appropriations | | | - | 248,907 |
| Smart Start | | | - | 728,517 |
| Total Subsidized Child Care Cluster | | | <u>2,791,658</u> | <u>1,459,282</u> |
| Passed-through the N.C. Department of Health & Human Services: | | | | |
| Division of Social Services | | | | |
| Foster Care and Adoption Cluster: | | | | |
| Federal Adoption Incentive | 93.603 | | 17,965 | - |
| Title IV-E Foster Care - Administration | 93.658 | | 336,182 | 193,493 |
| Title IV-E Foster Care | 93.658 | | 217,765 | 62,123 |
| Direct Benefit Payments: | | | | |
| Title IV-E Adoption Subsidy | 93.659 | | 295,388 | 87,710 |
| Total Foster Care and Adoption Cluster | | | <u>867,300</u> | <u>343,326</u> |
| Division of Social Services | | | | |
| Direct Benefit Payments: | | | | |
| Temporary Assistance for Needy Families ("TANF") | 93.558 | | 998,280 | (390) |
| Aid to Families with Dependant Children ("AFDC") | 93.560 | | (6,241) | (1,629) |
| Low Income Energy Assistance | 93.568 | | 459,099 | - |
| Child Welfare Services - Permanency Planning | 93.645 | | - | 208,735 |
| Administration: | | | | |
| Temporary Assistance for Needy Families ("TANF") | 93.558 | | 1,150,639 | 4,113 |
| Aid to Families with Dependent Children ("AFDC") | 93.560 | | - | (1,869) |
| IV-D Administration | 93.563 | | 55,353 | - |

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant I.D. Number | Expenditures | |
|--|---------------------------|----------------------|--------------|------------|
| | | | Federal | State |
| Division of Social Services (continued) | | | | |
| Low Income Energy Assistance | 93.568 | | \$ 40,861 | \$ - |
| Permanency Planning-Child Welfare Services | 93.645 | | 26,991 | 6,722 |
| SSBG - Adult Day Care | 93.667 | | 31,340 | - |
| SSBG - In Home Services | 93.667 | | 60,429 | - |
| SSBG - Other Services | 93.667 | | 240,477 | - |
| TANF to SSBG | 93.667 | | 45,730 | - |
| LINKS | 93.674 | | 17,725 | 4,431 |
| Health Choice | 93.767 | | 29,902 | 3,014 |
| Division of Medical Assistance: | | | | |
| Medicaid Title XIX | 93.778 | | 1,118,817 | 79,904 |
| Direct Benefit Payments: | | | | |
| Medicaid Title XIX | 93.778 | | 52,368,729 | 22,653,419 |
| Total Division of Social Services | | | 56,638,131 | 22,956,450 |
| <u>U.S. Dept. of Health and Human Services (Continued)</u> | | | | |
| Division of Public Health | | | | |
| Family Planning Title X | 93.994 | | 56,228 | 2,000 |
| Temporary Assistance for Needy Families | 93.558 | | 12,161 | - |
| Comprehensive Breast and Cervical Cancer | 93.919 | | 24,000 | - |
| Risk Reduction/Statewide Health Promotion | 93.991 | | 14,989 | 6,022 |
| HIV Substance Abuse | 93.959 | | 12,000 | - |
| Maternal and Child Health Services Block Grant: | | | | |
| Women's Preventive Health (Family Planning) | 93.994 | | 27,071 | 20,305 |
| Maternal Health | 93.994 | | 6,458 | 4,844 |
| Child Health (HHS-MCH Block Grant) | 93.994 | | 67,039 | 50,285 |
| Child Health - CFPT (Child Fatality Prevention Team) | 93.994 | | 735 | 552 |
| Child Care Coordination | 93.994 | | 14,303 | 10,728 |
| Immunization Action Plan | 93.268 | | 34,330 | - |
| Immunization Action Plan | 93.994 | | 1,291 | 968 |
| Immunization General (School Site Immunizations) | 93.268 | | 5,168 | - |
| Bioterrorism Preparedness & Response | 93.283 | | 47,842 | - |
| Bioterrorism Competitive Projects | 93.283 | | 27,403 | - |
| Bioterrorism Communications & Risk Assessment | 93.283 | | 3,885 | - |
| Bioterrorism LHD Computers (HAN) | 93.283 | | 3,000 | - |
| Bioterrorism SNS | 93.283 | | 5,412 | - |
| Bioterrorism Smallpox | 93.283 | | 11,038 | - |
| Total Division of Public Health | | | 374,353 | 95,704 |
| Total U.S. Dept. of Health and Human Services | | | 73,538,541 | 24,865,765 |
| <u>U.S. Dept. of Transportation</u> | | | | |
| Passed-through the N.C. Department of Transportation | | | | |
| Airport Improvement Programs | | | | |
| Runway Preliminary Construction | 20.106 | 36237.25.4.1 | 512,186 | - |
| Community Transportation TDP/CTP | 20.106 | 05-CT-040 | 198,687 | 10,457 |
| Transportation Facility Design | 20.106 | 03-SF-020 | 360 | - |
| Total U.S. Dept. of Transportation | | | 711,233 | 10,457 |
| <u>Federal Emergency Management Administration</u> | | | | |
| Passed through the N.C. Dept. of Crime Control and Public Safety | | | | |
| Emergency Operations Centers | 85.563 | EMPG-2003-37085 | 314 | - |
| Total Federal Emergency Management Administration | | | 314 | - |

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant I.D. Number | Expenditures | |
|--|---------------------------|----------------------|--------------------------|--------------------------|
| | | | Federal | State |
| <u>N.C. Dept. of Crime Control and Public Safety</u> | | | | |
| State & Local Assistance Emergency Services | 97.042 | EMPG-2003-37085 | \$ 23,498 | \$ - |
| Hazardous Mitigation | 97.047 | PDM-PL-02-08 | 5,783 | - |
| Hazardous Material Emergency Planning | 20.703 | HMPG-39-6-00 | 2,563 | - |
| Pass-through Juvenile Justice and Delinquency Prevention Governor-One-on-One | 93.667 | | 33,250 | - |
| Division of Emergency Management Home Land Security | | | | |
| Home Land Security Phase I | 97.042 | HS-TE-03-1043 | 156,168 | - |
| Domestic Preparedness Equipment Support | 97.004 | DOJ-02-102 | 4,238 | - |
| Division of Governor's Crime Commission | | | | |
| Mobile Data Terminal | 16.579 | 043-1-03-15B-AD-658 | 46,646 | - |
| Total NC Dept. of Crime Control and Public Safety | | | <u>272,146</u> | <u>-</u> |
| <u>N.C. Dept. of Cultural Resources</u> | | | | |
| Historic & Agricultural | 15.904 | TEA-21 | 17,320 | - |
| Passed Thru Mid Carolina Council of Government | | | | |
| Library Family Care Giver Support | 93.052 | | 2,398 | 600 |
| Library e-ZLSTA | 45.310 | | 49,804 | - |
| Total of N.C. Department of Cultural Resources | | | <u>69,522</u> | <u>600</u> |
| <u>N.C. Dept. of Health and Human Services</u> | | | | |
| Division of Aging and Adult Services | | | | |
| Passed thru Mid Carolina Area Agency on Aging | | | | |
| EMS Family Care Giver | 93.052 | 17-701 | 787 | 197 |
| Total of N.C. Dept. of Health and Human Services | | | <u>787</u> | <u>197</u> |
| <u>N.C. Office of Juvenile Justice</u> | | | | |
| Police Athletic League Youth Enrichment Program | 93.590 | 643007 | 10,000 | - |
| Total of N.C. Office of Juvenile Justice | | | <u>10,000</u> | <u>-</u> |
| TOTAL FEDERAL AWARD EXPENDITURES | | | <u>76,770,163</u> | <u>24,877,019</u> |
| STATE AWARD EXPENDITURES | | | | |
| <u>N.C. Dept. of Correction Division of Community Correction</u> | | | | |
| Lee Harnett Criminal Justice Alliance | | F-0704-I-A | - | 92,145 |
| <u>N.C. Dept. of Cultural Resources</u> | | | | |
| State Aid to Public Libraries | | | - | 161,322 |
| Library e-ZLSTA Filtering | 45.310 | | - | 3,670 |
| Total NC Dept. of Cultural Resources | | | <u>-</u> | <u>164,992</u> |
| <u>N.C. Dept. of Health and Human Services</u> | | | | |
| Division of Community Health | | | | |
| General Health/State Aid | | | - | 29,743 |
| Tuberculosis Control | | | - | 31,762 |
| TB Medical Services | | | - | 1,800 |
| Diabetes Today | | | - | 10,000 |
| Environmental Health | | | - | 5,500 |
| Food and Lodging | | | - | 10,038 |
| Childhood Lead Poisoning Prevention | | | - | 2,600 |
| AIDS - State (HIV/STD - State) | | | - | 500 |
| Immunization - State (School Site Immunization) | | | - | 15,313 |

HARNETT COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Grant I.D. Number | Expenditures | |
|--|---------------------------|----------------------|----------------------|----------------------|
| | | | Federal | State |
| <u>N.C. Dept. of Health and Human Services (continued)</u> | | | | |
| Division of Social Services | | | | |
| Direct Benefit Payment: | | | | |
| Special Assistance to Adults | | | \$ - | \$ 1,000,112 |
| Administration: | | | | |
| State Adult Day Care | | | - | 9,008 |
| CP&L Energy Program | | | - | 10,632 |
| Social Services Block Grant - State | | | - | 39,009 |
| Smart Start | | | - | 104,145 |
| Special Needs Adoption Fund | | | - | 54,000 |
| State Adult Protective Services | | | - | 24,818 |
| State Aid to Counties | | | - | 81,297 |
| State Foster Home | | | - | 80,093 |
| Veteran Affairs | | | - | 2,000 |
| Total N.C. Dept. of Health and Human Services | | | - | 1,512,370 |
| <u>N.C. Division of Child Development</u> | | | | |
| N.C. Partnership for Children, Inc. | | | | |
| Family Home Care Licensure | | 3-01-5-12-002 | - | 46,165 |
| Parents as Teachers | | 3-01-5-12-002 | - | 164,633 |
| Total N.C. Division of Child Development | | | - | 210,798 |
| <u>N.C. Office of Juvenile Justice</u> | | | | |
| CBA-Juvenile Restitution | | 643032 | - | 76,908 |
| CBA-Juvenile Restitution-JCPC | | 643000 | - | 4,215 |
| CBA-Specialized Foster Care | | 643021 | - | 45,763 |
| Hillcrest Youth Shelter | | 643013 | - | 35,100 |
| Court Psychologist | | 643005 | - | 4,580 |
| Woodrow Scoggins | | 643009 | - | 7,497 |
| Intensive Home Base Services | | 543042 | - | 38,000 |
| Support For Students | 16.726 | 566000306 | 10,187 | 40,748 |
| Youth Issues | | 643032 | - | 10,000 |
| Total N.C. Office of Juvenile Justice | | | 10,187 | 262,811 |
| <u>N.C. Dept. of Public Instruction</u> | | | | |
| Public School Building Bonds | | | - | 53,001 |
| <u>N.C. Dept. of Transportation</u> | | | | |
| Rural Operating Assistance Program (ROAP): | | | | |
| Work First Transportation Grant | | DOT-16CL | - | 12,604 |
| Rural General Public Program (RGP) | | | - | 49,211 |
| Elderly and Disabled Transportation | | | - | 62,476 |
| Assistance Program (EDTAP) | | | - | 62,476 |
| Edgerton Industrial Park | | 6.451006 | - | 155,721 |
| Total N.C. Dept. of Transportation | | | - | 280,012 |
| <u>N.C. Department of Crime Control and Public Safety</u> | | | | |
| Division of Emergency Management: | | | | |
| FEMA Supplemental Planning Grant | | | - | 27,975 |
| Total Crime Control and Public Safety | | | - | 27,975 |
| TOTAL STATE AWARD EXPENDITURES | | | 10,187 | 2,604,104 |
| TOTAL AWARD EXPENDITURES | | | \$ 76,780,350 | \$ 27,481,123 |

HARNETT COUNTY, NORTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2004

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 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 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 Harnett County have been separately identified and quantified on the Schedule. These direct payments do not appear within the basic 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, 2004, Harnett County passed through monies received from the North Carolina Department of Public Instruction of \$53,001 in connection with public school bond funding provided to Harnett County Board of Education as a subrecipient.