

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 That Could Have A Direct And Material Effect On Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act.

Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major State Program and On 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 Responses

Summary Schedule of Prior Years' Audit Findings

Schedule of Expenditures of Federal and State Awards

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HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

1. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of Harnett County, North Carolina.
- B. Our audit of the basic financial statements disclosed material weaknesses in internal controls.
- C. Our audit of the basic financial statements disclosed no significant deficiencies in internal controls.
- D. Our audit of the basic financial statements disclosed no instances of non-compliance with laws, regulations, and the provisions of contracts and grant agreements that are material to the basic financial statements.
- E. Our audit of compliance with the types of compliance requirements applicable to the County's major programs disclosed material weaknesses in internal controls over major programs.
- F. An unqualified opinion was issued on Harnett County, North Carolina's compliance with the types of compliance requirements applicable to its major federal programs.
- G. An unqualified opinion was issued on Harnett County, North Carolina's compliance with the types of compliance requirements applicable to its major State programs.
- H. Our audit disclosed no audit findings which related to federal and State awards.
- I. Major federal programs for the Harnett County, North Carolina for the fiscal year ended June 30, 2010 are:

<u>Program Name</u>	<u>CFDA#</u>
Food and Nutrition Services	10.561
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778
Special Supplemental Nutrition Program for Women Infants, and Children (WIC)	10.557
Foster Care and Adoption Cluster:	
Title IV-E Foster Care	93.658
Title IV-E Adoption Subsidy	93.659
Child Welfare Services - Permanency Planning	93.645
Subsidized Child Care Cluster:	
Child Care Development Fund, Discretionary	93.575
Child Care Development Fund, Mandatory/Match	93.596
Social Services Block Grant	93.667

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

- I. Major State programs for Harnett County, North Carolina for the fiscal year ended June 30, 2010 are:

Program Name

Special Assistance to Adults
Division of Clean Water Management Trust Fund (South Central Waste Water)
Division of Water Quality (Erwin Waste Water Improvements)
Medical Assistance Program
Foster Care and Adoption Cluster:
 Title IV-E Foster Care
 Title IV-E Adoption Subsidy
Child Welfare Services - Permanency Planning
Subsidized Child Care Cluster
Public Transportation Division Transportation Facility Design

- J. The threshold for determining Type A programs for Harnett County, North Carolina is \$3,000,000.
- K. Harnett County, North Carolina, did not qualify as a low risk auditee under Section .530 of Circular No. A-133.

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

2. Findings Related to the Audit of the Basic Financial Statements

Finding 2010-01 Internal Control Over Payroll

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: The County's department heads review their employees' manual timesheets. These department heads then enter their employees' time into the computer system. A list of employees with amounts to be paid for each department is then sent to the payroll clerk. The payroll clerk processes payroll based on information received from the department head. There is currently no one reviewing hours worked as compared to hours paid.

Effect: With no one reviewing hours worked as compared to hours paid, this increases the likelihood that an employee may be over or under compensated. It may affect payout for overtime worked and pay for hourly employees. It also increases the likelihood of fraudulent activity.

Cause: Controls are not in place to assure proper reporting or to protect from error or misappropriation.

Context: Out of 25 personnel files and timesheets tested from February 2010, 2 separate employees had hours that were incorrectly entered in the month of February.

Recommendation: We suggest having a copy of employee timesheets from each department sent to payroll along with the list of employees with payment amount. This will allow the payroll clerk to compare hours worked to hours entered into the system and to verify that the correct payments are being processed. This will also allow payroll to keep these timesheets on file for future reference.

Contact Person: Sylvia Blinson, Finance Officer

Views of Responsible Officials and Planned Corrective Actions: Management is aware of the weakness and is implementing ExecuTime Time Keeping Software for all Harnett County Departments. Employees access the software to input arrival and departure times as well as inputting leave requests. The supervisor receives an email on the leave request and either approves or denies it. The system tracks available vacation, sick, and compensation time and sends an error report if an employee requests more time than the available balance. Once the supervisor approves the time, only the supervisor can make changes. The time is uploaded into the payroll software system and processed. Any changes for the time between the payroll submission and the end of the month are processed within the first week of the following month. There will not be handwritten timesheets. The electronic timesheets may be reviewed by the appropriate people in the departments and in the Finance Department.

Proposed Completion Date: December 31, 2010

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Finding 2010-02 Prior Period Adjustment

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: Audit and accounting standards require that errors in prior periods, which are detected in a subsequent year, be reported as prior period adjustments, resulting in a restatement of net assets and/or fund balance. A prior period adjustment made in the current year indicates that the systems of internal control are not operating as intended. In the current year, an error was detected in the governmental fund debt beginning balance and in the enterprise fund capital asset beginning balance.

Effect: For the statements affected, the prior year financial statements were misstated.

Cause: Inadequate policy regarding reconciliation of outstanding debt balances and capital asset additions to supporting documentation.

Context: The prior year financial statements were misstated.

Recommendation: Proper and timely review of the audited financial statements should be implemented to prevent prior period adjustments in the future. Management should monitor the system of controls to determine that the controls are operating as intended and to ensure that modifications are made as the need arises.

Contact Person: Sylvia Blinson, Finance Officer

Views of Responsible Officials and Planned Corrective Actions: Management is aware of the weakness and will review the audited financial statements more timely. However, the prior audit firm would not make adjustments submitted by staff for the debt service balance stating they were "immaterial". There was a misinterpretation of adding construction in progress to fixed assets that has now been corrected.

Proposed Completion Date: December 31, 2010

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Finding 2010-03 Significant Audit Adjustments

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting. This includes identifying all necessary adjustments to the County's general ledger to conform to accounting principles generally accepted in the United States of America and generally accepted governmental accounting standards.

Condition: A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. The existence of such material adjustments indicates that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

Effect: There is a risk that financial statements might be inaccurate, incomplete, or lack proper disclosure.

Cause: The need for significant audit adjustments was caused by insufficient reconciliation of subsidiary ledgers to the general ledger and other supporting documentation. Management was not aware that adjustments needed to be made.

Context: Year-end adjusting journal entries were not made prior to audit.

Recommendation: Management should examine the adjustments required as a result of our audit and assess the cost/benefit of improving the internal control system to prevent the adjustments in the future, given the County's available resources.

Contact Person: Sylvia Blinson, Finance Officer

Views of Responsible Officials and Planned Corrective Actions: Management is aware of the weakness and is in the process of updating internal control procedures. Subsidiary ledgers will be reconciled to the general ledger and other supporting documentation monthly, quarterly, and/or semi-annually depending on the activity.

Proposed Completion Date: December 31, 2010

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

Finding 2010-04 Internal Control over Cash

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting. This includes having control of all bank accounts held under the County's EIN.

Condition: From a bank confirmation received from a third party institution, we determined that the County was unaware of a bank account held in the County's EIN for the Sherriff's Department, a department of the County. Cash receipts and disbursements in this account were not monitored by the Finance Officer or duly appointed Deputy Finance Officer.

Effect: There is a risk that financial statements might be inaccurate, incomplete, or lack proper disclosure. NC General Statutes (G.S. 159-28) requires a pre-audit of expenditures by the Finance Officer or a duly appointed Deputy Finance Officer. The individual approving and making disbursements for the Sherriff's Department out of this bank account is neither the County's Finance Officer nor a duly appointed Deputy Finance Officer, resulting in a violation of North Carolina General Statutes.

Cause: The County Sherriff's Department is holding an unauthorized bank account in the County's EIN and performing duties typically performed by the Finance Department without adequate safeguards being in place to ensure statutory compliance.

Context: Through cash confirmation procedures, an unauthorized bank account held in the County's EIN was discovered.

Recommendation: Management should monitor this bank account within the finance department just as they do with all other bank accounts. Bank reconciliations, recording of cash receipts, and authorizations of disbursement should be done in the Finance Department. The Finance Officer should have authority and check signing privileges for this bank account.

Contact Person: Sylvia Blinson, Finance Officer

Views of Responsible Officials and Planned Corrective Actions: Management is aware of the weakness and is in the process of implementing the recommendation. Management has also notified all the local banks that no accounts are to be created using the County of Harnett's EIN without a resolution from the Board of Commissioners and/or the signature of the Chairman of the Board, the County Manager, and the County Finance Officer. Management will request a list of all accounts using the County's EIN at least annually. County departments are being reminded that they do not have authorization to set up any banking accounts using the County's EIN.

Proposed Completion Date: December 31, 2010

HARNETT COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010**

3. Findings and Questioned Costs Related to the Audit of Federal Awards

Findings 2010-01 and 2010-03.

4. Findings and Questioned Costs Related to the Audit of State Awards

Findings 2010-01 and 2010-03.

HARNETT COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

Not applicable.

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
FEDERAL AWARDS:				
<u>U.S. Dept. of Agriculture</u>				
Division of Rural Utility Services:				
South Central Wastewater	10.760		\$ 2,100,924	\$ -
Division of Rural Development II:				
Housing Preservation	10.433	ER-08-0781	79,400	-
Passed-through the N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Administration:				
Food and Nutrition Services	10.561		777,024	-
ARRA SNAP - FNS Services Recovery	10.561	5NC440406	47,870	-
Food and Nutrition Services				
Total Food and Nutrition Services			3,005,218	-
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women, Infants and Children	10.557		525,347	-
Direct Benefit Payment:				
Special Supplemental Food Program for Women, Infants and Children	10.557		2,559,081	-
Total of Public Health			3,084,428	-
<u>Total U.S. Dept. of Agriculture</u>			<u>6,089,646</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>				
Direct Program:				
Housing Assistance Payments Program:				
Vouchers	14.195	043-1-99-010-D-389	1,075,718	-
<u>Total U.S. Dept. of Housing and Urban Development</u>			<u>1,075,718</u>	<u>-</u>
<u>U.S. Dept. of Justice Office of Justice Programs</u>				
Division Bureau of Justice Assistance:				
		2008-DJ-BX-0469, 2009-SB-B9- 2581, 2009-DJ-BX-1262		
Edward Byrne Justice Grant	16.783	,2007-DJ-BX-0809	148,239	-
State Criminal Alien Assistance Program	16.606	2010-H5418-NC-AP	8,354	-
Gang Resistance Education Training	16.737	2007-JV-FX-0222	1,506	-
Division Bureau of Alcohol, Tobacco, Firearms & Explosives:				
		09.G09GA0004A		
Drug Enforcement Agency		1450K83C-728600-KHT03	8,725	-
ATF Training Assistance	16.012		1,740	-
<u>U.S. Dept. of Justice Office of Justice Programs</u>			<u>168,564</u>	<u>-</u>
<u>U.S. Dept. of Labor</u>				
Department of Labor/Employment & Training:				
Passed-through Central Carolina Community College				
Welfare Investment Act	17.263	09-2040-01	225,852	-
<u>Total U.S. Dept. of Labor</u>			<u>225,852</u>	<u>-</u>
<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 Title III Cluster:				
Senior Center Operations and Outreach	93.044	97C-000-0563/ 16-701, 20-701	7,182	-
Nutrition Services	93.045		223,626	-
Nutrition Services Incentive Program	93.053		42,792	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
ARRA - Home Delivered Nutrition Services	93.705		13,274	-
ARRA - Congregate Nutrition Services	93.707		27,093	-
Special Programs for the Aging:				
Family Caregiver Support Program	93.052	17-701	21,010	5,253
Retired Senior and Volunteer Program	93.044	20-701	4,218	-
Home and Community Care Block Grant	93.633	16-701	190,993	13,825
Medical Transportation General	93.633	16-701	8,142	8,920
Medical Transportation	93.633	16-701	46,082	49,921
Passed-through Corporation for National Service:				
National Senior Service	94.002	09SRSNC006	40,804	-
Total U.S. Dept. of Health & Human Services			<u>625,216</u>	<u>77,819</u>
Passed-through the N.C. Department of Health & Human Services:				
Division of Administration for Children & Families:				
Division of Child Development:				
Subsidized Child Care Cluster:				
Temporary Assistance for Needy Families	93.558		590,967	-
Child Care Development Fund, Administration	93.596		245,991	-
Child Care Development Fund, Discretionary (CCR&R)	93.575	607-16-003	1,713,616	-
Child Care & Development Fund - Mandatory	93.596		875,420	-
Child Care & Development Fund - Match	93.596		503,479	270,909
Social Services Block Grant	93.667		47,320	-
ARRA - Child Care and Development Fund	93.713		357,971	-
TANF - Maintenance of Effort			-	243,701
State Appropriations			-	354,467
Smart Start			-	242,549
Smart Start TANF Maintenance of Effort			-	275,851
Total Subsidized Child Care Cluster			<u>4,334,763</u>	<u>1,387,478</u>
Passed-through the N.C. Department of Health & Human Services:				
Division of Social Services:				
Child Support Enforcement	93.563	00040-10	46,209	-
Foster Care and Adoption Cluster:				
Title IV-E Foster Care - Administration	93.658		439,775	167,782
Title IV-E Adoption Subsidy - Administration	93.659		60,012	-
Direct Benefit Payments:				
Title IV-E Foster Care	93.658		311,377	77,618
ARRA - IV-E Foster Care	93.658	0901NC1402	3,556	-
ARRA - IV-E Foster Care	93.658	1001NC1402	9,214	-
Title IV-E Adoption Subsidy	93.659		927,148	189,837
ARRA - IV-E Adoption Assistance	93.659	0901NC1403	6,469	-
ARRA - IV-E Adoption Assistance	93.659	1001NC1403	33,563	-
Total Foster Care and Adoption Cluster			<u>1,837,322</u>	<u>435,237</u>
Division of Social Services:				
Direct Benefit Payments:				
Temporary Assistance for Needy Families ("TANF")	93.558		591,812	(212)
Aid to Families with Dependent Children ("AFDC")	93.560		(2,457)	(674)
Refugee and Entrant Assistance	93.566		4,344	-
Low Income Energy Assistance	93.568		1,170,554	-
Child Welfare Services - Permanency Planning	93.645		-	480,131
Administration:				
Family Preservation	93.556		3,290	-
Temporary Assistance for Needy Families ("TANF")	93.558		1,073,178	-
IV-D Administration	93.563		82,145	-
Low Income Energy Assistance	93.568		99,357	-
Child Welfare Services - Permanency Planning	93.645		30,823	8,860

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
SSBG - Adult Day Care	93.667		21,787	-
SSBG - In Home Services	93.667		36,762	-
SSBG - Other Services	93.667		237,401	-
TANF to SSBG	93.667		27,811	-
LINKS	93.674		40,115	3,841
Health Choice	93.767		64,266	6,007
Division of Medical Assistance:				
Medicaid Title XIX	93.778		1,435,051	85,825
Direct Benefit Payments:				
Medicaid Title XIX	93.778		81,035,169	28,318,984
Total Division of Social Services			85,951,407	28,902,762
Division of Public Health:				
Adolescent Parenting Program	93.778	02220-10	12,940	33,274
Family Planning Title X	93.218		64,006	-
Temporary Assistance for Needy Families	93.558		12,161	-
Risk Reduction/Health Promotion	93.991		13,657	4,839
Chronic Disease/Health Promotion	93.283		1,197	283
HIV/STD Prevention Risk Reduction	93.667		12,000	-
Maternal and Child Health Services Block Grant:				
Women's Preventive Health (Family Planning)	93.994		27,071	25,249
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		743	558
Improving Immunization Capacity	93.268		6,313	-
Child Service Coordination	93.994		14,303	10,729
Immunization Action Plan	93.268		34,330	-
Bioterrorism Preparedness & Response	93.283		55,337	-
Bioterrorism H1N1 Planning	93.283		64,445	-
Bioterrorism H1N1 Enhanced Surveillance	93.283		5,800	-
Bioterrorism H1N1 Counties Response	93.283		221,407	-
Local Asthma Efforts	93.283		13,172	-
Summer Food Service Program	10.559		127	-
Total Division of Public Health			632,506	130,061
Total U.S. Dept. of Health and Human Services			93,381,215	30,933,357
<u>U.S. Dept. of Homeland Security</u>				
Division of Emergency Management:				
Domestic Preparedness , EMS Radio			9,000	-
Total U.S. Dept. of Homeland Security			9,000	-
<u>U.S. Dept. of Transportation</u>				
Passed-through the N.C. Department of Transportation:				
Public Transportation Division:				
Community Transportation TDP	20.509	36233.50.12.3 , 09-CT-040	84,707	10,589
Community Transportation Admin	20.509	36233.50.12.1 , 09-CT-040	198,884	11,687
Planning-Program - Evaluation:				
Governor's Highway Safety Program	20.602	Points Reimb	7,885	-
Total U.S. Dept. of Transportation			291,476	22,276
<u>N.C. Dept. of Crime Control and Public Safety</u>				
Division of Emergency Management:				
State & Local Assistance Emergency Services	97.042	EMPG-2009-37085	30,186	-
Exercise Homeland Security	97.067	2009-SS-T9-0046-1073	920	-

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
Division of Governor's Crime Commission: Re-Entry Healthy Choice Family Services	16.523	043-1-08-012-AK-350	92,319	-
Teens As Parents	16.540	43-1-09-R03-RJ-326	68,883	10,293
<u>Total N.C. Dept. of Crime Control and Public Safety</u>			<u>192,308</u>	<u>10,293</u>
<u>N.C. Department of Commerce</u>				
Division of Community Assistance: Scattered Site Housing II	14.228	08-C-1824	319,382	-
<u>N.C. Department of Commerce</u>			<u>319,382</u>	<u>-</u>
<u>N.C. Department of Cultural Resources</u>				
Division Institute of Museum and Library Services: EZTA Lista	45.310	5863	18,808	-
National Endowment for the Humanities, People Bookshelf	We the 45.168	4531	462	-
<u>Total N.C. Department of Cultural Resources</u>			<u>19,270</u>	<u>-</u>
<u>N.C. Department of Health & Human Services</u>				
Division of Health Service Regulation: National Bioterrorism Hospital Preparedness Program	93.889	TML-09-373	6,485	-
<u>Total N.C. Department of Health & Human Services</u>			<u>6,485</u>	<u>-</u>
<u>N.C. State Board of Elections</u>				
Help America Vote Act	90.401	HAVA Title II	29,900	-
<u>Total N.C. State Board of Elections</u>			<u>29,900</u>	<u>-</u>
<u>North Carolina State Bureau of Investigation</u>				
Department of Justice: COPS2008 Child Sexual Predator Program	16.710	2008CSWX0015	338	-
<u>Total N.C. State Board of Elections</u>			<u>338</u>	<u>-</u>
<u>N.C. Department of Insurance</u>				
Division of Seniors Health Insurance Information Program: Medicare Counseling (SHIIP)	93.779	56-3000306	2,705	-
<u>Total N.C. Department of Insurance</u>			<u>2,705</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>101,811,858</u>	<u>30,965,926</u>
STATE AWARDS:				
<u>N.C. Dept. of Administration</u>				
Division of Veterans Affairs: Veteran Affairs			-	2,000
<u>Total N.C. Dept. of Administration</u>			<u>-</u>	<u>2,000</u>
<u>N.C. Dept. of Correction</u>				
Division of Community Correction: Harnett Criminal Justice Alliance		43-0710-I-A	-	71,180
<u>Total N.C. Department of Correction</u>			<u>-</u>	<u>71,180</u>
<u>N.C. Dept. of Cultural Resources</u>				
State Aid to Public Libraries Staying Connected		4531	-	169,591
<u>Total N.C. Dept. of Cultural Resources</u>			<u>-</u>	<u>176,091</u>

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

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</u>				
Division of Community Health:				
General Health/State Aid			-	143,635
Tuberculosis Control			-	31,226
TB Medical Services			-	2,743
Environmental Health			-	5,520
Food and Lodging			-	8,479
AIDS - State (HIV/STD - State)			-	500
Communicable Disease			-	4,001
HIV Risk Reduction			-	28,000
Smokefree Law			-	1,980
Division of Social Services:				
Direct Benefit Payment:				
Special Assistance to Adults			-	959,165
Administration:				
Adult Day Care			-	14,965
Aid to Families with Dependent Children			-	(472)
CPS Expansion			-	127,289
Energy Neighbor Fund Progress Energy			-	5,462
Foster Care At-Risk Maximization			-	1,043
Foster Care Special Provision			-	34,067
Social Services Block Grant - State			-	38,671
Smart Start			-	100,000
State Adult Protective Services			-	24,513
State Foster Care Benefits Program			-	108,273
Temporary Assistance for Needy Families			-	(262)
<u>Total N.C. Dept. of Health and Human Services</u>			-	<u>1,638,798</u>
<u>N.C. Division of Child Development</u>				
N.C. Partnership for Children, Inc.:				
Parents as Teachers		09-10-202	-	261,104
Quality Enhancement		09-10-207	-	221,273
Raising A Reader		09-10-219	-	45,564
<u>N.C. Division of Child Development</u>			-	<u>527,941</u>
<u>N.C. Office of Juvenile Justice & Delinquency Prevention</u>				
Division of Juvenile Justice:				
CBA-Juvenile Restitution		643032	-	88,179
CBA-JCPC ADM		643000	-	4,936
Court Psychologist		643024	-	9,529
Hillcrest Youth Shelter		643013	-	35,455
Re-Entry-Healthy Choice		643030	-	64,000
Dunn Pals		643028	-	11,374
<u>Total N.C. Office of Juvenile Justice & Delinquency Prevention</u>			-	<u>213,473</u>
<u>N.C. Dept. of Transportation</u>				
Passed-through the N.C. Department of Transportation:				
Division of Engineering:				
Rural Operating Assistance Program (ROAP):				
Work First Transportation Grant		DOT-16CL	-	28,857
Rural General Public Program (RGP)		3622821.1.1	-	134,439
Elderly and Disabled Transportation:				
Assistance Program (EDTAP)		08-CT-040	-	102,022
Public Transportation Division:				
Transportation Facility Design		36227.5.1.1/03-SF020	-	467,581
Land Acquisition & Runway Safety		36244.35.4.1 DOT-8	-	93,560
<u>Total N.C. Department of Transportation</u>			-	<u>826,459</u>

HARNETT COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant I.D. Number	Expenditures	
			Federal	State
<u>N.C. Department of Environmental & Natural Resources</u>				
Division of Parks & Recreation:				
Barbecue Creek Park		PARTF-2008-558-1274	-	263,664
Division of Water Quality:				
Erwin Waste Water Improvements		E-SRG-T-00-0093-6252-6919	-	754,922
Division of Clean Water Management Trust Fund:				
South Central Waste Water:		CWMTF2006A-512	-	112,002
Division of Purchases & Services				
Abandoned Manufactured Homes		2792	-	15,324
<u>Total Department of Environmental & Natural Resources</u>			-	<u>1,145,912</u>
TOTAL STATE AWARDS			-	<u>4,601,854</u>
TOTAL FEDERAL AND STATE AWARDS			<u>\$ 101,811,858</u>	<u>\$ 35,567,780</u>

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Basis of Presentation

The Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of Harnett County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the county and are considered federal awards to the county and are included on this schedule.

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
Subsidized Child Care, and Foster Care and Adoption