

WAKE COUNTY, NORTH CAROLINA
Raleigh, North Carolina

Schedule of Expenditures of Federal and
State Awards for the Year Ended June 30, 2009
Report on Internal Control and Compliance

WAKE COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2009

COMPLIANCE	<u>Page(s)</u>
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 <i>Government Auditing Standards</i>	1 – 2
Independent Auditors' 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.....	3 – 5
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	6 – 8
Schedule of Findings and Questioned Costs.....	9 – 16
Schedule of Corrective Action Plan	17
Schedule of Prior Year Audit Findings and Questioned Costs.....	18
Schedule of Expenditures of Federal and State Awards.....	19 – 23
Notes to Schedule of Expenditures of Federal and State Awards.....	24 – 25



**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
Wake County, North Carolina
Raleigh, 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 Wake County, North Carolina (the "County"), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 2, 2009. We did not audit the financial statements of the Wake County ABC Board (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, on the County's basic financial statements, insofar as it relates to the amounts included for the Board is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

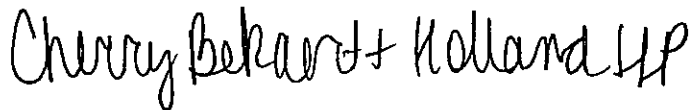
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. 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 instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, 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 these specific parties.

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

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

Raleigh, North Carolina
November 2, 2009



**INDEPENDENT AUDITORS' 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
Wake County, North Carolina
Raleigh, North Carolina

Compliance

We have audited the compliance of Wake 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, 2009. 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; 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 of 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 09-01, 09-02, and 09-03.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned cost to be material weaknesses.

The County's response 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 them.

Schedule of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended June 30, 2009, and have issued our report thereon dated November 2, 2009. We did not audit the financial statements of the Wake County ABC Board, (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion on the County's basic financial statements, 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 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 audit committee, 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 these specific parties.

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

Cherry Bekaert Holland LLP

Raleigh, North Carolina
November 2, 2009



**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
Wake County, North Carolina
Raleigh, North Carolina

Compliance

We have audited the compliance of Wake 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, 2009. 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; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with the 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 09-01, 09-02, and 09-03.

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, 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.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-02 to be significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies in the accompanying schedule of findings and questioned costs to be material weaknesses.

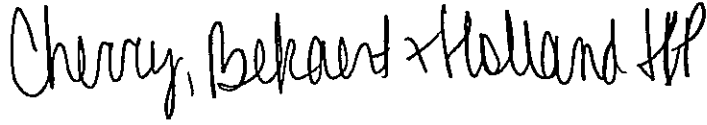
The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

Schedule of Federal and State Awards

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2009, and have issued our report thereon dated November 2, 2009. We did not audit the financial statements of the Wake County ABC Board, (the "Board"). Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion on the County's basic financial statements, 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 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 audit committee, management, others within the organization, 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, L.L.P.

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

Raleigh, North Carolina
November 2, 2009

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2009

	Low-Income Home Energy Assistance Block Grant
93.568	Direct Benefit Payments
93.568	Crisis Intervention Program
93.568	Administration
93.767	Children's Health Insurance Program (N.C. Health Choice)
	Mental Health Block Grant Cluster
93.958	Block Grant for Community Mental Health Services
State	State Appropriations – Child
State	State Appropriations – Adult
State	State Appropriations - Other
	Developmental Disabilities Cluster
93.667	SSBG – Developmental Disabilities – Adult
93.667	SSBG – Developmental Disabilities - Child
93.667	SSBG – Comprehensive Treatment Services Program
93.667	Social Service Block Grant - SSBG
State	Developmental Disabilities Waiting List
State	Mental Retardation/Mental Illness
State	SSBG – Developmental Disabilities – Adult
State	SSBG – Developmental Disabilities – Child
State	Comprehensive Treatment Services Program
	Substance Abuse Cluster
93.959	Block Grant for Prevention and Treatment of Substance Abuse
93.959	Substance Abuse – Juvenile Justice Initiative
93.959	Prenatal and Maternal Substance Abuse Initiative
93.959	Strengthening Families
93.959	Treatment Alternatives for Women
93.959	Services to IV Drug Users
State	State Appropriations – Adult
State	State Appropriations – Child
State	State Appropriations – Other

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 or were required to be tested as major by the State are included in the list of major federal programs.

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

Auditee qualified as low-risk auditee? _____ yes X no

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

II – Financial Statement Findings

None

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

III – Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
DMH/DD/SAS Crosscutting

Finding 09-01

Nonmaterial Noncompliance – Subrecipient Monitoring

Criteria or specific requirement: Contracts with sub-recipients are required to be classified as either purchase of service or sub-recipient

Condition: Misclassified contracts resulted in sub-recipient inadvertently not be required to submit audited financial statements directly to the County.

Questioned costs: N/A

Context: CBH noted three of the twenty five (12%) contracts were erroneously classified as purchase of service contracts as a result contracts did not contain a clause requiring the sub-recipient to submit audited financial statements directly to the County

Effect: Numerous sub-recipients are subject to OMB A-133 audits performed by independent CPA firms. If the County does not require that sub-recipients submit audited financial statements, the County may not be aware of non-compliance at the sub-recipient level and unknowingly continue relationships with sub-recipients who are not properly utilizing the County's funds.

Cause: The County cross-trained employees and certain employees who do not specialize in preparing Mental Health contracts utilized incorrect contract templates.

Recommendation: We recommend management perform adequate monitoring to ensure that the contracts are properly classified and contain all proper clauses before the contract is executed.

Views of responsible officials and planned corrective actions: Management agrees with this finding.

U.S. Department of Health and Human Services
DMH/DD/SAS Crosscutting

Finding 09-02

Nonmaterial Noncompliance – Subrecipient Monitoring
Significant deficiency

Criteria or specific requirement: The County should monitor all sub-recipients of State and Federal grants.

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Condition: The County utilizes a risk based methodology to determine which sub-recipients to monitor each fiscal year. However, numerous sub-recipients of State and Federal assistance were erroneously excluded from the population that was subject to potential monitoring. Since these sub-recipients were erroneously excluded from the population, the County was unaware that they did not receive all audited financial statements from their sub-recipients.

Questioned costs: N/A

Context: We examined 21 sub-recipient contracts for monitoring. In performing testing of sub-recipients, it was noted that 11 of the 21 (52%) sub-recipients were not included in the County's population of the sub-recipients and therefore were not monitoring during the fiscal year. We noted for 3 of the 21 contracts the error was a result of the contracts being initially misclassified as purchase of service rather than sub-recipient resulting in the requirement to obtain an audit report being erroneously omitted from the contract.

Effect: Numerous sub-recipients, regardless of potential risk factors, were not subject to potential monitoring by the County because they were erroneously excluded from the County's population of sub-recipients. Many of these sub-recipients are subject to OMB A-133 audits performed by independent audit firms.

Cause: Sub-recipients of the County's Mental Health LME are monitored by Wake County's Department of Health and Human Services. The Department of Health and Human Services obtained its population of sub-recipients from various sources including the Mental Health LME information system. Human error in inputting the vendor classification into the Mental Health LME's information system, combined with lack of timely reconciliations between two department's population of sub-recipients, caused the County to have an incomplete population of sub-recipients.

Recommendation: We recommend the County develop and implement a process to both review initial classification of contracts and ensure all sub-recipients are adequately monitored.

Views of responsible officials and planned corrective actions: Management agrees with this finding.

DSS Crosscutting

Finding 09-03

Nonmaterial Noncompliance – Reporting

Criteria: Verify that daysheets account for 100% of employee time as required in the DSS Services Information System User's Manual and, that program codes and activity codes are summarized correctly, that day sheet entries are supported by documentation in case record files and that day sheet summaries are transferred to the DSS-1571 accurately to an eligible fund source.

Condition: There were 7 instances out of 15 employees reviewed where timesheets were not completed by the employee for the entire month.

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Questioned costs: There were not any questioned costs. All of the employee's time was still reimbursable under the DSS-1571. There is the chance that the employee time was not accurately transferred to the correct funding source.

Context: CBH performed testing of 40 employees that are reimbursable under Part I of the DSS-1571. Of these 40 employees, 15 employees were selected who are subject to submitting daysheets to track the program and activity codes where the employee spent their time. CBH reviewed the daysheets of these 15 employees and noted that in seven cases, 100% of the employee's time was not included.

Effect: Program codes and activity codes of DSS employees are not transferred accurately to an eligible fund source.

Cause: Nobody in the County is ensuring that 100% of the employee's time is documented in the daysheets. The County has a significant number of employees who are required to submit daysheets and does not have the personnel to follow up with employees monthly.

Recommendation: CBH recommends that the data entry department take responsibility for obtaining a daysheet for each working day of the month. This would require the department to check daysheets as they are entered and to follow up with supervisors of employees whose daysheets have not been received. CBH also recommends that increased review occur over the entry of the data to minimize keying errors.

Management Response: Management agrees with this finding.

IV – State Award Findings and Questioned Costs

U.S. Department of Health and Human Services
DMH/DD/SAS Crosscutting

Finding 09-01

Nonmaterial Noncompliance – Subrecipient Monitoring

See Section III - Federal Award Finding and Questioned Costs

U.S. Department of Health and Human Services
DMH/DD/SAS Crosscutting

Finding 09-02

Nonmaterial Noncompliance – Subrecipient Monitoring
Significant Deficiency

See Section III - Federal Award Finding and Questioned Costs

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

DSS Crosscutting

Finding 09-03

Nonmaterial Noncompliance - reporting

See Section III - Federal Award Finding and Questioned Costs

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF CORRECTIVE ACTION PLAN
Year Ended June 30, 2009

V – Financial Reporting Findings and Questioned Costs

Finding #: 09-01

Name of Contact Persons: Patricia Coleman, LME Operations Manager

Corrective Action Plan: The "Contract Summary Form" will be revised to show whether contract is determined to be a purchase of service or Sub-recipient. The Network Development Team member responsible for the contract and the LME Operations Manager, by their signature will indicate agreement with the determination.

Proposed Completion Date: Immediate

Finding #: 09-02

Name of Contact Persons: Patricia Coleman, LME Operations Manager

Corrective Action Plan: A master listing of all NonUCR contracts will be made each year. This spreadsheet will indicate the Sub-recipient/Grant determination. Key information to be maintained will be: Contract Number, the date that the following were received: Internal Control Questionnaire, Budget and audited Financial Statement. A Risk assessment will be completed in accordance with OMB Circular A-133 and providers monitored based on the results.

Proposed Completion Date: Immediate

Finding #: 09-03

Name of Contact Persons: Marianne Iavarone, Human Services Finance Officer

Corrective Action Plan: The County is in the process of implementing a new software time entry package that should be able to track the data necessary to make the completion of the DSS-1571 more automated, eliminate errors and ensure completeness of data required to be submitted to the state.

Proposed Completion Date: March 2010

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Finding #: 08-1

Status: Corrected

Finding #: 08-2

Status: Corrected

**WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009**

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Federal</u>	<u>Expenditures State</u>	<u>Total</u>
Federal Awards:				
U.S. Department of Health and Human Services				
<u>Administration for Children and Families</u>				
Passed-through the N.C. Department of Health and Human Services, Division of Social Services:				
Promoting Safe and Stable Families	93.556	\$ 8,955	\$ -	\$ 8,955
Temporary Assistance for Needy Families (TANF)	93.558	6,834,956	-	6,834,956
TANF - Direct Benefit Payments	93.558	4,255,867	(546)	4,255,319
Child Support Enforcement	93.563	3,991,137	-	3,991,137
Refugee and Entrant Assistance-State Administered Programs:				
Direct Benefit Payments	93.566	105,455	-	105,455
Low-Income Home Energy Assistance:				
Direct Benefit Payments	93.568	1,767,908	-	1,767,908
Crisis Intervention Program	93.568	2,569,539	-	2,569,539
Administration	93.568	349,082	-	349,082
Child Welfare Services - Direct Benefit Payments	93.645	596,009	2,287,666	2,883,675
Child Welfare Services - State Grants	93.645	238,654	62,187	300,841
Social Services Block Grant	93.667	1,480,770	283,185	1,763,955
Chafee Foster Care Independence Program	93.674	92,005	23,001	115,006
Direct Benefit Payments	93.674	1,247	-	1,247
Grants to States for Access and Visitation Programs	93.597	8,112	-	8,112
Family Support Payments to States - Direct Benefit Payments	93.560	(5,783)	(1,585)	(7,368)
<u>Foster Care Cluster:</u>				
Foster Care - Title IV-E	93.658	4,011,309	803,746	4,815,055
Foster Care - Title IV-E Direct Benefit Payments	93.658	579,225	114,666	693,891
Adoption Assistance	93.659	161,844	-	161,844
Adoption Assistance-Direct Benefit Payments	93.659	2,305,926	433,946	2,739,872
Total Foster Care Cluster		<u>7,058,304</u>	<u>1,352,358</u>	<u>8,410,662</u>
<u>Health Resources and Services Administration:</u>				
Grants to Provide Early Intervention Services with Respect to HIV Disease	93.918	292,500	-	292,500
<u>Administration for Children and Families</u>				
Passed-through the N.C. Department of Health and Human Services, Division of Child Development:				
<u>Subsidized Child Care Cluster:</u>				
Child Care and Development Block Grant - Discretionary	93.575	12,945,072	-	12,945,072
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Administration (Passed through Division of Social Services)	93.596	1,286,977	503,795	1,790,772
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	1,883,074	-	1,883,074
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	7,617,230	4,195,420	11,812,650
Social Services Block Grant	93.667	376,064	-	376,064
Temporary Assistance for Needy Families (TANF)	93.558	3,473,886	-	3,473,886
Smart Start	NA	-	571,980	571,980
State Appropriations	NA	-	3,044,684	3,044,684
TANF- Maintenance-of-Effort	NA	-	6,223,575	6,223,575
Total Subsidized Child Care Cluster		<u>27,582,303</u>	<u>14,539,454</u>	<u>42,121,757</u>
<u>Substance Abuse and Mental Health Service Administration:</u>				
Passed-through the N.C. Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services:				
Projects for Assistance in Transition from Homelessness(PATH) Block Grants for the Prevention and Treatment of Substance Abuse - Juvenile Justice Initiative	93.150	57,876	-	57,876
Social Services Block Grant - Comprehensive Treatment Service Program	93.959	118,228	71,535	189,763
Prenatal and Maternal Substance Abuse Initiative	93.667	1,401,997	-	1,401,997
Strengthening Families	93.959	121,204	86,410	207,614
Treatment Alternatives for Women	93.959	112,494	-	112,494
Services to IV Drug Users	93.959	571,858	-	571,858
		219,764	-	219,764

**WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009**

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>		<u>Total</u>
		<u>Federal</u>	<u>State</u>	
<u>Mental Health Cluster</u>				
Block Grant for Community Mental Health Services	93.958	861,823	-	861,823
Social Service Block Grant - SSBG	93.667	29,736	-	29,736
State Appropriations-Child	N/A	-	701,109	701,109
State Appropriations-Adults	N/A	-	4,335,439	4,335,439
State Appropriations-Other	N/A	-	69,079	69,079
Total Mental Health Cluster		<u>891,559</u>	<u>5,105,627</u>	<u>5,997,186</u>
<u>Developmental Disability Waiting List Cluster</u>				
State Appropriations	N/A	-	279,527	279,527
SSBG - Developmental Disability Services-Adult	93.667	704,858	-	704,858
SSBG - Developmental Disabilities Services-Child	93.667	220,565	-	220,565
<u>Substance Abuse Services Cluster:</u>				
Block Grant for Prevention and Treatment of Substance Abuse	93.959	855,996	-	855,996
State Appropriations-Child	N/A	-	1,250	1,250
State Appropriations-Adults	N/A	-	1,450,799	1,450,799
State Appropriations - Other	N/A	-	3,000	3,000
Total Substance Abuse Services Cluster		<u>855,996</u>	<u>1,455,049</u>	<u>2,311,045</u>
<u>Passed-through the N.C. Department of Health and Human Services, Division of Medical Assistance:</u>				
<u>Centers for Medicare and Medicaid Services</u>				
<u>Medicaid Cluster:</u>				
Medical Assistance Program (Medicaid)	93.778	4,784,036	250,211	5,034,247
Medical Assistance Program (Medicaid)-Direct Benefit Payments	93.778	342,491,859	152,728,563	495,220,422
Medical Assistance Program (Medicaid)-Direct Benefit Payments- ARRA	93.778 - ARRA	17,636,041	(16,313,338)	1,322,703
Total Medicaid Cluster		<u>364,911,936</u>	<u>136,665,436</u>	<u>501,577,372</u>
Children's Health Insurance Program - N.C. Health Choice	93.767	152,575	23,883	176,458
<u>Centers for Disease Control and Prevention</u>				
<u>Passed-through the N.C. Department of Health and Human Services, Division of Public Health:</u>				
<u>Project Grants and Cooperative Agreements for Tuberculosis Control Programs</u>				
Immunization Grants	93.116	53,255	-	53,255
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.268	149,319	-	149,319
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.283	583,667	-	583,667
HIV Prevention Activities - Health Department Based	93.919	14,167	-	14,167
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.940	91,452	-	91,452
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.977	84,197	-	84,197
Preventive Health and Health Services Block Grant	93.988	120,935	-	120,935
	93.991	16,241	-	16,241
<u>Health Resources and Services Administration</u>				
HIV Core Formula Grants	93.917	1,083,123	-	1,083,123
Maternal and Child Health Services Block Grants to States	93.994	909,866	-	909,866
<u>Administration for Children and Families</u>				
Temporary Assistance for Needy Families (TANF)	93.558	54,115	-	54,115
Child Care and Development Block Grant	93.575	5,500	-	5,500
<u>Office of the Secretary</u>				
Family Planning Services	93.217	119,252	-	119,252
<u>Centers for Medicare and Medicaid Services</u>				
Medical Assistant Program	93.778	44,000	-	44,000
<u>Substance Abuse and Mental Health Services Administration</u>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	84,143	-	84,143
Total U.S. Department of Health and Human Services		<u>430,981,162</u>	<u>162,233,185</u>	<u>593,214,347</u>

**WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009**

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Federal</u>	<u>Expenditures State</u>	<u>Total</u>
U.S. Department of Agriculture:				
Passed-through the N.C. Department of Health and Human Services, Division of Social Services:				
<u>Food Stamp Cluster:</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2,608,077	-	2,608,077
Supplemental Nutrition Assistance Program - ARRA	10.561 - ARRA	21,497	-	21,497
Supplemental Nutrition Assistance Program - Direct Benefit Payments	10.551	71,725,097	-	71,725,097
Total Food Stamp Cluster		74,354,671	-	74,354,671
Passed-through the N.C. Department of Health and Human Services:				
Special Supplemental Nutritional Food Program for Women, Infants and Children				
Administration	10.557	2,785,473	-	2,785,473
Direct Benefit Payments	10.557	14,344,082	-	14,344,082
Total Special Supplemental Nutrition Food Program for Women, Infants and Children		17,129,555	-	17,129,555
Total U.S. Department of Agriculture		91,484,226	-	91,484,226
U.S. Department of Education:				
Passed-through the N.C. Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services (MH,DD,SAS):				
<u>Infants and Toddlers with Disabilities Cluster:</u>				
Safe and Drug-Free Schools and Communities State Grants	84.186	162,771	-	162,771
Passed-through the NC Department of Public Instruction				
Safe and Drug-Free Schools and Communities National Programs	84.184	113,514	-	113,514
Total U.S. Department of Education		276,285	-	276,285
U.S. Department of Justice:				
State Criminal Alien Assistance Program				
	16.606	418,936	-	418,936
Bulletproof Vest Partnership Program				
	16.607	3,209	-	3,209
Passed-through the N.C. Department of Crime Control and Public Safety:				
Public Safety Partnership and Community Policing Grants	16.710	657,023	-	657,023
Total U.S. Department of Justice		1,079,168	-	1,079,168
U.S. Department of Homeland Security:				
Office of Domestic Preparedness				
Passed-through the N.C. Department of Crime Control and Public Safety:				
Emergency Food and Shelter National Board Program	97.024	79,540	-	79,540
Emergency Management Performance Grants	97.042	47,360	-	47,360
Homeland Security Grant Program	97.067	471,842	-	471,842
Total U.S. Department of Homeland Security		598,742	-	598,742
U.S. Department of Housing and Urban Development:				
Shelter Plus Care	14.238	1,025,406	-	1,025,406
Community Development Block Grants/Entitlement Grants	14.218	1,695,670	-	1,695,670
Community Development Block Grants/Entitlement Grants-ARRA	14.218 ARRA	1,167	-	1,167
Supportive Housing Program	14.235	398,065	-	398,065
HOME Investment Partnership Program	14.239	159,770	-	159,770
Housing Opportunity for Persons with Aids - HOPWA	14.241	180,294	-	180,294
Emergency Shelter Grants Program	14.231	38,146	-	38,146
Homeless Prevention-ARRA	14.257ARRA	719	-	719
Passed-through the City of Raleigh:				
Emergency Shelter Grants Program	14.231	105,522	-	105,522
Total U.S. Department of Housing and Urban Development		3,604,759	-	3,604,759

**WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009**

<u>Grantor/Pass-Through Grantor/Program Titles</u>	<u>Federal CFDA #</u>	<u>Federal</u>	<u>Expenditures State</u>	<u>Total</u>
U.S. Department of Labor				
Passed-through the N.C. Department of Economic and Community Development, Job Training Partnership Act: Workforce Investment Act Cluster:				
Workforce Investment Act-Adult Program	17.258	586,753	-	586,753
Workforce Investment Act-Youth Activities	17.259	1,043,761	-	1,043,761
Workforce Investment Act-Youth Activities - ARRA	17.259 - ARRA	284,296	-	284,296
Workforce Investment Act-Dislocated Workers	17.260	1,078,202	-	1,078,202
Total WIA Cluster		2,993,012	-	2,993,012
Incentive Grants - WIA Section 503	17.267	960,675	-	960,675
Incentive Grants - WIA Section 503 - ARRA	17.267 - ARRA	6,457	-	6,457
Total WIA Incentives and Administrative		967,132	-	967,132
YouthBuild	17.274	385,866	-	385,866
Total U.S. Department of Labor		4,346,010	-	4,346,010
U.S. Department of Transportation:				
Federal Highway Administration				
Passed-through the N.C. Department of Transportation:				
New Freedom Program	20.521	168,000	-	168,000
Safety Incentive Grants for Use of Seatbelts	20.604	354,927	-	354,927
Total U.S. Department of Transportation		522,927	-	522,927
U.S. Corporation for National and Community Services				
Passed through N.C. Office of Volunteerism and Community Services				
AmeriCorps	94.006	80,060	-	80,060
Passed through the N.C. Department of Health and Human Services, Division of Vocational Rehabilitations				
AmeriCorps		-	71,512	71,512
Total U.S. Corporation for National and Community Services		80,060	71,512	151,572
Total Federal Awards		532,973,339	162,304,697	695,278,036
State Awards:				
N.C. Department of Cultural Resources:				
Division of State Library:				
State Aid to Libraries		-	550,839	550,839
N.C. Department of Health and Human Services:				
Division of Public Health:				
General		-	556,234	556,234
Communicable Disease - HIV/HBV		-	52,158	52,158
Tuberculosis Control		-	94,866	94,866
Child Health		-	32,932	32,932
Maternal Care Coordinator		-	35,160	35,160
TB Medical Services		-	8,005	8,005
Risk Reduction/Health Promotion		-	11,697	11,697
AIDS		-	168,271	168,271
Statewide Health Promotions		-	18,920	18,920
Diabetes Today		-	55,759	55,759
Sexually Transmitted Diseases		-	8,000	8,000
Total Division of Health		-	1,042,002	1,042,002
Division Of Mental Health, Developmental Disabilities and Substance Abuse Services:				
Systems Management Transition		-	7,219,147	7,219,147
Mental Health Trust Fund		-	548,809	548,809
Developmental Disability Services-Child		-	1,861,288	1,861,288
Developmental Disability Services-Adult		-	3,127,730	3,127,730
Mental Retardation/Mental Illness		-	2,979,099	2,979,099
Comprehensive Treatment Services Program (At Risk Children)		-	160,699	160,699
New Imitative-First in Families		-	332,075	332,075
Criminal Justice		-	226,593	226,593
Crisis Services		-	1,575,956	1,575,956
Treatment Alternatives for Women		-	222,824	222,824
Developmental Disabilities Traumatic Brain Injury		-	42,978	42,978
Total Division of Mental Health, Developmental Disabilities and Substance Abuse Services:		-	18,297,198	18,297,198

WAKE COUNTY, NORTH CAROLINA
SCHEDULE OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2009

Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Expenditures		
		Federal	State	Total
Division Of Vocational Rehabilitation:				
Supported Employment Grant		-	64,355	64,355
Office of Rural Health and Resource Development:				
Farm Worker Health Grant		-	189,397	189,397
Division of Social Services:				
Energy Assistance Private Grants		-	331,846	331,846
Adult Protective Services		-	34,996	34,996
Direct Benefit Payments:				
State/County Special Assistance for Adults		-	4,051,053	4,051,053
State Foster Home		-	685,635	685,635
State Foster Home Maximization		-	117,849	117,849
Foster Care at Risk Maximization		-	62,577	62,577
Foster Care at Risk		-	522	522
Foster Care Special Provision		-	24,699	24,699
Total Division of Social Services		-	<u>5,309,177</u>	<u>5,309,177</u>
Division of Child Development:				
Passed-through the Wake County Smart Start, Inc.:				
North Carolina Smart Start		-	632,552	632,552
Total N.C. Department of Health and Human Services		-	<u>25,534,681</u>	<u>25,534,681</u>
N.C. Department of Transportation, Public Transportation Division:				
Rural Operating Assistance Program (ROAP) - Cluster				
Elderly and Disabled Transportation Assistance Program (EDTAP)		-	307,203	307,203
Rural General Public Program (RGP)		-	275,719	275,719
Work First/Employment Transportation Operating Assistance		-	102,452	102,452
Total Rural Operating Assistance Program (ROAP)		-	<u>685,374</u>	<u>685,374</u>
Human Services Transportation Management Program		-	585,406	585,406
Traveler's Aid		-	5,000	5,000
Total N.C. Department of Transportation		-	<u>1,275,780</u>	<u>1,275,780</u>
N.C. Department of Commerce				
One North Carolina Fund		-	2,621,639	2,621,639
N.C. Department of Corrections:				
Criminal Justice Partnership Program		-	450,278	450,278
N.C. Department of Public Instruction:				
Public School Building Capital Fund		-	10,764,360	10,764,360
N.C. Department of Environment and Natural Resources				
Division of Environmental Health:				
Clean Water Management Trust Fund		-	592,327	592,327
N.C. Department of Administration:				
Veterans Services Program		-	2,000	2,000
Office of the Governor:				
Health and Wellness Trust Fund		-	124,119	124,119
N.C. Department of Juvenile Justice and Delinquency Prevention				
Support our Students Program		-	91,077	91,077
Juvenile Crime Prevention Council Programs		-	1,182,941	1,182,941
Total N.C. Department of Juvenile Justice and Delinquency Prevention		-	<u>1,274,018</u>	<u>1,274,018</u>
Total State Awards		-	<u>43,190,041</u>	<u>43,190,041</u>
Total Federal and State Awards		<u>\$ 532,973,339</u>	<u>\$ 205,494,738</u>	<u>\$ 738,468,077</u>

WAKE COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2009

General – The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all federal and State financial award programs of Wake County, North Carolina (the “County”). 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 of the amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Benefit payments are paid directly to recipients and are not included in the County’s financial statements. However, due to the County’s involvement in determining eligibility, they are considered federal and State awards to the County and are included on this schedule.

- A. Basis of Accounting – The accompanying Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting.
- B. Major Programs – Cluster programs are considered as one program for determining major programs in accordance with OMB Circular A-133 and the State Single Audit Implementation Act. Also, the federal and State portions of the cluster programs is included when identifying major programs for calculating the percentage of coverage of federal and State awards expended.
- C. Relationship to Federal and State Financial Reports – Amounts reported in the accompanying schedule agree with the amounts reported in the related federal and State financial reports except in cases where those reports are filed on a basis other than the modified accrual basis of accounting.
- D. Prior Year Expenditures – Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2009. Generally this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions.

WAKE COUNTY, NORTH CAROLINA
NOTES TO THE SCHEDULE OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2009

Subrecipients

During the fiscal year ended June 30, 2009, the County provided federal and State awards to subrecipients as follows:

Program Titles	Federal CFDA #	Expenditures	
		Federal	State
Passed through NC DHHS			
Block Prevention and Treatment of Substance Abuse		\$ 293,495	\$ -
Mental Health Trust Funds		-	1,103,797
Developmental Disability Services – Child		-	160,000
Developmental Disability Services – Adult		-	105,000
New Initiatives – First in Families		-	408,864
Crisis Services		-	353,890
Substance Abuse Cluster – State Appropriations Adult		-	82,601
DD Waiting List – State Appropriations		-	133,274
WIA Cluster:			
Passed-through the N.C. Department of Economic and Community Development, Job Training Partnership Act:			
WIA Incentive and Administration	17.267	100,000	-
Workforce Investment Act-Adult	17.258	472,761	-
Workforce Investment Act-Youth	17.259	862,577	-
Workforce Investment Act-Dislocated Workers	17.260	976,894	-
N.C. Department of Transportation, Public Transportation Division:			
Elderly and Disabled Transportation Assistance Program (EDTAP)	-	-	178,521
N.C. Department of Commerce			
One North Carolina Fund	-	-	2,621,639
N.C. Department of Corrections:			
Criminal Justice Partnership Program	-	-	449,455
N.C. Department of Juvenile Justice and Delinquency Prevention:			
Juvenile Crime Prevention Council Programs	-	-	1,083,515
		\$ 2,705,727	\$ 6,680,556