

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

COUNTY OF CUMBERLAND, NORTH CAROLINA
Financial Statements and Schedules

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**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
County of Cumberland, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the Eastover Sanitary District discretely presented component unit, the Fayetteville Area Convention and Visitors Bureau discretely presented component unit, each major fund and the aggregate remaining fund information of the County of Cumberland, North Carolina (the County) as of and for the year ended June 30, 2005, which collectively comprises the County's basic financial statements, and have issued our report thereon dated November 9, 2005. We did not audit the financial statements of the Cumberland County Hospital Systems, Inc. or the Cumberland County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cumberland County Hospital Systems, Inc. and the Cumberland County ABC Board, is based solely on the report 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 Cumberland County ABC Board and the Fayetteville Area Convention and Visitors Bureau 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 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.

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*. We noted certain matters that we reported to management of the County, in a separate letter dated November 9, 2005.

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

Cherry, Bekaert & Holland, LLP

Fayetteville, North Carolina
November 9, 2005



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
County of Cumberland, North Carolina

Compliance

We have audited the compliance of the County of Cumberland, 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, 2005. 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 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, 2005.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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.

Board of County Commissioners
County of Cumberland, North Carolina
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This report is intended solely for the information and use of the audit committee, management, others within the organization, 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 specified parties.

Cherry, Bekart & Holland, LLP

Fayetteville, North Carolina
November 9, 2005



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
County of Cumberland, North Carolina

Compliance

We have audited the compliance of the County of Cumberland, 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, 2005. 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, 2005.

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 for the information and use of the audit committee, management, others within the organization, 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 specified parties.

Cherry, Bekavet + Holland LLP

Fayetteville, North Carolina
November 9, 2005

**COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2005**

SECTION I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified Yes No
- Reportable condition(s) identified
that are not considered to be
material weaknesses Yes No
- Noncompliance material to financial
statements noted Yes No

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 Yes No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program
93.767	State Children's Insurance Program (Health Choice)
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
97.067	Homeland Security Grants
10.760	Water and Waste Disposal Systems for Rural Communities
93.568	Low-Income Home Energy Assistance Grant
Workforce Investment Act Cluster	
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
17.260	WIA National Emergency Grant

**COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (concluded)
Year Ended June 30, 2005**

II. Financial Statement Findings

None reportable.

III. Federal Award Findings and Questioned Costs

None reportable.

IV. State Award Findings and Questioned Costs

None reportable.

COUNTY OF CUMBERLAND, NORTH CAROLINA
CORRECTIVE ACTION PLAN
Year Ended June 30, 2005

Section II - Financial Statement Findings

None reportable.

Section III - Federal Award Findings and Questioned Costs

None reportable.

Section IV - State Award Findings and Questioned Costs

None reportable.

**COUNTY OF CUMBERLAND, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2005**

There were no audit findings in the prior period.

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
<u>Food and Consumer Service</u>					
Passed-through N.C. Dept. of Agriculture:					
Food Distribution	10.550		\$ 3,504	\$	\$
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster:</u>					
Food Stamp Program - Noncash	10.551		36,484,356		
State Administrative Matching Grants for the Food Stamp Program	10.561		1,649,763		1,649,763
Total Food Stamp Cluster			38,134,119		1,649,763
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		1,474,470		
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		8,190,658		
AGRI-SFP Food Program Meal	10.559		576		
Water and Waste Disposal Systems for Rural Communities	10.760		3,933,200		
Total U.S. Dept. of Agriculture			51,736,527	-	1,649,763
<u>U.S. Department of Housing and Urban Development</u>					
<u>Community Planning and Development</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Department of Administration:					
Emergency Shelter Grants Program	14.231		6,581		6,581
Direct Program:					
Community Development Block Grants/Entitlement Grants	14.218		2,226,496		
Supportive Housing Program	14.235		243,388		
HOME Investment Partnerships Program	14.239		389,483		
Total U.S. Dept. of Housing and Urban Development			2,865,948		6,581
<u>U.S. Dept. of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Passed-through the N.C. Dept. of Crime Control and Public Safety:					
Direct Program:					
Local Law Enforcement Block Grants Program	16.592		56,257		
Gang Resistance Education and Training	16.737		43,949		
Total U.S. Dept. of Justice			100,206		

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number	Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Dept. of Labor</u>					
<u>Employment and Training Administration</u>					
Passed-through Senior Service America, Inc.: Senior Community Service Employment Program	17.235		\$ 255,829	\$ -	\$ 36,581
<u>Workforce Investment Act Cluster</u>					
Direct Program:					
National Emergency Grant	17.260		1,417,773		
Passed-through the N.C. Department of Commerce: Division of Employment and Training:					
WIA Adult Program	17.258		765,245		
WIA Youth Activities	17.259		519,584		
WIA Dislocated Workers	17.260		485,444		
Total Workforce Investment Act Cluster			<u>3,188,046</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Labor			<u>3,443,875</u>	<u>-</u>	<u>36,581</u>
<u>U.S. Dept. of Transportation</u>					
<u>Federal Highway Administration</u>					
Passed-through the N.C. Department of Transportation: Highway Planning and Construction Cluster: Highway Planning and Construction Grants	20.205		349,985		44,944
<u>Federal Transit Administration</u>					
Passed-through the N.C. Department of Transportation: Federal Transit - Metropolitan Planning Grants	20.505		49,664	6,208	6,208
Total U.S. Dept. of Transportation			<u>399,649</u>	<u>6,208</u>	<u>51,152</u>
<u>Office of Library Services</u>					
Passed-through the N.C. Department of Cultural Resources: State Library Program	45.310		60,477		14,666
<u>Federal Emergency Management Agency</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety: Division of Emergency Management: Emergency Management Performance Grants	83.552		65,554		844,109
<u>U.S. Department of Education</u>					
Passed-through the N.C. Dept. of Health and Human Services: Division of Mental Health, Developmental Disabilities and Substance Abuse Services <u>Infants and Toddlers with Disabilities Cluster:</u> Governors Substance Abuse and Violence Prevention Program	84.186		27,146		
<u>U.S. Dept. of Health & Human Services</u>					
<u>Administration on Aging</u>					
<u>Division of Social Services:</u>					
Passed-through Mid-Carolina Council of Governments: <u>Aging Cluster:</u> Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		179,514		

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number	Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Administration for Children and Families</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Workfirst/Temporary Assistance for Needy Families (TANF)	93.558		\$ 6,166,419	\$ (3,999)	\$ 5,179,513
WorkFirst/TANF - Direct					
Benefit Payments	93.558		6,694,904	(1,697)	3,773
N.C. Child Support Enforcement Section	93.563		42,029		21,651
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568		58,963		
Crisis Intervention Program	93.568		240,104		
Energy Assistance Payments-Direct Benefit Payments	93.568		453,768		111
Permanency Planning - Families for Kids	93.645		96,501	25,106	116,594
Family To Family	93.645		38,647		12,882
SSBG - Other Services and Training	93.667		1,389,626	141,853	800,407
LINKS (formerly Independent Living Grant)	93.674		91,262	22,815	
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care	93.658		2,032,608	966,858	857,584
Adoption Assistance - Direct Benefit Payments	93.659		921,003	258,888	272,133
Title IV-E Foster Care HIV	93.658		503	297	
Total Foster Care and Adoption Cluster			<u>2,954,114</u>	<u>1,226,043</u>	<u>1,129,717</u>
Division of Aging:					
Division of Social Services:					
SSBG-Adult Day Care	93.667		68,266	35,880	14,878
Division of Child Development:					
Subsidized Child Care (Note 4)					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care and Development Fund-Administration	93.596		685,009		65,448
Division of Child Development:					
Child Care Development Fund - Discretionary	93.575		5,955,928		
Child Care Development Fund - Mandatory	93.596		3,180,053		
Child Care Development Fund - Match	93.596		2,174,378	1,248,688	
Social Services Block Grant	93.667		3,180,053		
TANF	93.558		1,676,440		
Total Child Care Development Fund Cluster			<u>16,851,861</u>	<u>1,248,688</u>	<u>65,448</u>
TANF - MOE				4,110,609	
Smart Start				255,580	
More at Four State Funding				564	
State Appropriations				659,914	
Total Subsidized Child Care Cluster			<u>16,851,861</u>	<u>6,275,355</u>	<u>65,448</u>
<u>Substance Abuse and Mental Health Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:					
Homelessness (PATH)	93.150		64,785		
TANF-Work/Substance Abuse Initiative	93.558				
MAJORS Substance Abuse/Juvenile Justice Initiative	93.959		38,750	45,108	
Perinatal and Maternal Substance Abuse Initiative	93.959		135,571		
Substance Abuse Training	93.959		1,250		
Treatment Alternatives to Street Crime	93.959		501,752		
Mental Health Cluster:					
Block Grants for Community Mental Health Services	93.958		206,124		
State Appropriations - Child				182,893	
- Adults				1,977,853	
- Other				53,422	
Total Mental Health Cluster			<u>206,124</u>	<u>2,214,168</u>	

COUNTY OF CUMBERLAND, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Developmental Disabilities Waiting List Cluster:</u>					
State Appropriations - DD Waiting List		1390	\$ -	\$ 20,880	\$ -
Total Developmental Disabilities Waiting List Cluster				<u>20,880</u>	
Developmental Disability Services - Adult	93.667		154,862		
Developmental Disability Services - Child	93.667		21,474		
<u>Substance Abuse Cluster:</u>					
Block Grant for Prevention and Treatment of Substance Abuse	93.959		61,036		
State Appropriations - Child - Adults				26,573	
Total Substance Abuse Cluster			<u>61,036</u>	<u>626,634</u>	
<u>Health Care Financing Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Administration:					
Medical Assistance Program	93.778		43,911		
Direct Benefit Payments:					
Medical Assistance Program	93.778		141,688,802	67,992,493	11,499,555
Division of Social Services:					
Medical Assistance Program Administration	93.778		2,498,431	354,956	1,970,822
Health Choice	93.767		123,918	10,276	32,190
Adolescent Parenting	93.778		43,805	18,972	24,833
<u>Centers for Disease Control</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Project Grants & Cooperative Agreements for Tuberculosis Control Program	93.116	4552	35,729		5,631
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	5452, 5465	112,461		13,894
Statewide Health Promotion Program	93.991	5503	52,333		217,373
Harmful Algal Blooms Program	93.283		493,254		
<u>Health Resources and Services Administration</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Immunization Grants	93.268	5715	151,651		214,791
Vascular Health Program	93.945	5528	500		
Maternal and Child Health Services Block Grant	93.994		922,974		2,288,605
Temporary Assistance for Needy Families	93.558		47,708		
Total U.S. Dept. of Health and Human Services			<u>182,727,059</u>	<u>79,031,416</u>	<u>23,612,668</u>
<u>Department of Homeland Security</u>					
Passed-through the N.C. Dept. of Crime Control & Public Safety:					
Division of Emergency Management:					
Hazardous Materials Planning	97.021		4,614		
Emergency Operations Center	97.052		1,889		
Homeland Security Grants	97.067		1,095,354		
Total U.S. Department of Homeland Security			<u>1,101,857</u>	-	-
<u>Other Federal Programs</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Medical Assistance:					
Medicaid At-Risk			144,955		
Total Federal awards			<u>242,673,253</u>	<u>79,037,624</u>	<u>26,215,520</u>

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

Grantor/Pass-through <u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services:					
State/County Special Assistance for Adults - Direct Benefit Payments			\$	\$ 2,087,187	\$ 2,087,187
State Foster Care Benefits Program				432,527	432,523
Adoption Subsidy - Direct Benefit				746,588	197,071
Repatriation Program				841	
Energy Assistance - CP&L Energy Program				28,643	
State Aid Payments				191,544	
Temporary Assistance for Needy Families Incentives				17,815	
AFDC Incentives				2,001	
Adult Protective Services				35,393	208
Smart Start Administration				248,664	37,051
Family Violence Prevention Grant				27,611	6,903
Division of Child Development:					
Smart Start Read to Me				257,147	
Smart Start Motherread				61,743	
Smart Start - Mental Health				183,987	
Division of Public Health:					
General		4110		170,180	3,197,025
Epilepsy		5555		6,699	
TB Medical Services		4554		4,969	
Communicable Disease		4510		25,762	523,257
Risk Reduction/Health Promotion		5503		3,591	
Maternal Care Coordinator		5107		6,649	
Immunization-State		5701			
Tuberculosis		4551		82,608	17,275
HIV/STD		4536		25,000	37,312
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:					
Developmental Disability Services - Child				108,137	
Developmental Disability Services - Adult				895,702	
Mental Retardation / Mental Illness Comprehensive Treatment				1,104,465	
Services Program (At Risk Children)				752,313	
Systems Management Services				3,811,298	
Emergency Services				30,584	
Total N. C. Department of Health and Human Services				11,349,648	6,535,812
<u>N.C. Dept. of Environment & Natural Resources</u>					
Division of Environmental Health:					
Environmental Health				6,000	1,263,495
Child Lead				2,397	
Food and Lodging				32,261	
Division of Water and Soil Conservation:					
Agriculture Cost Share Program				20,153	22,266
Soil and Water District Projects				4,000	69,778
Total N.C. Department of Environment & Natural Resources				64,811	1,355,539
<u>N.C. Department of Veteran's Affairs</u>					
Veteran's Services Grant				2,000	155,788

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Office of State Budget and Management</u>					
Public School Building Capital Fund			\$ -	\$ 2,400,000	\$ 1,579,420
<u>Department of Juvenile Justice & Delinquency Prevention</u>					
Juvenile Crime Prevention Program				969,494	477,590
<u>N.C. Rural Economic Development Center</u>					
Unsewered Communities Grant				2,397,632	
<u>N.C. Dept. of Crime Control and Public Safety</u>					
Governor's Crime Commission:					
Community Monitoring Program				9,004	4,104
<u>N.C. Dept. of Cultural Resources</u>					
State Aid to Public Libraries				343,285	6,342,554
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program Cluster:					
Elderly and Disabled Transportation Assistance Program (E&DTAP)				117,424	
Rural General Program				71,540	
Community Transportation Program				45,104	10,359
Work First Transitional/Employment Trans. Assistance				39,557	
Total Rural Operating Assistance Program Cluster				273,625	10,359
Total N.C. Department of Transportation				273,625	10,359
<u>N.C. Dept. of Administration</u>					
Board of Elections Maintenance Grant				41,697	
Domestic Violence Program				50,000	12,500
Total N.C. Department of Administration				91,697	12,500
<u>N.C. Dept. of Corrections</u>					
Criminal Justice Partnership Program				208,771	473
Total State awards				18,109,967	16,474,139
Total Federal and State awards			\$ 242,673,253	\$ 97,147,591	\$ 42,689,659

COUNTY OF CUMBERLAND, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2005

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

1. Basis of Presentation
 The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the County of Cumberland 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 this 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 county's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

2. Subrecipients
 Of the federal and State expenditures presented in the schedule, the County of Cumberland provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Highway Planning and Construction	20.205	\$ 170,208	
Supportive Housing Program	14.235	243,388	

3. General Fund Transfer to Mental Health
 The County of Cumberland is the only county in the catchment area for this Mental Health area program. The county budgeted and actually transferred \$4,456,053 from the general fund to the area program.

4. 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, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting list Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.

COUNTY OF CUMBERLAND, NORTH CAROLINA
Financial Statements and Schedules

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