

**GUILFORD COUNTY  
NORTH CAROLINA**

Schedule of Expenditures of Federal and State Awards  
as of and for the Year Ended June 30, 2009, and  
Independent Auditors' Reports

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section I – Summary of Auditors’ Results (continued)**

Identification of major federal programs (continued):

	Aging Cluster
93.044	Title III-B, Supportive Services
93.044	Access
93.045	Title III-C-1, Congregate Meals
93.045	Title III-C-2, Home Delivered Meals
93.053	Nutrition Services Incentive Program
93.563	Child Support Enforcement IV-D
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program
	Subsidized Child Care Cluster
93.575	Child Care and Development Fund – Discretionary
93.596	Child Care and Development Fund – Mandatory, Match
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.283	Bioterrorism*
	HIV Cluster*
93.940	Aid-To-County (Federal)
93.940	Jail Screening
93.977	Syphilis Elimination Project
	Mental Health Cluster:*
93.958	Block Grant for Community Health Services
93.667	Social Services Block Grant

\*Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program or the audit was requested by the State are included in the list of major federal programs.

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

Auditee qualified as low-risk auditee  yes  no

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section I – Summary of Auditors’ Results (continued)**

**State Awards**

Internal control over major State programs:

- Material weakness(es) identified?                         yes                      X   no
  
- Significant deficiency(s) identified  
that are not considered to be  
material weaknesses         yes                      X   none

Noncompliance material to State awards                         yes                      X   no

Type of auditors’ report issued on compliance of major State programs: Unqualified

Any audit findings disclosed that are required to be  
reported in accordance with the State Single  
Audit Implementation Act      X   yes                         no

Identification of major State programs:

Program Name  
HIV/STD Non-Traditional C/T  
Community Transportation Program  
Mental Health Cluster:  
    Systems Management Transition  
    Single Stream Line Funding-UST Fund  
    Single Stream Line Funding  
Division of Public Health General Aid to County

**Section II – Financial Statement Findings**

Nonmaterial Noncompliance

Adopted Budget Ordinance - Finding 09-01

Criteria: North Carolina General Statutes 159-8(a) states each local government shall operate under a balanced adopted budget ordinance in which, “the sum of estimated net revenues and appropriated fund balances is equal to appropriations.”

Condition: The County’s Budget Ordinance for the General Fund for fiscal year 2008-2009 contains a negative appropriation in the amount of \$1,900,000 entitled “Non-departmental Vacancies/Lapsed Salaries.”

Effect: The estimated net revenues and appropriated fund balance in the General Fund 2008-2009 budget ordinance do not equal appropriations.

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section II – Financial Statement Findings (continued)**

Finding 09-01 (continued)

Cause: The negative appropriation was used in an effort to comply with the Board directive to ensure that an additional \$1,900,000 of savings was realized throughout the year through vacancies and lapsed salaries.

Recommendation: We recommend that appropriate measures be taken to ensure that future budget ordinances contain estimated net revenues and appropriated fund balance that equal appropriations.

Management response: Total expenditures and revenues balanced in the FY 2008-2009 Budget Ordinance. As indicated above, the \$1,900,000 in additional lapsed salary savings was approved by the Board as one of its final adjustments to the Manager's Recommended Budget. To account for this directive, a negative number was included in the Expense grouping to represent the total amount of vacancy savings that had to be generated during the fiscal year. This reduction was allocated to individual departments during the fiscal year through a Board approved budget amendment.

**Section III – Federal Awards Findings and Questioned Costs**

DSS Crosscutting

Finding 09-02

Nonmaterial Noncompliance – Reporting

Criteria: Day sheets should account for 100% of employee time *as required in the According to the DSS Services information System User's Manual, day sheets should account for 100% of employees time, program codes and activity codes should be summarize correctly, day sheet entries are supported by documentation in case record files and day sheet summaries should be transferred to the DSS-1571 accurately to an eligible fund source.*

Condition: There were 4 instances out of the 40 sampled where a case file selected from the caseworker did not contain the required dictation of the service provided to the client, thus it is in-determinable as to whether this caseworker's time was allocated to the correct program.

Questioned Costs: There are no questioned costs associated with this finding.

Effect: Participant Caseworker's time could be inaccurately reported on the 1571.

Cause: Oversight in participant documentation by caseworkers

Recommendation: We recommend that policies be put in place in order to ensure that adequate documentation is being obtained in case files to support the time that is being allocated and charged to the correct fund source.

Management response: Management agrees with this finding.

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section III – Federal Awards Findings and Questioned Costs (continued)**

U.S. Department Health and Human Services  
Passed through the N.C. Department of Health and Human Services  
Program Name: Foster Care and Adoption Assistance Cluster  
CFDA # 93.658, 93.659

Finding 09-03

Nonmaterial Noncompliance – Eligibility

Criteria: Per the Child Placement Services Manual Chapter IV: 1201 Child Placement Services, “Dictation should reflect the dates and content of the social worker’s face-to-face and telephone contacts with the child, the parents, the foster parents or other caregivers, and collaterals. Not only does the dictation need to document the frequency of the case worker visits (monthly contact required), but it should also document reasons that justify when the requirements for a particular child are adjusted or not met.”

Condition: There were five instances in which sufficient documentation was not provided proving that the social worker made at least two home visits per month during the year, as required.

Questioned Costs: There are no questioned costs associated with this finding.

Effect: The social worker may not be providing the services that are required, as noted in the Out of Home Family Services Agreement.

Cause: Oversight by social worker.

Recommendation: We recommend that policies be put in place or reinforced to ensure that dictation is current within 7 days and that files are being reviewed to ensure that dictation is being maintained.

Management Response: Management agrees with this finding.

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section III – Federal Awards Findings and Questioned Costs (continued)**

U.S. Department Health and Human Services  
Passed through the N.C. Department of Health and Human Services  
Program Name: Foster Care and Adoption Assistance Cluster  
CFDA # 93.658, 93.659

Finding 09-04

**Significant Deficiency – Eligibility**

Criteria: “Individuals receiving aid must meet the eligibility requirement defined in the approved plan and specified in the Family Services Manual, Chapter XIII, Parts V and VI. The agency should have a copy of this manual material, or it can be viewed at the following website: <http://info.dhhs.state.nc.us/olm/manuals/manuals/asp?dc=dss>. Individual case records must contain documentation of the eligibility determination process.”

Condition: There was one instance where the Foster Care re-determination document was not included in the participant’s file.

Effect: Ineligible participants could receive benefits.

Cause: Oversight in eligibility re-determination or improper filing system

Recommendation: We recommend that controls be put into place and there be increased oversight/supervisor reviews over eligibility processes.

Management Response: Management agrees with this finding.

U.S. Department of Agriculture  
Program Name: Special Supplemental Nutritional Program for  
Women, Infants, and Children (WIC)  
CFDA # 10.557

Finding 09-05

**Significant Deficiency – Eligibility**

Criteria: According 7 CFR sections 246.7(c), (d), (e) and (g), applicants for the WIC program must fulfill all of the following to participate in the WIC program: Proof of identity, proof that they reside in North Carolina, Proof of income or participation in the adjunctive eligibility programs, have a demonstrated nutrition risk.

Condition: There were 8 instances out of the 40 tested where income/signature cards could not be provided to the auditor, which document identity, residency and income.

Effect: Ineligible participant could receive WIC benefits.

Cause: Oversight in eligibility process

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the fiscal year ended June 30, 2009

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**Section III – Federal Awards Findings and Questioned Costs (continued)**

Finding 09-05 (continued)

Recommendation: We recommend there be increased oversight/supervisor reviews over the eligibility process.

Management Response: Management agrees with this finding.

**Section IV – State Award Findings and Questioned Costs**

DSS Crosscutting

Finding 09-02

See section III – Federal Award Findings and Questioned Costs

Community Transportation Program

Finding 09-06

Nonmaterial Noncompliance – Reporting

Criteria: Grantees must submit quarterly DBE Report of Awards and Report of Payments documenting actual utilization (CFR Parts 23 and 26 and FTA Circular 4716.1A, and the U.S. DOT DBE Final Rule). To monitor the progress of the DBE program, recipients are required to submit quarterly reports based on a record keeping system (49 CFR section 23.49).

Condition: A vendor listed on the DBE report was not DBE certified.

Questioned Costs: There are no questioned costs associated with this finding.

Effect: The DBE program may be inaccurately monitored.

Cause: Oversight in DBE reporting process.

Recommendation: We recommend that controls be put in place to ensure that reported DBE's have current certifications.

Management response: Management Agrees with this finding.

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF CORRECTIVE ACTION PLANS**  
For the fiscal year ended June 30, 2009

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09-01

Name of contact person: Michael Halford, Director of Budget Management and Eval

Corrective Action: The FY 2008 – 2009 budget ordinance was amended during the year to allocate the \$1,900,000 in additional savings to specific departments based on actual experience. This amendment did not affect the overall level of expenditures or revenues, and the General Fund budget remained balanced.

Proposed Completion Date: October 16, 2008

09-02

Name of contact person: Myra Thompson, Social Services Division Director/Transportation

Corrective Action: A mandatory training will be held for all social work staff regarding documentation and 4263 completion. Social Work Supervisor will review 4263 report on a weekly basis and coach social work staff to complete their sheets daily. A weekly report will be sent to the Supervisors by the Data Entry Specialist. A request will be made to the Quality Assurance Unit to review day sheets when monitoring a particular case record for an additional level of review for compliance.

Proposed Completion Date: October 12, 2009

09-03

Name of contact person: Fran George, Social Work Supervisor

Corrective Action: Social Work Supervisors will staff all cases monthly with the individual Foster Care and Adoption Social Workers. In the staff meetings, the Supervisor will be monitoring for state and federal compliance. The Supervisor will also enter a note in the One Case system to verify the meeting and findings.

Proposed Completion Date: August 21, 2009

09-04

Name of contact person: Fran George, Social Work Supervisor

Corrective Action: A monthly spreadsheet will be completed and emailed to all Social Workers and their respective Supervisors and Program Managers specifically for eligibility periods (Re-determinations/5120-A). This spreadsheet will be generated and maintained by the Accounting Technicians (Foster Care Payment Technicians). Social Workers will be required to have a copy in their files and will submit a copy to the Accounting Technicians for their payment files. In addition, a reference sheet has been developed and shared with their social work staff as it relates to completing the new version of the 5120-A

Proposed Completion Date: August 21, 2009



GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF CORRECTIVE ACTION PLANS**  
For the fiscal year ended June 30, 2009

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09-05

Name of contact person: Rebecca Gilliland, WIC Program Director

Corrective Action: All income cards will be reviewed by a Supervisor. Staff associated with these findings have also been spoken to and reminded of expectations and consequences.

Proposed Completion Date: July 15, 2009

09-06

Name of contact person: Myra Thompson, Social Services Division Director/Transportation

Corrective Action: The transportation department will request an annual DBE certification letter from transportation providers in the future.

Proposed Completion Date: November 6, 2009

GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
For the fiscal year ended June 30, 2009

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08-01 Not Corrected. See 09-01  
08-02 Corrected  
08-03 Corrected  
08-04 Not Corrected. See 09-03  
08-05 Corrected  
08-06 Corrected  
08-07 Corrected  
08-08 Corrected  
08-09 Corrected

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b><u>FEDERAL AWARDS</u></b>					
<b><u>U.S. Department of Agriculture</u></b>					
<i>Child Nutrition Cluster:</i>					
Passed Through N.C. Department of Public Instruction: Child Nutrition Program	10.555	1167	\$ 53,685	-	-
<i>Total Child Nutrition Cluster</i>			<u>53,685</u>	-	-
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
<i>Food and Nutrition Services Cluster:</i>					
Direct Benefit Payments:					
Food Stamp Program - Non Cash	10.551	-	81,263,901	-	-
Food Stamp Administration	10.561	-	3,594,752	-	3,594,752
Food Stamp Employment and Training	10.561	-	16,002	-	16,002
Food Stamp Fraud Administration	10.561	-	<u>6,729</u>	-	<u>6,729</u>
<i>Total Food and Nutrition Services Cluster</i>			<u>84,881,384</u>	-	<u>3,617,483</u>
Division of Women's and Children's Health:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15405405GJ41,15405405GK41, 15405404GJ41,15405404GK41, 15405409GJ41,15405409GK41, 15405403GJ41,15405403GK41, 1540570BJQ41,1540570CJQ41	1,911,022	-	99,204
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children - Non Cash	10.557	-	<u>10,289,860</u>	-	-
Total U.S. Department of Agriculture			<u>97,135,951</u>	-	<u>3,716,687</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed Through the N.C. Department of Commerce: Scattered Site	14.228	04-C-1230	185,988	-	-
Passed Through the City of Greensboro, North Carolina: Lead Based Paint Hazard Control Program (Note 2)	14.900	NCLH0362-07	<u>57,888</u>	-	<u>6</u>
Total U.S. Department of Housing and Urban Development			<u>243,876</u>	-	<u>6</u>
<b><u>U.S. Department of the Interior</u></b>					
Passed Through N.C. Department of Environment and Natural Resources:					
U.S. Geological Survey Agency	15.809	532199018	<u>32,741</u>	-	-
<b><u>U.S. Department of Justice</u></b>					
Passed Through N.C. Department of Crime Control and Public Safety:					
Gang Intelligence Program	16.579	041-1-06-001-BH-843	24,016	-	-
Project Safe Communication	16.575	041-1-08-041-AV-527	20,800	-	6,181
Passed Through City of High Point, North Carolina:					
Edward Byrne Memorial Justice Assistance Grant	16.738	2008-DJ-BX-0001	21,046	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-DJ-BX-1239	18,274	-	-
Direct Programs:					
Child Sexual Predator Program	16.710	2008-CS-WX-0013	175,094	-	-
Bulletproof Vest Partnership Program	16.607	-	6,522	-	-
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1622	<u>132,687</u>	-	-
Total U.S. Department of Justice			<u>398,439</u>	-	<u>6,181</u>
<b><u>U.S. Department of Education</u></b>					
Passed Through N.C. Department of Health and Human Services:					
Governors Substance Abuse and Violence Prevention Program	84.186	536963 149132525E3D	<u>193,587</u>	-	-
<b><u>U.S. Department of Labor</u></b>					
Passed Through N.C. Department of Commerce:					
Division of Employment and Training:					
Passed Through City of Greensboro, North Carolina:					
<i>Workforce Investment Act Cluster:</i>					
WIA Adult Program	17.258	3-2020-42	2,373	-	-
WIA Youth Activities	17.259	3-2040-42	15,589	-	-
WIA Dislocated Workers	17.260	3-2030-42	<u>1,278</u>	-	-
Total U.S. Department of Labor			<u>19,240</u>	-	-

GUILFORD COUNTY, NORTH CAROLINA  
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**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b>FEDERAL AWARDS (Continued)</b>					
<u>U.S. Department of Transportation</u>					
Passed Through N.C. Department of Crime Control and Public Safety:					
Haz Mat Emergency Preparedness	20.703	HMEP-2008-06	\$ 9,548	-	-
Passed Through City of Greensboro, North Carolina:					
Job Access Reverse Commute	20.516	NC-37-X015-01	57,451	-	57,451
Passed Through City of High Point, North Carolina:					
Federal Transit Urbanized Area Formula Program	20.507	-	21,486	-	21,486
Passed Through the N.C. Department of Transportation:					
Highway Safety Program	20.600	PT-08-03-04-48	15,016	-	15,016
Highway Safety Program	20.600	PT-09-03-03-08	5,903	-	-
Total U.S. Department of Transportation			<u>109,404</u>	<u>-</u>	<u>93,953</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through N.C. Board of Elections:					
Help America Vote Act	93.617	-	748,205	-	-
N.C. Department of Crime Control and Public Safety:					
Passed through Wake Forest Baptist Medical Center:					
Regional Disaster Preparedness	93.889	-	2,952	-	-
Passed Through The University of North Carolina at Chapel Hill:					
Comprehensive Cancer Control Collaborative of NC - Community Incentives Program	93.135	K116542	2,450	-	-
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Family Preservation	93.556	-	7,529	-	-
TANF - County Issued Checks	93.558	-	9,328	-	-
Work First Administration	93.558	-	933,338	-	1,317,284
Work First Service	93.558	-	3,797,064	-	4,453,448
TANF-Domestic Violence	93.558	-	82,751	-	410
Work First Demonstration Grant	93.558	-	346,267	-	-
Work First Functional Access	93.558	-	11,843	-	-
Adoption Fostercare	93.558	-	274,234	58,772	(7,406)
Child Support Enforcement IV-D Administration	93.563	-	4,782,754	-	2,463,843
Child Support Enforcement IV-D Admin-ARRA	93.563	-	313,376	-	161,436
Child Support Enforcement IV-D Incentive	93.563	-	819,040	-	-
Refugee Assistance Administration	93.566	-	6,167	-	-
Crisis Intervention Payment	93.568	-	986,978	-	-
Low Income Energy Administration	93.568	-	236,796	-	-
Permanency Planning - Regular	93.645	-	117,429	37,233	-
Permanency Planning - Special	93.645	-	34,859	-	11,620
Adult Day Care	93.667	-	88,227	72,721	24,274
In-Home Services	93.667	-	184,446	-	26,349
SSBG Other Services and Training	93.667	-	2,036,535	236,873	739,991
Links	93.674	-	70,528	17,632	-
Independent Living Special Links Fund	93.674	-	90,007	-	-
N.C. Health Choice	93.767	-	(42,671)	(14,762)	664
Adult Care Home Case Management	93.778	-	291,348	-	153,748
Eligible Workers Admin. - Medical Assistance	93.778	-	50,779	53,170	(2,391)
Medical Assistance Administration	93.778	-	5,433,271	-	5,433,271
<i>Foster Care and Adoption Cluster:(Note 3)</i>					
IV-E Foster Care	93.658	-	410,596	113,158	112,603
IV-E Foster Care Maximization	93.658	-	41,225	489	22,462
IV-E Training	93.658	-	194,211	-	194,210
IV-E Child Protective Services	93.658	-	334,733	200,380	134,353
IV-E Administration	93.658	-	1,210	-	403
IV-E Administration County Paid to CCI	93.658	-	90,784	44,050	46,734
Foster Care HIV IV-E	93.658	-	-	23,400	-
IV-E Family Foster Max	93.658	-	7,281	-	3,990
IV-E Max Level III	93.658	-	13,305	-	72,901
Adoption Assistance-IVE	93.659	-	8,406	4,203	4,203
IV-E Optional Fund	93.659	-	811,226	-	811,226
Foster Care At Risk Maximization	N/A	-	-	44,112	24,272
Direct Benefit Payments:					
Adoption Assistance-IVE	93.659	-	<u>3,261,301</u>	<u>606,590</u>	<u>835,265</u>
Total Foster Care and Adoption Cluster			5,174,278	1,036,382	2,262,622
Direct Benefit Payments:					
Temporary Assistance for Needy Families	93.558	-	4,447,106	(844)	34,308
Aid to Families with Dependent Children	93.560	-	(15,468)	(4,056)	(4,057)
Refugee Assistance Administration	93.566	-	199,810	-	-
Low Income Energy Assistance	93.568	-	1,880,818	-	-
CWS Adoption Assistance	93.645	-	26,754	1,489,810	347,852
Aid to the Blind	93.667	-	105,431	24,026	22,417

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b>FEDERAL AWARDS (Continued)</b>					
<b>U.S. Department of Health and Human Services (Continued)</b>					
Passed Through N.C. Department of Health and Human Services (Continued):					
Division of Medical Assistance:					
Medicaid Transportation Reimbursement	93.778	-	\$ 1,769,781	735,702	62,329
Direct Benefit Payments:					
Medical Assistance	93.778	-	284,891,316	132,023,135	9,557,507
Medical Assistance-ARRA Stimulus Credit	93.778	-	15,589,630	(14,420,408)	(1,169,222)
Division of Child Development:					
Subsidized Child Care (Note 3)					
<i>Child Care Development Fund Cluster:</i>					
Division of Social Services:					
Child Care Development Fund-Administration	93.596	-	809,244	-	-
Division of Child Development:					
Child Care and Development Fund-Discretionary	93.575	-	7,536,960	-	-
Child Care and Development Fund-Mandatory	93.596	-	2,691,936	-	-
Child Care and Development Fund-Match	93.596	-	2,551,140	1,402,151	-
<i>Total Child Care Development Fund Cluster</i>			13,589,280	1,402,151	-
TANF	93.558	-	4,887,156	-	-
SSBG	93.667	-	136,970	-	-
TANF Maintenance of Effort	N/A	-	-	194,038	-
More at Four State Funding	N/A	-	-	613,630	-
Smart Start	N/A	-	-	153,558	-
State Appropriations	N/A	-	-	1,113,776	-
<i>Total Subsidized Child Care Cluster</i>			18,613,406	3,477,153	-
<b>Substance Abuse and Mental Health Service Administration</b>					
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:					
MAJORS Substance Abuse/Juvenile Justice Initiative	93.959	536970 149132525R3D	7,791	-	-
Perinatal and Maternal Substance Abuse Initiative	93.959	536976 149132525R3D	128,268	-	-
Substance Abuse Training	93.959	536977 149132525R3D	2,407	-	-
Treatment Alternatives for Women	93.959	536966 149132525R3D, 536974 149132525R3D	356,961	-	-
SVCS to IV Drug Users	93.959	536952 149132525R3D	423,414	-	-
<i>Mental Health Services Cluster: (Note 3)</i>					
Block Grant for Community Mental Health Services	93.958	536945 129132506W3D, 536949 129132506W3D, 536975 129132506W3D, 536975001 129132506W3D	390,814	-	-
Social Services Block Grant	93.667	536949 12913250Q73D, 536949 14913252Q73D	41,826	-	-
<i>Total Mental Health Services Cluster</i>			432,640	-	-
Developmental Disability Services - Adult	93.667	536949 13913251Q73D	540,661	-	-
Developmental Disability Services - Child	93.667	536945 13913251Q73D	55,374	-	-
<i>Substance Abuse Services Cluster: (Note 3)</i>					
Block Grant for Prevention and Treatment of Substance Abuse	93.959	536914 149132525Q3D, 536915 149132525Q3D, 536945 149132525Q3D, 536949 149132525Q3D	568,295	-	-
<i>Total Substance Abuse Services Cluster</i>			568,295	-	-
Division of Public Health:					
Maternal Child Health Block Grant:					
Child Health	93.994	15055745AP41, 153553580041	293,745	270,378	6,018,887
Child Fatality	93.994	15355351AP41	1,918	1,432	312
Child Service Coordination	93.994	15315318AP41	83,005	63,364	821,334
Maternal Health	93.994	15055740AP41, 151151070041	146,080	138,451	4,359,570
Maternal Health High Risk	93.994	150557460041	15,944	11,959	24,486
Family Planning	93.994	15055735AP41	147,668	161,816	2,219,001
Immunization Action Plan	93.268	1570631BEJ41, 1570631FEJ41,	96,266	-	139,271
Bioterrorism	93.283	15612680EX41, 15612680EY41, 1564660CEV41	108,179	392,528	196

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b>FEDERAL AWARDS (Continued)</b>					
<b>U.S. Department of Health and Human Services (Continued)</b>					
Passed Through N.C. Department of Health and Human Services (Continued):					
Division of Public Health (Continued):					
Family Planning TANF	93.558	15115151TA41	\$ 52,271	-	-
Community Transition Coordinator	93.778	153153290041	18,481	21,709	(4,536)
Maternal Health Healthy Start	93.926	1511530HJA41	268,006	-	32
HIV/STD Sexually Transmitted Disease(GISP)	93.977	1461462DNB41	8,141	-	-
Project Assist	93.283	1551341FJT41,15515780041, 1551341EJT41	66,369	8,000	-
Project Assist	93.919	1551341AJ641	9,420	-	-
CDC Refugee	93.576	1551810BFL41,1551810CFL41	11,000	-	163,897
Comprehensive Breast and Cervical Cancer: Screening	93.283	1552310AEK41,1552310BEK41, 155255990041	74,375	-	206,931
WiseWoman Project	93.919	1551360EJV41	24,892	-	20,162
WiseWoman Project	93.283	1551360AWA41	24,429	-	-
<i>HIV Cluster:</i>					
Aid-To-County (Federal)	93.940	1461433ENC41	28,000	-	110,355
Jail Screening	93.940	1461431AHV41,1461431BHV41	132,940	-	(10,000)
Syphilis Elimination Project	93.977	1461468ANB41,1461468DNB41, 1461468ENB41	85,272	-	14,640
HIV/STD Non-Traditional C/T	N/A	14614541BN41,14614541RQ41, 14614542BN41	-	309,029	(21,379)
HIV/STD State	N/A	14614536BN41	-	25,000	31,328
<i>Total HIV Cluster</i>			246,212	334,029	124,944
Family Planning	93.217	1511592CFP41,1511592BFP41, 15116019FR41	293,572	-	-
CDC Tuberculosis	93.116	1451272KNF41,1451272LNF41	40,062	-	47,306
Division of Environmental Health:					
CDC Childhood Lead Poisoning Prevention	93.197	147547632009	40,000	-	45,298
Division of Aging:					
Passed Through Senior Resources of Guilford: Community Resources Connection	93.048	CRC NP-04	4,358	-	4,358
Passed Through the Piedmont Triad Council of Governments:					
SSBG Supportive Services for the Aging	93.667	-	152,382	4,324	17,412
<i>Aging Cluster:</i>					
Special Programs for the Aging:					
Title III-B, Supportive Services	93.044	-	62,983	3,730	7,413
Access	93.044	-	362,812	281,046	39,530
Title III-C-1, Congregate Meals	93.045	-	223,818	64,422	32,027
Title III-C-2, Home Delivered Meals	93.045	-	187,915	158,409	38,480
Nutrition Service Incentive Program	93.053	-	100,356	-	-
<i>Total Aging Cluster</i>			937,884	507,607	117,450
Total U.S. Department of Health and Human Services			360,079,162	126,875,735	40,216,608
<b>U.S. Department of Homeland Security</b>					
Passed Through United Way of America:					
Emergency Food and Shelter Program	97.024	25-6316-00-008	(282)	-	-
Emergency Food and Shelter Program	97.024	26-6316-00-008	15,497	-	-
Emergency Food and Shelter Program	97.024	27-6316-00-008	15,796	-	-
Passed Through N.C. Department of Crime Control and Public Safety:					
Emergency Management Performance	97.042	EMPG-2008-37081	79,435	-	79,436
Emergency Management (SHSP)	97.073	2007-GE-T7-0048-1004	215,150	-	-
Emergency Operations (Citizen Corps)	97.053	GE-T6-0010-5027	1,507	-	-
Emergency Operations Training	97.067	GE-T7-0048-6018-1055	2,475	-	-
Total U.S. Department of Homeland Security			329,578	-	79,436
<b>TOTAL FEDERAL AWARDS</b>			458,541,978	126,875,735	44,112,871

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b>STATE AWARDS</b>					
<b>N.C. Department of Health and Human Services</b>					
Division of Social Services:					
CWS Adoption Assistance	N/A	-	\$ -	156,296	50,165
State Foster Home	N/A	-	-	391,961	391,958
State Foster Home-Maximization	N/A	-	-	62,839	62,839
State Aid to Counties	N/A	-	-	314,532	-
State Adult Protective Services	N/A	-	-	38,420	-
Aid to Veterans Affairs	N/A	-	-	2,000	-
Collections Incentives/Program Integrity	N/A	-	-	55,675	-
Share the Warmth	N/A	-	-	17,976	-
Direct Benefit Payments:					
SC/SA Domiciliary Care	N/A	-	-	3,383,384	3,383,383
Division of Aging:					
Passed Through the Piedmont Triad Council of Governments:					
In Home Services	N/A	-	-	624,272	69,364
Division of Child Development:					
DCD Smart Start	N/A	-	-	207,393	-
Division of Services for the Blind:					
Aid to Blind Equalization	N/A	-	-	206	-
Division of Mental Health, Developmental Disabilities and Substance Abuse Services:					
Systems Management Transition	N/A	536980 15906220003D	-	5,651,510	-
Single Stream Line Funding-UST Fund	N/A	536998 15901138HT3D	-	900,239	-
Single Stream Line Funding	N/A	536998 15903220003D	-	12,769,555	-
Multidisciplinary Evaluation	N/A	536941 12903220003D	-	2,200	-
Division of Public Health:					
General	N/A	141041100041,211715300441	-	352,938	4,443,728
Health Promotion	N/A	155155030041	-	34,364	4,230,684
Healthy Carolinians	N/A	155141120041	-	5,727	10,424
Communicable Disease	N/A	145145100041	-	15,955	1,961,396
Tuberculosis	N/A	145145540041	-	80,643	425,908
TB Medical Services	N/A	145145540041	-	5,576	31,860
Health Disparities	N/A	141041790041	-	65,867	-
Passed Through NC Partnership for Children and Guilford County Partnership for Children:					
Smart Start Child Care Nurse	N/A	3-89-06	-	313,904	(476)
Smart Start Dental Hygienist	N/A	3-89-06	-	153,410	127
Smart Start Newborn Visits	N/A	3-89-06	-	829,468	140
Smart Start CTC	N/A	3-89-06	-	60,150	-
Smart Start NAPSAC	N/A	3-89-13	-	22,780	-
Passed Through NC Public Health Incubator Collaboratives- Central Region-Person County:					
CPPH Social Marketing Mini-Grant	N/A	-	-	3,000	-
Office of Public Health Nursing and Professional Development:					
Public Health Nurse Training	N/A	1430430100, 1461462ANB41	-	1,600	-
Office of Rural Health and Community Care:					
Community Health Grant	N/A	90008438	-	15,635	8,255
Division of Vocational Rehabilitation Services:					
Medical Evidence Fees	N/A	-	-	17,887	-
Total N.C. Department of Health and Human Services			-	26,557,362	15,069,755
<b>N.C. Department of Environment and Natural Resources</b>					
Division of Environmental Health:					
Environmental Health	N/A	14754751	-	6,000	2,228,171
Food and Lodging	N/A	14754752	-	50,659	1,293,265
Childhood Lead Poisoning	N/A	14754760	-	19,000	55,461
Mosquito	N/A	458	-	2,175	2,361
Division of Water Quality:					
Soil and Water Conservation	N/A	-	-	35,398	-
Division of Waste Management:					
Leaking Petroleum Underground Storage Tank Cleanup	N/A	-	-	15,000	-
Total N.C. Department of Environment and Natural Resources			-	128,232	3,579,258



**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-Through Grantor's Number	Expenditures		
			Federal	State	Local
<b>STATE AWARDS</b> (Continued)					
<u>N.C. Department of Transportation</u>					
<i>Rural Operating Assistance Program (ROAP) Cluster</i>					
Elderly and Handicapped Transportation (E&DTAP)	N/A	-	\$ -	256,413	-
Rural General Public (RGP)	N/A	-	-	128,408	14,268
Work First Employment Transportation Assistance	N/A	-	-	142,806	15,867
<i>Total Rural Operating Assistance Program (ROAP) Cluster</i>			-	527,627	30,135
Public Transportation and Rail Division:					
Community Transportation Program - Administration	N/A	09-US-049	-	217,795	38,434
Community Transportation Program - Capital	N/A	09-SC-049	-	300,691	33,410
 Total N.C. Department of Transportation			-	1,046,113	101,979
<u>N.C. Department of Corrections</u>					
Criminal Justice Partnership Program	N/A	41-0708-I-A	-	272,669	-
<u>N.C. Department of Commerce</u>					
Industrial Recruitment Competitive Fund Program	N/A	-	-	57,000	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund-ADM Corp Tax	N/A	-	-	3,568,436	1,189,478
Public School Building Capital Fund-NC Education Lottery	N/A	-	-	13,138,478	-
 Total N.C. Department of Public Instruction			-	16,706,914	1,189,478
<u>N.C. Department of Crime Control and Public Safety</u>					
Inside/Outside Gang Prevention	N/A	041-1-08-001-BN-373	-	37,579	11,108
<u>N.C. Depart. of Juvenile Justice &amp; Delinquency Prevention</u>					
Juvenile Crime Prevention Council Programs	N/A	341000,341001,341015, 341017,341021,341026 341032,341034	-	997,304	142,358
<u>N.C. Health and Wellness Trust Fund Commission</u>					
Medication/Disease Management and Prescription Drug Access for North Carolina Seniors Passed Through Moses-Cone Wesley Long Community Health Foundation:					
Campus Tobacco Prevention Project	N/A	-	-	104,341	(6,549)
Project Assist-Youth	N/A	-	-	128,256	64
 Total N.C. Health and Wellness Trust Fund Commission			-	269,243	(6,485)
<u>University of North Carolina</u>					
Passed Through the Greensboro Area Health Education Center:					
Student Preceptor - Family Planning	N/A	-	-	849	-
 <b>TOTAL STATE AWARDS</b>			-	46,073,265	20,087,451
 <b>TOTAL FEDERAL AND STATE AWARDS</b>			\$ 458,541,978	172,949,000	64,200,322

**GUILFORD COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2009**

**Notes to the Schedule of Expenditures of Federal and State Awards**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards includes the Federal and State grant activity of Guilford 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, Audit 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. "Direct 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. Federal, State and local matching funds of \$66,586 are reported elsewhere in the schedule.

3. 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 and Substance Abuse Services.

**4. Subrecipients**

Of the Federal and State expenditures presented in the schedule, Guilford County provided Federal and State awards to subrecipients as follows:

Subrecipient	Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	
				Federal	State
One Step Further, Inc.	DJJ - CSR	N/A	341021	\$ -	91,078
	DJJ - Guilford County Teen Court	N/A	341026	-	88,724
Youth Focus, Inc.	CJPP-Day Reporting and Restitution	N/A	41-0708-I-A	-	272,669
	Child Substance Abuse Treatment	93.959	536974 149132525R3D	216,961	29,248
	DJJ - Counseling, Family Preservation and Day Reporting	N/A	341015, 341017 341034,	-	706,230
Alcohol & Drug Services of Guilford Co.	SAPTBG HIV Early Intervention	93.959	536914 149132525R3D	119,847	-
	SAPTBGChild Preventive Services	93.959	536915 149132525R3D	165,272	-
	CASP Juvenile Detention	93.959	536974 149132525R3D	40,000	8,986
	Safe and Drug Free Schools	84.186	536963 149132525E3D	193,587	-
Centro de Accino Latino, Inc.	Services to IV Drug Users	N/A	536952 149132525R3D	-	423,514
	SAPTBGChild Preventive Services	93.959	536915 149132525R3D	25,492	-
Family Life Council, Inc.	SAPTBGChild Preventive Services	93.959	536915 149132525R3D	96,490	-
Family Services of the Piedmont, Inc.	Homeless Housing Support	93.959	536975 129132506W3D	70,786	-
	Homeless Housing Initiative-Trust	N/A	536998 15901138HT3D	-	313,453
	Majors Program	N/A	536998 15903220003D	-	142,000
	DJJ - Offender Re-entry	N/A	341032	-	48,695
Guilford County Schools	Public School Building Capital Fund	N/A	-	-	10,462,283
B.O.T.S.O.	Gang Intelligence-	16.579	-	8,710	-
City of Greensboro	Gang Intelligence-Hope Project	16.579	-	2,265	-
Guilford Child Development	Gang Intelligence-T.A.P.S.	16.579	-	10,056	-
UNC-Greensboro	Gang Intelligence-Youth & Family	16.579	-	2,985	-
Recovery Innovations of N.C., Inc.	Adult Substance Abuse-Restart	N/A	536998 15903220003D	-	117,000
Therapeutic Alternatives, Inc.	Mobile Crisis Management	N/A	536998 15903220003D	-	107,533
Adult Center For Enrichment, Inc.	D.D. Geriatric Services	N/A	536998 15903220003D	-	24,047
Adult Center For Enrichment	Special Programs for the Aging:				
	Title IIIB	93.044	-	15,368	910
	SSBG	93.667	-	37,139	1,055
	In-Home Services for the Aging	N/A	-	-	152,336
Senior Resources of Guilford	Special Programs for the Aging:				
	Access	93.044	-	53,648	41,557
	Title IIIB	93.044	-	5,473	324
	Congregate Nutrition	93.045	-	223,818	64,422
	Home Delivered Nutrition	93.045	-	187,915	158,409
	Nutrition Svcs Incentive Program	93.053	-	100,356	-
	SSBG	93.667	-	13,236	376
In-Home Services for the Aging	N/A	-	-	54,249	
Summit House	Block Grant for Prevention and Treatment of Substance Abuse	93.959	536966 149132525R3D	100,000	-
Piedmont Health Services and Sickle Cell Agency	HIV/STD Non-Traditional C/T	N/A	14614541BN41, 14614542BN41, 14614541RQ41	-	88,400
			1461431AHV41, 1461431BHV41	80,000	-
	Jail Screening	93.940			
NIA Community Action Center, Inc	HIV/STD Non-Traditional C/T	N/A	14614541BN41, 14614542BN41, 14614541RQ41	-	136,199
			14614541BN41, 14614542BN41, 14614541RQ41	-	7,000



**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**

The Board of County Commissioners  
Guilford County, North Carolina

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Guilford County, North Carolina (the "County"), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 30, 2009. 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 Greensboro/Guilford County Tourism Development Authority 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 a 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.

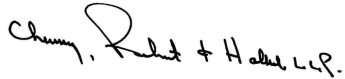
**Compliance and Other Matters**

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs at item 09-01.

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

This report is intended solely for the information and use of management, the County Commissioners, 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.**

Handwritten signature in cursive script that reads "Cherry, Bekaert & Holland L.L.P."

Raleigh, North Carolina  
October 30, 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**

The Board of County Commissioners  
Guilford County, North Carolina

**Compliance**

We have audited the compliance of Guilford 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 auditors' 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 on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 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 09-02 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 discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-04 and 09-05 to be significant deficiencies.

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 costs to be material weaknesses.

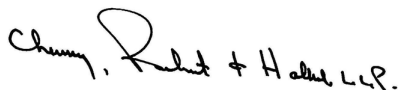
Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental 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 October 30, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures 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.

The County's responses 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.

This report is intended solely for the information and use of management, the County Commissioners, 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.**



Raleigh, North Carolina  
October 30, 2009, except the Schedule  
of Expenditures of Federal and State  
Awards as to which date is November 10, 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**

The Board of County Commissioners  
Guilford County, North Carolina

**Compliance**

We have audited the compliance of Guilford 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 auditors' 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 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 09-02 and 09-06.

**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.

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 County's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

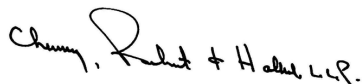
#### Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental 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 October 30, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures 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.

The County's responses 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.

This report is intended solely for the information and use of management, the County Commissioners, 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.**



Raleigh, North Carolina  
October 30, 2009, except the Schedule  
of Expenditures of Federal and State  
Awards as to which date is November 10, 2009



GUILFORD COUNTY, NORTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the fiscal year ended June 30, 2009

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**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(s) identified that are not considered to be material weaknesses \_\_\_ yes   X   none
- Noncompliance material to financial statements noted \_\_\_ yes   X   no

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_ yes   X   no
- Significant deficiency(s) identified that are not considered to be material weaknesses   X   yes \_\_\_ none
- Noncompliance material to federal awards \_\_\_ yes   X   no

Type of auditors’ 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   X   yes \_\_\_ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
10.557	Special Supplemental Nutrition Program For Women, Infants, and Children
93.658	Foster Care and Adoption Assistance Cluster Foster Care – Title IV-E
93.659	Adoption Assistance – IV-E