

**TRANSYLVANIA COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2014**

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# TRANSYLVANIA COUNTY, NORTH CAROLINA

## COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2014

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **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**

### **Independent Auditor's Report**

To the Board of Commissioners  
Transylvania County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Transylvania County, North Carolina, as of and for the year ended June 30, 2014, not presented here, and the related notes to the financial statements which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 8, 2014. The financial statements of the Transylvania County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Transylvania County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Transylvania County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified a certain deficiency in internal control that we consider to be a material weakness.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Transylvania 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, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Transylvania County's Response to Finding**

Transylvania County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Transylvania County's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2014

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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## **Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures of Federal and State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Transylvania County, North Carolina

#### **Report on Compliance for Each Major Federal Program**

We have audited Transylvania County, North Carolina's compliance 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 could have a direct and material effect on each of Transylvania County's major federal programs for the year ended June 30, 2014. Transylvania County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Transylvania County's major Federal programs based on our audit of the types of compliance requirements referred to above. 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 non-compliance 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 Transylvania 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 on compliance for each major Federal program. However, our audit does not provide a legal determination of Transylvania County's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Transylvania County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of Transylvania County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Transylvania County's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Transylvania County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated December 8, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Transylvania 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 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2014

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; And Report On The Schedule Of Expenditures of Federal and State Awards Required By OMB Circular A-133; And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of Commissioners  
Transylvania County, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited Transylvania County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Transylvania County's major State programs for the year ended June 30, 2014. Transylvania County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Transylvania County's major State programs based on our audit of the types of compliance requirements referred to above. 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, 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 non-compliance 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 Transylvania 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 on compliance for each major State program. However, our audit does not provide a legal determination of Transylvania County's compliance.

## **Opinion on Each Major State Program**

In our opinion, Transylvania County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of Transylvania County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Transylvania County's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance 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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Implementation Act**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated December 8, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Transylvania 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 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2014

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**TRANSYLVANIA COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**1. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Are any significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Non-compliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major Federal programs:

- Material weakness(es) identified?        Yes   X   No
- Are any significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None noted

Type of auditor's report issued on compliance for major Federal programs Unmodified

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

Identification of major federal programs:

<b><u>Name of Federal Program or Cluster</u></b>	<b><u>CFDA #</u></b>
Medicaid Cluster	93.778, 93.775, 93.777
State Children's Health Insurance Program – NC Health Choice	93.767
Temporary Assistance for Needy Families Cluster	93.558, 93.714
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557

Dollar threshold used to distinguish between Type A and Type B Programs: \$894,650

Auditee qualified as low-risk auditee?        Yes   X   No



# TRANSYLVANIA COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

### 2. Financial Statement Findings

#### Finding 2014-001

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

**Condition:** A prior period adjustment is required to correct material errors that occurred in periods prior to the current fiscal year under audit. The necessity of a prior period adjustment indicates that the County's system of controls did not detect and prevent a material error in financial reporting.

**Context:** The County discovered an error in how the Transylvania County Tourism Development Authority was reported.

**Effect:** The Transylvania County Tourism Development Authority was not properly presented as a discretely presented component unit.

**Cause:** The County did not properly evaluate the criteria for discrete component unit presentation.

**Recommendation:** Care should be taken to ensure that component units are periodically evaluated and presentation is in accordance with GASB requirements.

**Name of Contact Person:** Gay Poor, Finance Director

**Views of Responsible Officials and Planned Corrective Actions:** Management reviewed the criteria for discrete component unit presentation in the past and concluded that the Transylvania County Tourism Development Authority (TDA) was not a separate legal entity and did not meet the criteria for this presentation as a discrete component unit. However, in compliance with memorandum #2014-08 issued by the North Carolina Department of State Treasurer and upon the recommendation of the auditors, Transylvania County began treating the TDA as a discretely presented component unit in fiscal year 2014. Management will continue to evaluate all component units and ensure their proper classification and presentation in the financial statements in accordance with State guidelines.

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

None

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

None

**TRANSYLVANIA COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

None reported.

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/Program Title	CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal	State	County
<b>Federal Awards:</b>					
<u>U.S. Department of Health and Human Services:</u>					
<u>Administration for Children and Families:</u>					
Passed-through the NC Department of Health and Human Services:					
Division of Social Services:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families (TANF)/Work First	93.558	XXXX	\$ 408,178	\$ -	\$ 291,841
TANF/ Work First - Direct Benefit Payments	93.558	XXXX	142,805	-	1,530
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	XXXX	1,875	-	-
Total TANF Cluster			552,858	-	293,371
Child Support Enforcement	93.563	XXXX	264,263	-	136,134
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568	XXXX	304,035	-	-
Child Welfare Services - State Grants					
Permanency Planning - Families for Kids	93.645	XXXX	22,880	-	7,627
<u>Administration for Children and Families:</u>					
Passed-through the NC Department of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster:					
Title IV-E Foster Care - Administration	93.658	XXXX	146,083	31,917	132,694
Foster Care - Administration	93.658	XXXX	85,965	14,739	39,470
Foster Care - Direct Benefit Payments	93.658	XXXX	133,493	41,196	43,141
Adoption Assistance - Administration	93.659	XXXX	1,597	-	1,597
Adoption Assistance - Direct Benefit Payments	93.659	XXXX	242,963	63,330	63,330
Total Foster Care and Adoption Cluster			610,101	151,182	280,232
Social Services Block Grant	93.667	XXXX	158,967	56,486	52,199
Promoting Safe and Stable Families	93.556	XXXX	16,546	-	-
Chafee Foster Care Independence Program	93.674	XXXX	244	61	-
Independent Living Transitional - Direct Benefit Payments	93.674	XXXX	891	-	-
Division of Child Development:					
Subsidized Child Care					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care and Development Fund - Administration	93.596	XXXX	79,093	-	-
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	XXXX	196,099	-	-
Child Care and Development Fund - Mandatory	93.596	XXXX	142,092	-	-
Child Care and Development Fund - Match	93.596	XXXX	175,279	78,614	-
Total Child Care and Development Fund Cluster			592,563	78,614	-
Foster Care Title IV-E	93.658	XXXX	5,290	2,760	-
Temporary Assistance for Needy Families	93.558	XXXX	101,268	-	-
State Appropriations		XXXX	-	139,812	-
TANF - Maintenance of Effort		XXXX	-	42,147	-
Total Subsidized Child Care Cluster			699,121	263,333	-

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/Program Title	CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal	State	County
Total Administration for Children and Families			2,629,906	471,062	769,563
<u>Centers for Medicare and Medicaid Services:</u>					
Passed-through the NC Department of Health and Human Services:					
Medicaid Cluster:					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778	XXXX	24,086,598	13,053,183	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	XXXX	540,633	10,478	425,915
Total Medicaid Cluster			24,627,231	13,063,661	425,915
State Children's Health Insurance Program- NC Health Choice					
Administration	93.767	XXXX	24,703	1,297	6,498
Direct Benefit Payments	93.767	XXXX	959,040	302,545	-
Total Centers for Medicare and Medicaid Services			25,610,974	13,367,503	432,413
<u>Centers for Disease Control and Prevention:</u>					
Passed-through the NC Department of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	XXXX	30,783	-	-
Immunization Cooperative Agreements	93.268	XXXX	8,426	-	-
Preventative Health and Health Service Block Grant	93.991	XXXX	10,783	-	-
PPHF 2012: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed by 2012 Prevention and Public Health Funds	93.744	XXXX	250	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	XXXX	6,906	6,375	-
Community Transformation Grants	93.737	XXXX	4,700	-	-
<u>Health Resources and Service Administration:</u>					
Passed-through the NC Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994	XXXX	34,105	26,725	-
<u>Office of Population Affairs:</u>					
Passed-through the NC Department of Health and Human Services:					
Office of Population Affairs:					
Family Planning Services	93.217	XXXX	19,617	-	-

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/Program Title	CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal	State	County
<u>Administration on Aging:</u>					
Division of Aging:					
Passed-through the NC Department of Health and Human Services					
Passed-through Land-of-Sky Regional Council					
Aging Cluster:					
Title III B (Legal, Access, In-Home)	93.044	NC-02	37,549	130,572	-
Title III C1 (Congregate Nutrition)	93.045	NC-02	76,018	4,472	-
Title III C2 (Home-Delivered Meals)	93.045	NC-02	9,299	5,672	-
Total Aging Cluster			122,866	140,716	-
Special Programs for the Aging Title IV & Title II Discretionary Projects					
	93.048	XXXX	10,171	-	-
National Family Caregiver Support, Title III-E	93.052		7,200	480	-
Local Contact Agency	93.791		4,328	-	-
Social Services Block Grant - Respite	93.667	NC-02	29,782	851	-
Total Administration on Aging			174,347	142,047	-
Total U.S. Department of Health and Human Services			28,530,797	14,013,712	1,201,976
<u>U.S. Department of Agriculture:</u>					
<u>Food and Nutrition Service:</u>					
Passed-through NC Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Supplemental Nutrition Assistance Program Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					
	10.561	XXXX	306,331	-	306,331
Passed-through Land-of-Sky Regional Council					
Food Distribution	10.570	NC-02	13,456	-	-
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
	10.557	XXXX	152,000	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)					
	10.557	XXXX	420,073	-	-
Child Nutrition Cluster					
Summer Food Service Program for Children	10.559	XXXX	874	-	-
Total U.S. Department of Agriculture			892,734	-	306,331
<u>U.S. Department of Housing and Urban Development:</u>					
Passed-through NC Department of Commerce:					
CDBG - State - Administered CDBG Cluster Community Development Block Grant					
2011 Scattered Site Housing Project	14.228	09-E-2327	99,585	-	6,003
<u>U.S. Department of Homeland Security:</u>					
Passed-through NC Department of Public Safety					
Division of Crime Control and Public Safety:					
Emergency Management Performance Grants					
	97.042	XXXX	20,625	-	-
Emergency Management Grant Supplement					
	97.042	XXXX	14,692	-	-
Total Department of Homeland Security			35,317	-	-

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/Program Title	CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal	State	County
<u>U.S. Department of Justice:</u>					
Bureau of Justice Assistance:					
State Criminal Alien Assistance Program	16.606	XXXX	1,515	-	-
Office of Victims of Crime:					
Passed-through NC Department of Crime Control and Public Safety:					
Crime Victim Assistance	16.575	XXXX	37,047	-	-
Total U.S. Department of Justice			38,562	-	-
<u>U.S. Department of Education:</u>					
Office of Special Education and Rehabilitative Services					
Passed-through NC Department of Health and Human Services:					
Special Education Cluster (IDEA)					
Special Education - Preschool Grants (IDEA Preschool)	84.173	XXXX	120,245	-	-
<u>U.S. Department of Transportation:</u>					
Passed-through NC Department of Transportation:					
Federal Transit Administration:					
Formula Grants for Rural Areas - Capital	20.509	(WBS #36233.104.15.1)	104,412	6,525	-
Total Assistance - Federal Programs			29,821,652	14,020,237	1,514,310
<b>State Awards:</b>					
<u>NC Department of Administration:</u>					
Veterans Service		XXXX		1,452	-
<u>NC Department of Public Safety:</u>					
Division of Juvenile Justice					
Juvenile Crime Prevention Programs		XXXX		102,534	-
<u>NC Department of Health and Human Services:</u>					
Division of Social Services:					
Administration:					
AFDC - Program Integrity		XXXX		852	-
Direct Benefit Payments:					
CWS Adoption Subsidy		XXXX		103,514	32,605
F/C At-Risk Maximization - direct benefit payments		XXXX		2,513	1,312
SC/SA Domiciliary Care Payments - direct benefit payments		XXXX		228,460	228,460
SFHF Maximization		XXXX		15,966	15,966
State Foster Home		XXXX		9,084	9,084
Energy Assistance Private Grants		XXXX		24,627	-
Smart Start		XXXX		(82)	59,800
County Funded Programs		XXXX		-	401,002
Non-allocating County Costs		XXXX		-	46,221
Work First Non-reimbursable		XXXX		-	80,895
Total Division of Social Services				384,934	875,345

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/Program Title	CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		
			Federal	State	County
Division of Child Development and Early Education: NC Pre-K		XXXX		50,700	-
Division of Public Health:					
General Aid to Counties		XXXX		75,381	-
General Communicable Disease Control		XXXX		10,656	-
Food and Lodging Fees		XXXX		7,007	-
Mosquito-Public Health Pesticide		XXXX		1,858	-
Women's Health Service Fund		XXXX		9,274	-
Tuberculosis		XXXX		1,660	-
TB Medical Service		XXXX		540	-
School Nurse Funding Initiative		XXXX		50,000	-
Risk Reduction/Health Promotion		XXXX		6,286	-
Environmental Health				4,000	-
Total Division of Public Health				166,662	-
Division of Aging and Adult Services:					
Seniors' Health Insurance Information Program (SHIIP)		XXXX		2,356	-
Passed through Land-of-Sky Regional Council					
Fan/Heat Relief		NC-77		436	-
Senior Center Development		NC-77		11,680	-
Total				14,472	-
Total NC Department of Health and Human Services				616,768	875,345
NC Department of Environmental and Natural Resources					
Division of Soil and Water Conservation:					
Pastureland Improvement through pH and Herbicide Management		XXXX		13,101	-
NC Department of Transportation:					
Rural Operating Assistance Program (ROAP)					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.2.1;		59,950	-
ROAP Rural General Public Program		36220.10.4.1		70,271	-
ROAP Work First Transitional- Employment		36228.22.5.1		12,780	-
ROAP Work First Transitional- Employment		36236.11.3.1		12,780	-
Total ROAP				143,001	-
NC Department of Public Safety		XXXX			
Governor's Crime Prevention				7,471	-
NC Department of Cultural Resources					
State Aid to Public Libraries		XXXX		83,237	-
NC Department of Public Instruction:					
Public School Building Capital Fund		XXXX		600,000	-
Total Assistance - State Programs				1,560,093	875,345
Total Federal and State Awards				\$ 29,821,652	\$ 2,389,655

**TRANSYLVANIA COUNTY, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Expenditures</u>		
			<u>Federal</u>	<u>State</u>	<u>County</u>

**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 Transylvania County, North Carolina, 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. 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 State expenditures presented in the schedule, Transylvania County provided State awards to subrecipients as follows:

<u>Program Title</u>	<u>State Expenditures</u>
Public School Building Capital Fund	\$ 600,000

**3. The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes:**

Aging, Foster Care and Adoption, and Subsidized Child Care