

**TRANSYLVANIA COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2012**

# TRANSYLVANIA COUNTY, NORTH CAROLINA

## COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

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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**

To the Board of Commissioners  
Transylvania County, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Transylvania County, North Carolina, as of and for the year ended June 30, 2012, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 13, 2012. 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.

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

Management of Transylvania County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Transylvania County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Transylvania County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Transylvania County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or 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 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 is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, 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.

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

Martin Starnes & Associates, CPAs, P.A.  
November 13, 2012

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

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

## **Report On Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and Internal Control Over Compliance In Accordance With OMB Circular A-133 and The State Single Audit Implementation Act**

### **Independent Auditors' Report**

To the Board of Commissioners  
Transylvania County, North Carolina

#### **Compliance**

We have audited Transylvania County'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, 2012. Transylvania County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, 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 Transylvania County's management. Our responsibility is to express an opinion on Transylvania 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 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. Our audit does not provide a legal determination of Transylvania County's compliance with those requirements.

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, 2012.

## **Internal Control Over Compliance**

Management of Transylvania County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered 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.

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, as defined above.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2012, which collectively comprise Transylvania County, North Carolina's basic financial statements, and have issued our report thereon dated November 13, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Transylvania County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, 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.

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

Martin Starnes & Associates, CPAs, P.A.  
November 13, 2012

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

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## **Report On Compliance With Requirements That Could Have A Direct And Material Effect on 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**

### **Independent Auditors' Report**

To the Board of Commissioners  
Transylvania County, North Carolina

#### **Compliance**

We have audited Transylvania County's compliance with the types of compliance requirements described in applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 State programs for the year ended June 30, 2012. Transylvania County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, 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 Transylvania County's management. Our responsibility is to express an opinion on Transylvania 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, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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. Our audit does not provide a legal determination of Transylvania County's compliance with those requirements.

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 State programs for the year ended June 30, 2012.

## **Internal Control Over Compliance**

Management of Transylvania County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. 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 State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 State 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 State program will not be prevented, or detected and corrected, on a timely basis.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2012, which collectively comprise Transylvania County, North Carolina's basic financial statements, and have issued our report thereon dated November 13, 2012 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Transylvania County, North Carolina's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, members of the Board of Commissioners, 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.

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

Martin Starnes & Associates, CPAs, P.A.  
November 13, 2012

**TRANSYLVANIA COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**1. Summary of Auditors' Results**

**Financial Statements**

|  |             |     |                 |
|--|-------------|-----|-----------------|
| Type of auditors' report issued:                       | Unqualified |     |                 |
| Internal control over financial reporting:             |             |     |                 |
| • Material weakness(es) identified?                    | _____       | Yes | <u>  X  </u> No |
| • Significant deficiency(ies) identified?              | _____       | Yes | <u>  X  </u> No |
| Non-compliance material to financial statements noted? | _____       | Yes | <u>  X  </u> No |

**Federal Awards**

|  |             |     |                 |
|--|-------------|-----|-----------------|
| Internal control over major Federal programs:  |             |     |                 |
| • Material weakness(es) identified?  | _____       | Yes | <u>  X  </u> No |
| • Significant deficiency(ies) identified?  | _____       | Yes | <u>  X  </u> 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? | _____       | Yes | <u>  X  </u> No |

Identification of major federal programs:

**Name of Federal Program or Cluster**

**CFDA #**

|   |                        |
|---|------------------------|
| Medical Assistance Program                      | 93.778                 |
| Temporary Assistance for Needy Families Cluster | 93.558, 93.714, 93.716 |
| State Children's Health Insurance Program       | 93.767                 |

|  |           |     |                 |
|--|-----------|-----|-----------------|
| Dollar threshold used to distinguish between Type A and Type B Programs: | \$820,363 |     |                 |
| Auditee qualified as low-risk auditee?                                   | _____     | Yes | <u>  X  </u> No |



**TRANSYLVANIA COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**2. Financial Statement Findings**

None

**3. Findings and Responses Related to the Audit of Federal Awards**

None

**4. Findings and Responses 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, 2012**

**2011-01:** Corrected

**2011-02:** Corrected

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor / Pass-Through Grantor / Program Title                   | CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>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 N.C. 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  | \$ 459,301   | \$ -    | \$ 266,027 |
| TANF/ Work First- Direct Benefit Payments                        | 93.558         | XXXX  | 148,575      | -       | 236        |
| Total TANF Cluster   |                |   | 607,876      | -       | 266,263    |
| Child Support Enforcement  | 93.563         | XXXX  | 315,753      |         | 162,660    |
| Low-Income Home Energy Assistance Block Grant:                   |                |   |              |         |            |
| Administration   | 93.568         | XXXX  | 28,465       | -       | -          |
| Energy Assistance Payments- Direct Benefit Payments              | 93.568         | XXXX  | 61,041       | -       | -          |
| Crisis Intervention Program                                      | 93.568         | XXXX  | 263,709      | -       | -          |
| Child Welfare Services- State Grants                             |                |   |              |         |            |
| Permanency Planning- Families for Kids                           | 93.645         | XXXX  | 8,869        | -       | 2,956      |
| <u>Administration for Children and Families:</u>                 |                |   |              |         |            |
| Passed-through the N.C. Department of Health and Human Services: |                |   |              |         |            |
| Division of Social Services:                                     |                |   |              |         |            |
| Foster Care and Adoption Cluster:                                |                |   |              |         |            |
| Temporary Assistance for Needy Families                          | 93.558         | XXXX  | 2,278        | -       | -          |
| Title IV-E Foster Care- Administration                           | 93.658         | XXXX  | 295,687      | 27,497  | 135,888    |
| Foster Care- Direct Benefit Payments                             | 93.658         | XXXX  | 20,577       | 7,382   | 7,412      |
| Adoption Assistance- Administration                              | 93.659         | XXXX  | 927          | -       | 908        |
| Adoption Assistance-Direct Benefit Payments                      | 93.659         | XXXX  | 269,120      | 72,039  | 72,039     |
| Total Foster Care and Adoption Cluster                           |                |   | 588,589      | 106,917 | 216,247    |
| Social Services Block Grant                                      | 93.667         | XXXX  | 174,600      | 52,586  | 57,566     |
| Promoting Safe and Stable Families                               | 93.556         | XXXX  | 1,157        | -       | -          |
| Family Violence Prevention                                       | 93.671         | XXXX  | 2,417        | -       | 806        |
| Chafee Foster Care Independence Program                          | 93.674         | XXXX  | 12,562       | 898     | -          |
| AFDC Payments and Penalties                                      | 93.560         | XXXX  | (231)        | (63)    | (63)       |
| 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  | 80,000       | -       | -          |
| Division of Child Development:                                   |                |   |              |         |            |
| Child Care and Development Fund- Discretionary                   | 93.575         | XXXX  | 294,756      | -       | -          |
| Child Care and Development Fund- Mandatory                       | 93.596         | XXXX  | 101,800      | -       | -          |
| Child Care and Development Fund- Match                           | 93.596         | XXXX  | 180,008      | 81,606  | -          |
| Total Child Care Fund Cluster                                    |                |   | 656,564      | 81,606  | -          |

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor / Pass-Through Grantor / Program Title  | CFDA Number | State/<br>Pass-through<br>Grantor's<br>Number | Expenditures |            |         |
|---|-------------|---|--------------|------------|---------|
|   |             |   | Federal      | State      | County  |
| Temporary Assistance for Needy Families   | 93.558      | XXXX  | 117,913      | -          | -       |
| ARRA- Emergency Contingency Fund for<br>Temporary Assistance for Needy Families       |             |   |              |            |         |
| State Programs  | 93.714      | XXXX  | 10,574       | -          | -       |
| Smart Start   |             | XXXX  | -            | 480        | -       |
| State Appropriations  |             | XXXX  | -            | 116,987    | -       |
| TANF-Maintenance of Effort  |             | XXXX  | -            | 45,073     | -       |
| Total Subsidized Child Care Cluster   |             |   | 785,051      | 244,146    | -       |
| Total Administration for Children and Families  |             |   | 2,849,859    | 404,485    | 706,435 |
| <u>Centers for Medicare and Medicaid Services</u>                                     |             |   |              |            |         |
| Passed-through the N.C. Department of Health and Human Services:                      |             |   |              |            |         |
| Medicaid Cluster:   |             |   |              |            |         |
| Division of Medical Assistance:   |             |   |              |            |         |
| Direct Benefit Payments:  |             |   |              |            |         |
| Medical Assistance Program  | 93.778      | XXXX  | 22,549,374   | 13,296,965 | -       |
| Division of Public Health:  |             |   |              |            |         |
| Division of Medical Assistance  |             |   |              |            |         |
| Medical Assistance Program  | 93.778      | XXXX  | 18,294       | 7,058      | -       |
| Division of Social Services:  |             |   |              |            |         |
| Administration:   |             |   |              |            |         |
| Medical Assistance Program  | 93.778      | XXXX  | 407,452      | 10,825     | 396,627 |
| Total Medicaid Cluster  |             |   | 22,975,120   | 13,314,848 | 396,627 |
| State Children's Insurance Program- N.C. Health Choice                                | 93.767      | XXXX  | 28,193       | 1,455      | 7,631   |
| Total Centers for Medicare and Medicaid Services                                      |             |   | 23,003,314   | 13,316,303 | 404,259 |
| <u>Centers for Disease Control and Prevention</u>                                     |             |   |              |            |         |
| Passed-through the N.C. Department of Health and Human Services:                      |             |   |              |            |         |
| Division of Public Health:  |             |   |              |            |         |
| Public Health Emergency Preparedness  | 93.069      | XXXX  | 38,259       | -          | -       |
| Immunization Grants   | 93.268      | XXXX  | 8,073        | -          | -       |
| Centers for Disease Control and Prevention_Investigations<br>and Technical Assistance |             |   |              |            |         |
| Cervical Cancer Early Detection Programs  | 93.283      | XXXX  | 1,276        | -          | -       |
|   | 93.919      | XXXX  | 7,400        | 6,375      | -       |
| <u>Health Resources and Service Administration</u>                                    |             |   |              |            |         |
| Passed-through the N.C. Department of Health and Human Services:                      |             |   |              |            |         |
| Division of Public Health:  |             |   |              |            |         |
| Maternal and Child Health Services Block Grant  | 93.994      | XXXX  | 34,379       | 75,787     | -       |
| <u>Office of Population Affairs</u>   |             |   |              |            |         |
| Passed-through the N.C. Department of Health and Human Services:                      |             |   |              |            |         |
| Office of Population Affairs  |             |   |              |            |         |
| Family Planning Services  | 93.217      | XXXX  | 20,421       | -          | -       |

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor / Pass-Through Grantor / Program Title                            | CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Expenditures |            |           |
|---|----------------|---|--------------|------------|-----------|
|   |                |   | Federal      | State      | County    |
| <u>Administration on Aging</u>  |                |   |              |            |           |
| Division of Aging:  |                |   |              |            |           |
| Passed-through the N.C. 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-77   | 28,925       | 159,882    | -         |
| Title III C1 (Congregate Nutrition)                                       | 93.045         | NC-77   | 79,646       | 4,685      | -         |
| Title III C2 (Home-Delivered Meals)                                       | 93.045         | NC-77   | 11,642       | 3,434      | -         |
| Total Aging Cluster   |                |   | 120,213      | 168,001    | -         |
| Special Programs for the Aging Title IV & Title II Discretionary Projects | 93.048         | XXXX  | 5,227        | -          | -         |
| Family Caregiver Support, Title III-E                                     | 93.052         | NC-77   | 20,748       | 1,383      | -         |
| SSBG - Respite  | 93.667         | NC-77   | 11,280       | 322        | -         |
| Medicare Enrollment Assistance Program                                    | 93.071         | NC-77   | 3,322        | -          | -         |
| Total Administration on Aging   |                |   | 160,790      | 169,706    | -         |
| Total U.S. Department of Health and Human Services                        |                |   | 26,123,770   | 13,972,655 | 1,110,694 |
| <u>U.S. Department of Agriculture:</u>                                    |                |   |              |            |           |
| <u>Food and Nutrition Service:</u>  |                |   |              |            |           |
| Passed-through N.C. Department of Health and Human Services:              |                |   |              |            |           |
| Division of Social Services:  |                |   |              |            |           |
| Administration:   |                |   |              |            |           |
| Supplemental Nutrition Assistance Program Cluster:                        |                |   |              |            |           |
| State Administrative Matching Grants for the                              |                |   |              |            |           |
| Food Distribution   | 10.570         | XXXX  | 11,488       | -          | -         |
| Supplemental Nutrition Assistance Program                                 | 10.561         | XXXX  | 225,212      | -          | 225,212   |
| Total Supplemental Nutrition Assistance Program Cluster                   |                |   | 236,700      | -          | 225,212   |
| Division of Public Health:  |                |   |              |            |           |
| Administration:   |                |   |              |            |           |
| Special Supplemental Nutrition Program for Women,                         |                |   |              |            |           |
| Infants, and Children (WIC)   | 10.557         | XXXX  | 152,767      | -          | -         |
| AGRI-SFP Food Program Meal  | 10.559         | XXXX  | 860          | -          | -         |
| Child and Adult Care Food Program   | 10.558         | XXXX  | 37,685       | -          | -         |
| Direct Benefit Payments:  |                |   |              |            |           |
| Special Supplemental Nutrition Program for Women,                         |                |   |              |            |           |
| Infants, and Children (WIC)   | 10.557         | XXXX  | 451,532      | -          | -         |
| Total U.S. Department of Agriculture                                      |                |   | 879,544      | -          | 225,212   |
| <u>U.S. Department of Homeland Security:</u>                              |                |   |              |            |           |
| Passed-through N.C. Department of Crime Control and Public Safety:        |                |   |              |            |           |
| Emergency Management Performance Grants                                   | 97.042         | XXXX  | 20,625       | -          | -         |
| Emergency Management Grant Supplement                                     | 97.042         | XXXX  | 14,636       | -          | -         |
| Total Department of Homeland Security                                     |                |   | 35,261       | -          | -         |

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor / Pass-Through Grantor / Program Title                     | CFDA Number | State/<br>Pass-through<br>Grantor's<br>Number | Expenditures |            |           |
|--|-------------|---|--------------|------------|-----------|
|  |             |   | Federal      | State      | County    |
| <u>U.S. Department of Justice:</u>                                 |             |   |              |            |           |
| Bureau of Justice Assistance:                                      |             |   |              |            |           |
| State Criminal Alien Assistance Program                            | 16.606      | XXXX  | 8,323        | -          | -         |
| Office of Victims of Crime:  |             |   |              |            |           |
| Passed-through N.C. Department of Crime Control and Public Safety: |             |   |              |            |           |
| Crime Victim Assistance  | 16.575      | XXXX  | 38,074       | -          | -         |
| Total U.S. Department of Justice                                   |             |   | 46,397       | -          | -         |
| <u>U.S. Department of Education:</u>                               |             |   |              |            |           |
| Office of Special Education and Rehabilitative Services            |             |   |              |            |           |
| Passed-through N.C. Department of Health and Human Services:       |             |   |              |            |           |
| Special Education Cluster (IDEA)                                   |             |   |              |            |           |
| Special Education-Preschool Grants (IDEA Preschool)                | 84.173      | XXXX  | 127,521      | -          | -         |
| Total U.S. Department of Education                                 |             |   | 127,521      | -          | -         |
| <u>U.S. Department of Transportation:</u>                          |             |   |              |            |           |
| Passed-through N.C. Department of Transportation:                  |             |   |              |            |           |
| Federal Transit Administration:                                    |             |   |              |            |           |
| Formula Grants for Other Than Urbanized Areas                      | 20.509      | 12-CT-057 (WBS#36233.104.13.1)                | 100,594      | 6,287      | -         |
| Formula Grants for Other Than Urbanized Areas- Admin               | 20.509      | 11-CT-057 (WBS #36233.104.12.1)               | 32,355       | 2,022      | -         |
| Total U.S. Department of Transportation                            |             |   | 132,949      | 8,309      | -         |
| Total Assistance- Federal Programs                                 |             |   | 27,345,442   | 13,980,964 | 1,335,906 |
| <b>State Awards:</b>   |             |   |              |            |           |
| <u>N.C. Department of Administration:</u>                          |             |   |              |            |           |
| Veterans Service   |             | XXXX  |              | 1,452      | -         |
| Elections  |             |   |              | 4,686      | -         |
| <u>N.C. Department of Corrections:</u>                             |             |   |              |            |           |
| Criminal Justice Partnership Program                               |             | XXXX  |              | 56,395     | -         |
| <u>N.C. Department of Health and Human Services:</u>               |             |   |              |            |           |
| Division of Social Services:                                       |             |   |              |            |           |
| Administration:  |             |   |              |            |           |
| AFDC-Program Integrity   |             | XXXX  |              | 19         | -         |
| Direct Benefit Payments:   |             |   |              |            |           |
| CWS Adoption Subsidy   |             | XXXX  |              | 112,217    | 35,506    |
| F/C At Risk Maximization-direct benefit payments                   |             | XXXX  |              | 253,115    | 261,077   |
| SC/SA Domiciliary Care Payments-direct benefit payments            |             | XXXX  |              | 255,936    | 255,936   |
| Fan/Heat Relief  |             | NC-77   |              | 516        | -         |
| Senior Center Development  |             | NC-77   |              | 4,069      | -         |
| SFHF Maximization  |             | XXXX  |              | 2,842      | 2,842     |
| State Foster Home  |             | XXXX  |              | 23,079     | 23,079    |

## TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

| Grantor / Pass-Through Grantor / Program Title                  | CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Expenditures |                      |                      |
|---|----------------|---|--------------|----------------------|----------------------|
|   |                |   | Federal      | State                | County               |
| Energy Assistance Private Grants                                |                | XXXX  |              | 22,392               | -                    |
| Smart Start   |                | XXXX  |              | -                    | 18,040               |
| County Funded Programs  |                | XXXX  |              | -                    | 401,514              |
| Non-allocating County Costs                                     |                | XXXX  |              | -                    | 29,160               |
| State County Special Assistance                                 |                | XXXX  |              | -                    | 20,454               |
| Work First Non-reimbursable                                     |                | XXXX  |              | -                    | 8,655                |
| Total Division of Social Services                               |                |   |              | <u>674,184</u>       | <u>1,056,263</u>     |
| Division of Public Health:                                      |                |   |              |                      |                      |
| General   |                | XXXX  |              | 84,964               | -                    |
| Public Health Nursing   |                |   |              | 400                  | -                    |
| Communicable Disease  |                | XXXX  |              | 10,656               | -                    |
| WHSF  |                |   |              | 8,998                | -                    |
| Tuberculosis  |                | XXXX  |              | 1,660                | -                    |
| TB Medical Service  |                |   |              | 540                  | -                    |
| Risk Reduction/Health Promotion                                 |                | XXXX  |              | 5,445                | -                    |
| Food and Lodging Fees   |                |   |              | 5,595                | -                    |
| Environmental Health  |                |   |              | 4,000                | -                    |
| Total Division of Public Health                                 |                |   |              | <u>122,258</u>       | <u>-</u>             |
| Division of Aging and Adult Services:                           |                |   |              |                      |                      |
| Seniors' Health Insurance Information Program (SHIIP)           |                | XXXX  |              | 4,025                | -                    |
| Total   |                |   |              | <u>4,025</u>         | <u>-</u>             |
| Total N.C. Department of Health and Human Services              |                |   |              | <u>800,467</u>       | <u>1,056,263</u>     |
| N.C. Department of Environmental and Natural Resources          |                |   |              |                      |                      |
| Division of Soil and Water Conservation:                        |                |   |              |                      |                      |
| Streambank Stabilization Projects                               |                | XXXX  |              | <u>36,767</u>        | <u>-</u>             |
| Total N.C. Department of Environmental and Natural Resources    |                |   |              | <u>36,767</u>        | <u>-</u>             |
| N.C. Department of Transportation:                              |                |   |              |                      |                      |
| Rural Operating Assistance Program (ROAP)                       |                |   |              |                      |                      |
| ROAP Elderly and Disabled Transportation Assistance Program     |                | 36220.10.2.1; 36220.10.4.1                    |              | 60,190               | -                    |
| ROAP Rural General Public Program                               |                | 36228.22.4.1                                  |              | 52,295               | -                    |
| ROAP Work First Transitional- Employment                        |                | 36236.11.3.1                                  |              | <u>17,757</u>        | <u>-</u>             |
| Total ROAP  |                |   |              | <u>130,242</u>       | <u>-</u>             |
| N.C. Department of Cultural Resources                           |                |   |              |                      |                      |
| State Aid to Public Libraries                                   |                | XXXX  |              | 80,057               | -                    |
| N.C. Department of Juvenile Justice and Delinquency Prevention: |                |   |              |                      |                      |
| Juvenile Crime Prevention Programs                              |                | XXXX  |              | 102,534              | -                    |
| N.C. Department of Public Instruction:                          |                |   |              |                      |                      |
| Public School Building Capital Fund                             |                | XXXX  |              | <u>200,000</u>       | <u>-</u>             |
| Total Assistance- State Programs                                |                |   |              | <u>1,407,914</u>     | <u>1,056,263</u>     |
| Total Federal and State Awards                                  |                |   |              | <u>\$ 27,345,442</u> | <u>\$ 15,388,878</u> |
|   |                |   |              |                      | <u>\$ 2,392,169</u>  |

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

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

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 | \$ 200,000                |

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

Aging, Foster Care and Adoption, and Subsidized Child Care.