

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2013

TRANSYLVANIA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2013

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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, 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, each major fund, and the aggregate remaining fund information of Transylvania County, North Carolina, as of and for the year ended June 30, 2013, not presented here, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 26, 2013.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

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, NC
November 26, 2013

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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'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, 2013. 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.

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, 2013.

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, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 26, 2013, 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, 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, NC
November 26, 2013

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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, 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, 2013. 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.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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, 2013.

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, each major fund, and the aggregate remaining fund information of Transylvania County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 26, 2013, 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, 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, NC
November 26, 2013

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	_____ Yes <u> X </u> No
• Are any significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None Noted
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
• Are any significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> 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 <u> X </u> No

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
Medicaid Cluster	93.778, 93.720, 93.775, 93.777
Dollar threshold used to distinguish between Type A and Type B Programs:	\$842,473
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, 2013**

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State 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 State programs Unmodified

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? _____ Yes X No

Identification of Major State Programs:

Medicaid Cluster
Public School Building Capital Fund

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

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, 2013

None reported.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor / Pass-Through Grantor / Program Title	CFDA Number	State/ Pass-through Grantor's Number	Expenditures		
			Federal	State	County
Federal Awards:					
<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	\$ 442,593	\$ -	\$ 266,027
TANF/ Work First- Direct Benefit Payments	93.558	XXXX	167,194	-	275
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	XXXX	1,879	-	-
Total TANF Cluster			<u>611,666</u>	<u>-</u>	<u>266,302</u>
Child Support Enforcement	93.563	XXXX	290,874	-	149,844
Low-Income Home Energy Assistance Block Grant:					
Administration	93.568	XXXX	280,102	-	-
Child Welfare Services- State Grants					
Permanency Planning- Families for Kids	93.645	XXXX	16,518	-	5,506
<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		2,278	-	-
ARRA-Title IV-E Foster Care- Administration	93.658	XXXX	207,953	-	195,264
Foster Care- Administration	93.658	XXXX	140,122	15,044	-
ARRA-Foster Care- Direct Benefit Payments	93.658	XXXX	107,059	37,184	38,016
ARRA-Adoption Assistance- Administration	93.659	XXXX	1,559	-	1,447
ARRA-Adoption Assistance-Direct Benefit Payments	93.659	XXXX	260,911	68,976	68,976
Total Foster Care and Adoption Cluster			<u>719,882</u>	<u>121,204</u>	<u>303,703</u>
Social Services Block Grant	93.667	XXXX	167,641	55,587	54,503
Promoting Safe and Stable Families	93.556	XXXX	1,949	-	-
Chafee Foster Care Independence Program	93.674	XXXX	2,554	638	-
Indep. Living Transitional- Direct Benefit Payments	93.674	XXXX	4,937	-	-
AFDC Payments and Penalties	93.560	XXXX	(430)	(118)	(118)
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 Block Grant- Discretionary	93.575	XXXX	249,327	-	-
Child Care and Development Fund- Mandatory	93.596	XXXX	118,662	-	-
Child Care and Development Fund- Match	93.596	XXXX	150,644	67,456	-
Total Child Care and Development Fund Cluster			<u>598,633</u>	<u>67,456</u>	<u>-</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor / Pass-Through Grantor / Program Title	CFDA Number	State/ Pass-through Grantor's Number	Expenditures		
			Federal	State	County
Social Services Block Grant	93.667	XXXX	3,912	-	-
ARRA-Foster Care Title IV-E	93.658	XXXX	6,304	3,017	-
Temporary Assistance for Needy Families	93.558	XXXX	147,928	-	-
ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families					
Smart Start		XXXX	-	20,520	-
State Appropriations		XXXX	-	126,307	-
TANF-Maintenance of Effort		XXXX	-	54,267	-
Total Subsidized Child Care Cluster			<u>756,777</u>	<u>271,567</u>	<u>-</u>
Total Administration for Children and Families			<u>2,852,470</u>	<u>448,878</u>	<u>779,740</u>
<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	23,082,559	12,901,448	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	XXXX	<u>440,549</u>	<u>13,184</u>	<u>421,112</u>
Total Medicaid Cluster			<u>23,523,108</u>	<u>12,914,632</u>	<u>421,112</u>
State Children's Health Insurance Program- N.C. Health Choice	93.767	XXXX	21,529	1,432	5,434
Total Centers for Medicare and Medicaid Services			<u>23,544,637</u>	<u>12,916,064</u>	<u>426,546</u>
<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	45,108	-	-
Immunization					
Immunization Cooperative Agreements	93.268	XXXX	<u>8,682</u>	<u>-</u>	<u>-</u>
Total Immunization			<u>8,682</u>	<u>-</u>	<u>-</u>
Centers for Disease Control and Prevention_ Investigations and Technical Assistance					
	93.283	XXXX	494	-	-
State Health Access Program	93.256	XXXX	4,500	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	XXXX	7,400	6,375	-
Community Transformation Grants	93.737	XXXX	15,809	-	-
<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	35,640	26,733	-
<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	18,050	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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 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-02	52,362	135,151	-
Title III C1 (Congregate Nutrition)	93.045	NC-02	79,299	4,664	-
Title III C2 (Home-Delivered Meals)	93.045	NC-02	8,198	7,545	-
Total Aging Cluster			<u>139,859</u>	<u>147,360</u>	-
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		14,784	986	-
Local Contact Agency	93.791		3,101	-	-
Social Services Block Grant - Respite	93.667	NC-02	15,210	435	-
Total Administration on Aging			<u>183,125</u>	<u>148,781</u>	-
Total U.S. Department of Health and Human Services			<u>26,715,915</u>	<u>13,546,831</u>	<u>1,206,286</u>
<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 Supplemental Nutrition Assistance Program	10.561	XXXX	285,777	-	285,777
Total Supplemental Nutrition Assistance Program Cluster			<u>285,777</u>	-	<u>285,777</u>
Passed through Land-of-Sky Regional Council					
Food Distribution	10.570	NC-02	6,938	-	-
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	XXXX	152,361	-	-
Child and Adult Care Food Program	10.558	XXXX	15,187	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	XXXX	421,299	-	-
Child Nutrition Cluster					
Summer Food Service Program for Children	10.559	XXXX	828	-	-
Total Child Nutrition Cluster			<u>828</u>	-	-
Total U.S. Department of Agriculture			<u>882,390</u>	-	<u>285,777</u>
<u>U.S. Department of Housing and Urban Development:</u>					
Passed-through N.C. Department of Commerce:					
CDBG- State- Administered CDBG Cluster					
Community Development Block Grant					
2011 Scattered Site Housing Project	14.228	09-E-2327	11,033	-	-
Total CDBG- State- Adm CDBG Cluster			<u>11,033</u>	-	-
Total U.S. Department of Housing and Urban Development			<u>11,033</u>	-	-
<u>U.S. Department of Homeland Security:</u>					
Passed-through N.C. Department of Public Safety					
Division of Crime Control and Public Safety:					
State and Local Homeland Security National Training Program	97.005	XXXX	2,253	-	-
Emergency Management Performance Grants	97.042	XXXX	20,625	-	-
Emergency Management Grant Supplement	97.042	XXXX	14,878	-	-
Total Department of Homeland Security			<u>37,756</u>	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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	4,148	-	-
Bulletproof Vest Partnership Program	16.607	XXXX	3,606	-	-
Office of Victims of Crime:					
Passed-through N.C. Department of Crime Control and Public Safety:					
Crime Victim Assistance	16.575	XXXX	32,759	-	-
Total U.S. Department of Justice			40,513	-	-
<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	134,549	-	-
Total U.S. Department of Education			134,549	-	-
<u>U.S. Department of Transportation:</u>					
Passed-through N.C. Department of Transportation:					
Federal Transit Administration:					
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.13.1)	36,297	2,268	-
Formula Grants for Rural Areas- Capital	20.509	(WBS #36233.104.13.3)	37,076	4,634	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.14.1)	104,557	6,534	-
Formula Grants for Rural Areas- Capital	20.509	(WBS #36233.104.14.3)	1,060	132	-
Total U.S. Department of Transportation			178,990	13,568	-
<u>U.S. Election Assistance Program</u>					
Help America Vote Act (HAVA)	90.401	XXXX	9,463	-	-
Total U.S. Election Assistance Program			9,463	-	-
<u>Institute of Museum and Library Services</u>					
Passed-through N.C. Department of Cultural Resources:					
Division of State Library					
Library Services and Technology Act Program (LSTA)	45.310	XXXX	71,824	-	-
Total Assistance- Federal Programs			28,082,433	13,560,399	1,492,063
State Awards:					
<u>N.C. Department of Administration:</u>					
Veterans Service		XXXX		1,452	-
Juvenile Crime Prevention Programs		XXXX		102,534	-
<u>N.C. Department of Health and Human Services:</u>					
Division of Social Services:					
Administration:					
AFDC-Program Integrity		XXXX		658	-
Direct Benefit Payments:					
CWS Adoption Subsidy		XXXX		111,493	35,264
F/C At Risk Maximization-direct benefit payments		XXXX		4,043	2,137
SC/SA Domiciliary Care Payments-direct benefit payments		XXXX		215,603	215,890
Fan/Heat Relief		XXXX		566	-
Senior Center Development		XXXX		11,753	-
SFHF Maximization		XXXX		5,030	5,030
State Foster Home		XXXX		15,155	15,155

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor / Pass-Through Grantor / Program Title	CFDA Number	State/ Pass-through Grantor's Number	Expenditures		
			Federal	State	County
Energy Assistance Private Grants		XXXX		23,226	-
Smart Start		XXXX		-	59,800
County Funded Programs		XXXX		-	401,209
Non-allocating County Costs		XXXX		-	36,698
Work First Non-reimbursable		XXXX		-	36,345
Total Division of Social Services				387,527	807,528
State County Special Assistance		XXXX		25,836	14,113
Division of Child Development and Early Education:					
NC Pre-K		XXXX		59,800	-
Division of Public Health:					
General Aid to Counties		XXXX		75,381	-
Public Health Nursing		XXXX		600	-
General Communicable Disease Control		XXXX		10,656	-
Women's Health Service Fund		XXXX		9,228	-
Tuberculosis		XXXX		1,660	-
TB Medical Service		XXXX		540	-
NC School Food Service (CAFSP)		XXXX		45,262	-
NCPH Quality Improvement		XXXX		1,750	-
School Nurse Funding Initiative		XXXX		50,000	-
Risk Reduction/Health Promotion		XXXX		307	-
Food and Lodging Fees				4,661	-
Environmental Health				4,000	-
Breast and Cervical Cancer Control		XXXX		13,264	-
Total Division of Public Health				217,309	-
Division of Aging and Adult Services:					
Seniors' Health Insurance Information Program (SHIIP)		XXXX		4,329	-
Total				4,329	-
Total N.C. Department of Health and Human Services				694,801	821,641
N.C. Department of Environmental and Natural Resources					
Division of Soil and Water Conservation:					
Pastureland Improvement through pH and Herbicide Management		XXXX		16,625	-
Total N.C. Department of Environmental and Natural Resources				16,625	-
<u>N.C. Department of Transportation:</u>					
Rural Operating Assistance Program (ROAP)					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.2.1; 36220.10.4.1		54,986	-
ROAP Rural General Public Program		36228.22.4.1		60,194	-
ROAP Work First Transitional- Employment		36236.11.3.1		12,977	-
Total ROAP				128,157	-
<u>N.C. Department of Public Safety</u>		XXXX			
Crisis Housing Funds				1,495	-
<u>N.C. Rural Economic Development Center</u>					
Building Reuse & Restoration Program		XXXX		57,500	-
<u>N.C. Department of Cultural Resources</u>					
State Aid to Public Libraries		XXXX		83,679	-
<u>N.C. Department of Public Instruction:</u>					
Public School Building Capital Fund		XXXX		358,000	-
Total Assistance- State Programs				1,444,243	821,641
Total Federal and State Awards			\$ 28,082,433	\$ 15,004,642	\$ 2,313,704

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Grantor / Pass-Through Grantor / Program Title	CFDA Number	State/ Pass-through Grantor's 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	\$ <u>358,000</u>

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.