

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2016

TRANSYLVANIA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2016

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"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, 2016, not presented here, and the related notes to the financial statements which collectively comprise the County's basic financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2016. The financial statements of the Transylvania 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.

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 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2016-001 that we consider to be a significant deficiency.

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*.

Response to Finding

Transylvania County's response to the finding identified in our audit is described in the accompanying Schedule of Findings, Responses, 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
November 15, 2016

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 in Accordance with Uniform Guidance 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 *OMB 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, 2016. 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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.

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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, 2016.

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 types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance 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, 2016, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 15, 2016, 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 the Uniform Guidance 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
November 15, 2016

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Report On Compliance For Each Major State Program; Report on Internal Control over Compliance; Report on the Schedule Of Expenditures Of Federal And State Awards in Accordance with Uniform Guidance 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, 2016. 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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, 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 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, 2016.

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 requirements that could have a direct and material effect on a major State program in order 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance 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, 2016, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 15, 2016, 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 the Uniform Guidance 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
November 15, 2016

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

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 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA #</u>
Medicaid Cluster	93.778, 93.775, 93.777

Dollar threshold used to distinguish between Type A and Type B programs: \$950,194

Auditee qualified as low-risk auditee? No

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

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? No

Identification of major State programs:

Program Name
Medical Assistance Program

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

2. Findings and Responses Related to the Financial Statements

Significant Deficiency

Finding 2016-001:

Criteria: Management should have a system in place to reduce the likelihood of errors in reporting employee census data and to ensure that employee census data that is reported to finance is complete and timely.

Condition: The County did not timely report employee change form for one employee. The employee missed one month of contributing to the Orbit system and one month of County payments being made on behalf of this employee.

Context: One employee was not properly reported in the Orbit system. The County had approximately 374 employees participating in LGERS at December 31, 2015.

Effect: Census data reported, while materially complete, did not reflect all eligible employees.

Cause: One employee was not properly reported in the Orbit system because finance did not receive timely notification of employee's department status change.

Recommendation: On a monthly basis, care should be taken to ensure proper reconciliation between Orbit and County payroll records.

View of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will adhere to the corrective action plan on page 12 in this audit report.

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

None

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

None

TRANSYLVANIA COUNTY, NORTH CAROLINA

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

Significant Deficiency

Finding 2016-001

Name of Contact Person: Gay Poor, Finance Officer

Corrective Action: Management concurs with the finding. Management will exercise due care when examining change forms to make sure date of change is added to retirement system in a timely manner and will make any necessary adjustments immediately. This will be in addition to the monthly reconciliation of data between Orbit and County records. Management believes that this was an isolated incident that has since been resolved.

The County spoke with the Retirement System and submitted Form 466 - Purchasing Retirement System Credit for Unreported Service Omitted Through Error. The Retirement System will process the form and access the employee and employer costs. Once that is determined, the employee portion will be collected and both portions will be sent in.

Proposed Completion Date: The County will implement the above procedures immediately.

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016**

None in prior year.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass Through) Expenditures	State Expenditures	Passed- through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
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 State Programs	93.558	1601NCTANF	\$ 377,277	\$ -	\$ -	\$ 273,469
Temporary Assistance for Needy Families State Programs- Direct Benefit Payments	93.558	1601NCTANF	128,759	-	-	-
Division of Public Health:						
Temporary Assistance for Needy Families State Programs	93.558	13A15151T288	1,090	-	-	-
Total TANF Cluster			<u>507,126</u>	<u>-</u>	<u>-</u>	<u>273,469</u>
NC Child Support Enforcement Section:						
NC Child Support Enforcement - Administration	93.563	1604NC4005	300,213	-	-	154,655
NC Child Support Enforcement - ESC	93.563	1604NC4005	19	1	-	9
NC Child Support Enforcement - Federal	93.563	1604NC4005	660	-	-	340
Low-Income Home Energy Assistance:						
Administration	93.568	G16B1NCLIEA	284,965	-	-	-
Child Welfare Services- State Grants						
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1601NCCWSS	6,056	-	-	2,019
<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 (Note 3):						
Foster Care Title IV-E - Administration	93.658	1601NCFOST	158,239	13,788	-	141,451
Foster Care Title IV-E - Administration	93.658	1601NCFOST	96,186	19,564	-	45,264
Foster Care Title IV-E - Direct Benefit Payments	93.658	1601NCFOST	87,010	23,319	-	25,557
Adoption Assistance- Administration	93.659	1601NCADPT	13,087	-	-	13,026
Adoption Assistance-Direct Benefit Payments	93.659	1601NCADPT	223,402	57,238	-	57,238
Total Foster Care and Adoption Cluster			<u>577,924</u>	<u>113,909</u>	<u>-</u>	<u>282,536</u>
Social Services Block Grant	93.667	1601NCSOSR	141,315	36,153	-	48,114
Promoting Safe and Stable Families	93.556	1601NCFPSS	7,066	-	-	-
Chafee Foster Care Independence Program	93.674	1601NCI420	5,197	1,299	-	-
Division of Child Development:						
Subsidized Child Care (Note 3)						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Administration	93.596	WC 302	80,429	-	-	-
Division of Child Development:						
Child Care and Development Block Grant- Discretionary	93.575	G1601NCCCDF	308,956	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund- Mandatory	93.596	LISTPAY	101,620	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund- Match	93.596	LISTPAY	161,785	67,732	-	-
Total Child Care and Development Fund Cluster			<u>652,790</u>	<u>67,732</u>	<u>-</u>	<u>-</u>
Foster Care Title IV-E	93.658	1601NCFOST	5,650	2,898	-	-
Temporary Assistance for Needy Families State Programs	93.558	1601NCTANF	85,169	-	-	-
State Appropriations		XXXX	-	88,362	-	-
TANF-Maintenance of Effort		XXXX	-	64,288	-	-
Total Subsidized Child Care Cluster			<u>743,609</u>	<u>223,280</u>	<u>-</u>	<u>-</u>
Total Administration for Children and Families			<u>2,574,150</u>	<u>374,642</u>	<u>-</u>	<u>761,142</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	DMA NCTRACKS MEDICAID	26,059,872	14,011,369	-	-
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778	DMA 2016	900,744	2,839	-	349,993
Total Medicaid Cluster			<u>26,960,616</u>	<u>14,014,208</u>	<u>-</u>	<u>349,993</u>
Children's Health Insurance Program- N.C. Health Choice						
Administration	93.767	DMA NCTRACKS HEALTHCHOICE	43,404	204	-	231
Direct Benefit Payments	93.767	DMA NCTRACKS HEALTHCHOICE	547,030	24,498	-	-
Total Centers for Medicare and Medicaid Services			<u>27,551,050</u>	<u>14,038,910</u>	<u>-</u>	<u>350,224</u>

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed- through to Subrecipients</u>	<u>Local Expenditures</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 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.069	12642680ER	30,783	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	12642680EW	10,000	-	-	-
Immunization Cooperative Agreements	93.116	1460272ANF	43	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.268	1331631CEJ	6,441	-	-	-
	93.758	12615503PF	29,903	-	-	-
Total Centers for Disease Control and Prevention			77,170	-	-	-
<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 to the States	93.994	13A15700045	26,635	19,978	-	-
<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	13A1592AFP88 & 13A1592DFP88	17,980	-	-	-
<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:						
Special Programs for the Aging Title III Part B Grants for Supportive Services and Senior Centers	93.044	14/15AANCT3SS	52,357	127,365	-	-
Special Programs for the Aging Title III Part C Nutrition Services (Congregate Nutrition)	93.045	14/15AANCT3CM	87,401	5,141	-	-
Special Programs for the Aging Title III Part C Nutrition Services (Home-Delivered Meals)	93.045	14/15AANCT3HD	7,962	14,078	-	-
Nutrition Services Incentive Program	93.053	14AANCNSIP	15,272	-	-	-
Total Aging Cluster			162,992	146,584	-	-
National Family Caregiver Support, Title III Part E	93.052	14/15AANCT3FC	3,750	250	-	-
Senior Center General Purpose Funding	N/A	NC-01	-	11,400	-	-
Social Services Block Grant	93.667	NC-01	12,957	370	-	-
Total Administration on Aging			179,699	158,604	-	-
Total U.S. Department of Health and Human Services			30,426,684	14,592,134	-	1,111,366
<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:						
State Administrative Matching Grants for Supplemental Nutrition Assistance Program Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16165NC406S2514	298,426	310	-	298,426
Total Supplemental Nutrition Assistance Program Cluster			298,426	310	-	298,426
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	DPH WIC	144,518	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	DPH WIC	396,852	-	-	-
Total U.S. Department of Agriculture			839,796	310	-	298,426
<u>U.S. Department of Homeland Security:</u>						
Passed-through N.C. Department of Public Safety						
Division of Crime Control and Public Safety:						
Emergency Management Performance Grants	97.042	EMPG-2015-37175	20,625	-	-	-
Emergency Management Performance Grants	97.042	EMPG-2015-37175	17,917	-	-	-
Total Department of Homeland Security			38,542	-	-	-
<u>U.S. Department of Justice:</u>						
Bureau of Justice Assistance:						
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0211	768	-	-	-
Passed-through N.C. Department of Crime Control and Public Safety:						
Crime Victim Assistance	16.575	2014-VA-GX-0021	39,653	-	-	-
Total U.S. Department of Justice			40,421	-	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed- through to Subrecipients</u>	<u>Local Expenditures</u>
<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	84.173	IDEA Part C FFY 2015	119,478	-	-	-
Total Special Education Cluster			119,478	-	-	-
Total U.S. Department of Education			119,478	-	-	-
<u>U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA):</u>						
Passed-through N.C. Department of Transportation:						
Federal Transit Administration:						
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.16.1)	104,059	6,504	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.16.3)	3,478	435	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.17.1)	100,684	6,293	-	-
Total U.S. Department of Transportation			208,221	13,232	-	-
Total Assistance- Federal Programs			31,673,142	14,605,676	-	1,409,792
State Awards:						
<u>N.C. Department of Administration:</u>						
Veterans Service				2,288	-	-
Total NC Department of Administration				2,288	-	-
<u>N.C. Department of Public Safety:</u>						
Division of Juvenile Justice						
Juvenile Crime Prevention Programs		12409088		104,074	-	-
Total NC Department of Public Safety				104,074	-	-
<u>N.C. Department of Health and Human Services:</u>						
Division of Social Services:						
Administration:						
Smart Start				(83)	-	-
County Funded Programs				-	-	565,270
Energy Assistance Private Grants				20,009	-	-
Non-allocating County Costs				-	-	7,349
Work First Non-reimbursable				-	-	79,827
CPS Expansion - State				113,551	-	-
AFDC-Program Integrity				574	-	-
Direct Benefit Payments:						
CWS Adoption Subsidy				77,683	-	23,641
F/C At Risk Maximization-direct benefit payments				2,519	-	1,293
SC/SA Domiciliary Care Payments-direct benefit payments				174,324	-	183,388
SFHF Maximization				35,358	-	35,358
State Foster Home				13,304	-	13,304
Total Division of Social Services				437,239	-	909,430
Division of Child Development and Early Education:						
NC Pre-K				45,150	-	-
Division of Public Health:						
General Aid to Counties				75,381	-	-
Public Health Pest Management				2,379	-	-
General Communicable Disease Control		1175451000		10,656	-	-
Food and Lodging Fees				5,715	-	-
Women's Health Service Fund				3,411	-	-
HIV/STD SSBG Aid				500	-	-
Tuberculosis		1460455100		1,660	-	-
TB Medical Service		14504554DD		540	-	-
School Nurse Funding Initiative		1332535800		50,000	-	-
Breast and Cervical Cancer Program		1320310DEK		5,710	-	-
Child Health				800	-	-
HMHC-Family Planning				4,923	-	-
Total Division of Public Health				161,675	-	-
Division of Aging and Adult Services:						
Passed through Land-of-Sky Regional Council						
Seniors' Health Insurance Information Program (SHIIP)		90SA0018-02-02		4,111	-	-
Total Division of Aging and Adult Services				4,111	-	-
Total N.C. Department of Health and Human Services				648,175	-	909,430
<u>N.C. Department of Environmental Quality</u>						
Division of Soil and Water Conservation:						
Streambank Stabilization and Restoration		2015-010-E		14,572	-	-
Total N.C. Department of Environmental and Natural Resources				14,572	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed- through to Subrecipients</u>	<u>Local Expenditures</u>
<u>N.C. Department of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.6.1		55,902	-	-
ROAP Rural General Public Program		36228.22.6.1		59,544	-	-
ROAP Work First Transitional- Employment		36236.11.5.1		9,591	-	-
Subtotal ROAP Cluster				<u>125,037</u>		
Highway Construction Program				<u>25,000</u>		
Total NC Department of Transportation				<u>150,037</u>	-	-
<u>N.C. Department of Cultural Resources</u>						
Park and Recreation Trust Fund				181,350	-	-
State Aid to Public Libraries				<u>88,071</u>	-	-
Total N.C. Department of Cultural Resources				<u>269,421</u>	-	-
Total Assistance- State Programs				<u>1,188,567</u>	-	<u>909,430</u>
Total Federal and State Awards			<u>\$ 31,673,142</u>	<u>\$ 15,794,243</u>	<u>\$ -</u>	<u>\$ 2,319,222</u>

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Transylvania County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Transylvania County, it is not intended to and does not present the financial position, changes in net position or cash flows of Transylvania County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Transylvania County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption