

**TRANSYLVANIA COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE YEAR ENDED JUNE 30, 2017

TRANSYLVANIA COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
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	3-5
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 In Accordance With Uniform Guidance; And The State Single Audit Implementation Act	6-8
Schedule of Findings, Responses, and Questioned Costs	9-13
Corrective Action Plan	14
Schedule of Prior Year Audit Findings	15
Schedule of Expenditures of Federal and State Awards	16-18

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

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

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

To the Board of Commissioners
Transylvania County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Transylvania County, North Carolina, as of and for the year ended June 30, 2017, 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 22, 2017. The financial statements of the Transylvania County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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.

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.

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, North Carolina
November 22, 2017

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

“A Professional Association of Certified Public Accountants and Management Consultants”

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, 2017. 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, OMB 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.

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, 2017.

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, 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 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 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 significant deficiencies, or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2017-001 that we consider to be a material weakness.

Transylvania County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Transylvania County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2017, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 22, 2017, 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 22, 2017

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

“A Professional Association of Certified Public Accountants and Management Consultants”

Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; 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, 2017. 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, 2017.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2017-001 that we consider to be a material weakness.

Transylvania County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Transylvania County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2017, and the related notes to the financial statements, which collectively comprise Transylvania County's basic financial statements. We issued our report thereon dated November 22, 2017, 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 22, 2017

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – 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? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

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)? Yes

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA #</u>
Medicaid Cluster	93.778, 93.775, 93.777
Adoption Assistance – Title IV-E	93.659
Foster Care Title IV-E	93.658

Dollar threshold used to distinguish between Type A and Type B programs: \$982,697

Auditee qualified as low-risk auditee? Yes

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major State programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

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

Identification of major State programs:

Program Name
Medicaid Cluster
Foster Care and Adoption Cluster

TRANSYLVANIA COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

Section II – Financial Statement Findings and Questioned Costs

None.

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

Section III – Federal Awards Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: XIX-MAP17

Finding 2017-001:

Eligibility

Material Weakness

Criteria: Per 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific financial resources/assets requirements, and documentation must be maintained to support eligibility determinations.

Condition: Eight of the applicants did not have proper AVS documentation to support that they met the financial resources/assets requirements in NCFAST. Upon further review and recalculation, the applicants were deemed eligible.

Context: Of the 1639 casefiles, we examined 79 and determined that eight (10%) applicant's files in NCFAST lacked proper documentation for the financial resources/assets requirements of an AVS to support eligibility determinations. Upon further review, the applicants were still deemed eligible.

Effect: Casefiles could be missing the required documentation, which would allow benefits to be provided to individuals who were not eligible.

Cause: Caseworkers failed to properly utilize the State system in order to document the applicant's financial resources/assets for eligibility requirements.

Questioned Costs: None. The County was able to substantiate that the applicants were eligible to receive benefits.

Recommendation: Caseworkers should review their eligibility determinations to ensure all financial resources/assets documentation is recorded in the State system before approving benefits.

View of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section IV – State Awards Findings and Questioned Costs

NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

Finding 2017-001

Per 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific financial resources/assets requirements, and documentation must be maintained to support eligibility determinations. Caseworkers should review their eligibility determinations to ensure all financial resources/assets documentation is recorded in the State system before approving benefits. See more details at Section III- Federal Awards Findings and Questioned Costs.

Darrell Renfroe, Director
TELEPHONE: (828) 884-3174
FAX: (828) 884-3263



Department of Social Services
106 East Morgan Street
Brevard, NC 28712

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2017**

Material Weakness

Finding 2017-001

Name of Contact Person: Darrell Renfroe, DSS Director

Corrective Action: Management concurs with the finding. A training was held with the Adult Medicaid workers on June 16, 2017 to discuss AVS. Workers were instructed to run AVS on all applications and all reviews, as well as how to read AVS results.

Another training was held on August 24, 2017. IM Supervisor and IM Leadworker had attended the OST Cluster Meeting in August. Information was shared with the Adult Medicaid workers on the proper process of running AVS and when it is appropriate to send a DMA-5097 if there are no hits on AVS.

AVS is listed on the Second Party Review Checklist implemented by DMA in April 2017. We are verifying that AVS is completed on the Adult Medicaid reviews and applications that are pulled for second party review.

Proposed Completion Date: The County implemented the above procedures and this is considered completed at this time. The County will continue to work to ensure proper procedures are followed.

TRANSYLVANIA COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

Significant Deficiency

Finding 2016-001

Status: Corrected

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

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
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	\$ 377,789	\$ -	\$ -	\$ 271,181
Temporary Assistance for Needy Families State Programs- Direct Benefit Payments	93.558	1601NCTANF	219,930	1	-	929
Total TANF Cluster			597,719	1	-	272,110
NC Child Support Enforcement Section:						
NC Child Support Enforcement - Administration	93.563	1604NC4005	294,282	-	-	151,600
NC Child Support Enforcement - ESC	93.563	1604NC4005	18	1	-	9
NC Child Support Enforcement - Federal	93.563	1604NC4005	657	-	-	343
Low-Income Home Energy Assistance:						
Low-Income Home Energy Assistance - Administration	93.568	G16B1NCLIEA	259,914	-	-	-
Child Welfare Services- State Grants						
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1601NCCWSS	5,704	-	-	1,901
<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	160,554	11,343	-	145,158
Foster Care Title IV-E - Administration	93.658	1601NCFOST	75,168	14,793	-	5,308
Foster Care Title IV-E - Direct Benefit Payments	93.658	1601NCFOST	77,253	22,445	-	23,493
Foster Care Title IV-E - Vendor/Guardian	93.658	1601NCFOST	231,828	58,228	-	58,228
Adoption Assistance- Administration	93.659	1601NCADPT	6,462	-	-	6,461
Total Foster Care and Adoption Cluster			551,265	106,809	-	238,648
Social Services Block Grant						
Promoting Safe and Stable Families	93.667	1601NCSOSR	172,420	32,563	-	57,500
Chafee Foster Care Independence Program - Administration	93.674	1601NCFPSS	2,406	-	-	-
Chafee Foster Care Independence Program - Administration	93.674	1601NC1420	7,755	1,939	-	-
Chafee Foster Care Independence Program - Direct Benefits	93.674	1601NC1420	4,629	-	-	-
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	G1601NCCCDF	81,811	-	-	-
Division of Child Development:						
Child Care and Development Block Grant- Discretionary						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund- Mandatory	93.575	G1601NCCCDF	351,446	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund- Match	93.596	G1601NCCCDF	136,831	-	-	-
Total Child Care and Development Fund Cluster			198,591	76,955	-	-
			768,679	76,955	-	-
Foster Care Title IV-E						
Temporary Assistance for Needy Families State Programs	93.658	1601NCFOST	10,694	5,333	-	-
Smart Start	93.558	1601NCTANF	107,059	-	-	-
State Appropriations		XXXX	-	118	-	-
TANF-Maintenance of Effort		XXXX	-	66,226	-	-
		XXXX	-	89,646	-	-
Total Subsidized Child Care Cluster			886,432	238,278	-	-
Total Administration for Children and Families			2,783,201	379,591	-	722,111
<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	XIX-MAP17	26,531,168	14,048,863	-	-
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778	XIX-MAP17	916,297	2,825	-	347,377
Total Medicaid Cluster			27,447,465	14,051,688	-	347,377
Children's Health Insurance Program- N.C. Health Choice						
Administration	93.767	CHIP17	46,070	51	-	81
Direct Benefit Payments	93.767	CHIP17	904,274	3,607	-	-
Total Centers for Medicare and Medicaid Services			28,397,809	14,055,346	-	347,458
<u>Centers for Disease Control and Prevention</u>						
Passed-through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements						
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	12642680EW	41,883	-	-	-
Immunization Cooperative Agreements	93.116	1460272ANF	50	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.268	1331631CEJ	3,559	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.323	NU50CK000384	11,111	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.539	NH23IP000759	2,490	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.752	5 NU58DP003933-05	4,909	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12615503PF	26,708	-	-	-
Total Centers for Disease Control and Prevention			90,710	-	-	-

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<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>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	27,767	20,827	-	-
<u>Substance Abuse and Mental Health Services Administration</u>						
Substance Abuse & Mental Health Services - Projects of Regional and National Significance	93.243	SP021961	18,408	-	-	-
<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	17,932	-	-	-
<u>Administration for Community Living</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	41,707	162,668	-	-
Special Programs for the Aging Title III Part C Nutrition Services (Congregate Nutrition)	93.045	14/15AANCT3CM	83,093	4,888	-	-
Special Programs for the Aging Title III Part C Nutrition Services (Home-Delivered Meals)	93.045	14/15AANCT3HD	15,977	6,596	-	-
Nutrition Services Incentive Program	93.053	14AANCNSIP	10,567	-	-	-
Total Aging Cluster			151,344	174,152	-	-
National Family Caregiver Support, Title III Part E	93.052	14/15AANCT3FC	3,750	250	-	-
Senior Center General Purpose Funding		NC-01	-	7,252	-	-
Social Services Block Grant	93.667	NC-01	12,957	370	-	-
Total Administration for Community Living			168,051	182,024	-	-
Total U.S. Department of Health and Human Services			31,503,878	14,637,788	-	1,069,569
<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	16165NC40682514	296,470	-	-	296,470
Total Supplemental Nutrition Assistance Program Cluster			296,470	-	-	296,470
Administration:						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	175NC705W1003	131,395	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	175NC705W1003	375,317	-	-	-
Total U.S. Department of Agriculture			803,182	-	-	296,470
<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	17,580	-	-	-
Total Department of Homeland Security			38,205	-	-	-
<u>U.S. Department of Justice:</u>						
Bureau of Justice Assistance:						
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0211	3,520	-	-	-
Office of Victims of Crime:						
Passed-through N.C. Department of Crime Control and Public Safety:						
Crime Victim Assistance	16.575	2014-VA-GX-0021	35,903	-	-	-
Total U.S. Department of Justice			39,423	-	-	-
<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	117,495	-	-	-
Total Special Education Cluster			117,495	-	-	-
Total U.S. Department of Education			117,495	-	-	-
<u>U.S. Department of Transportation:</u>						
Federal Transit Administration:						
Passed-through N.C. Department of Transportation:						
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.18.1)	92,710	5,794	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.18.1)	35,122	2,194	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.16.3)	37,014	4,626	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.18.3)	40,568	5,071	-	-
Formula Grants for Rural Areas- Admin	20.509	(WBS #36233.104.18.4)	365	46	-	-
Total U.S. Department of Transportation			205,779	17,731	-	-
<u>Institute of Museum and Library Services:</u>						
Passed-through N.C. Department of Natural and Cultural Resources:						
Division of State Library						
Grants to States	45.310	NC 16-40	48,625	-	-	-
Total Assistance- Federal Programs			32,756,587	14,655,519	-	1,366,039

TRANSYLVANIA COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

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
State Awards:						
<u>N.C. Department of Administration:</u>						
Veterans Service				2,130	-	-
Total NC Department of Administration				2,130	-	-
Division of Juvenile Justice						
Juvenile Crime Prevention Programs		12409088		104,212	-	-
Total NC Department of Public Safety				104,212	-	-
<u>N.C. Department of Health and Human Services:</u>						
Division of Social Services:						
Administration:						
Smart Start				107	-	-
County Funded Programs				-	-	663,722
Energy Assistance Private Grants				21,684	-	-
Non-allocating County Costs				-	-	3,927
Work First Non-reimbursable				-	-	46,460
CPS Expansion - State				112,361	-	-
AFDC-Program Integrity				100	-	-
Direct Benefit Payments:						
CWS Adoption Subsidy				67,370	-	20,133
SAA/SAD HB 1030				9,979	-	8,109
F/C At Risk Maximization-Direct Benefit Payments				10,146	-	5,041
SC/SA Domiciliary Care Payments-Direct Benefit Payments				187,590	-	187,590
SFH Maximization				60,761	-	60,761
State Foster Home				41,438	-	41,437
Total Division of Social Services				511,536	-	1,037,180
Division of Child Development and Early Education:						
NC Pre-K				5,000	-	-
Division of Public Health:						
Zika Virus Mosquito Control				19,723	-	-
Public Health Pest Management				-	-	-
General Communicable Disease Control		1175451000		10,656	-	-
Food and Lodging Fees				8,701	-	-
Women's Health Service Fund				5,578	-	-
HIV/STD State				100	-	-
HIV/STD SSBG Aid				400	-	-
Sexually Transmitted Diseases				90	-	-
Tuberculosis		1460455100		1,660	-	-
TB Medical Service		14504554DD		540	-	-
School Nurse Funding Initiative		1332535800		50,000	-	-
Breast and Cervical Cancer Program		1320310DEK		510	-	-
Child Health				800	-	-
HMHC-Family Planning				4,923	-	-
Total Division of Public Health				103,681	-	-
Division of Aging and Adult Services:						
Passed through Land-of-Sky Regional Council						
Seniors' Health Insurance Information Program (SHIP)		90SA0018-02-02		3,253	-	-
Total Division of Aging and Adult Services				3,253	-	-
Total N.C. Department of Health and Human Services				623,470	-	1,037,180
<u>N.C. Department of Transportation:</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.6.1		62,984	-	-
ROAP Rural General Public Program		36228.22.6.1		66,121	-	-
ROAP Work First Transitional- Employment		36236.11.6.1		9,256	-	-
Subtotal ROAP Cluster				138,361	-	-
Total NC Department of Transportation				138,361	-	-
<u>N.C. Department of Public Safety</u>						
State Governors Crime Prevention				13,849	-	-
<u>N.C. Department of Natural and Cultural Resources</u>						
State Aid to Public Libraries				87,304	-	-
4-H Grant				500	-	-
Total N.C. Department of Natural and Cultural Resources				87,804	-	-
<u>N.C. Department of Public Instruction:</u>						
Public School Building Capital Fund		XXXX		174,291	-	-
Total Assistance- State Programs				1,144,117	-	1,037,180
Total Federal and State Awards			\$ 32,756,587	\$ 15,799,636	\$ -	\$ 2,403,219

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 Transylvania County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. 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 Federal Awards (Uniform Guidance) and the State Single Audit 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.