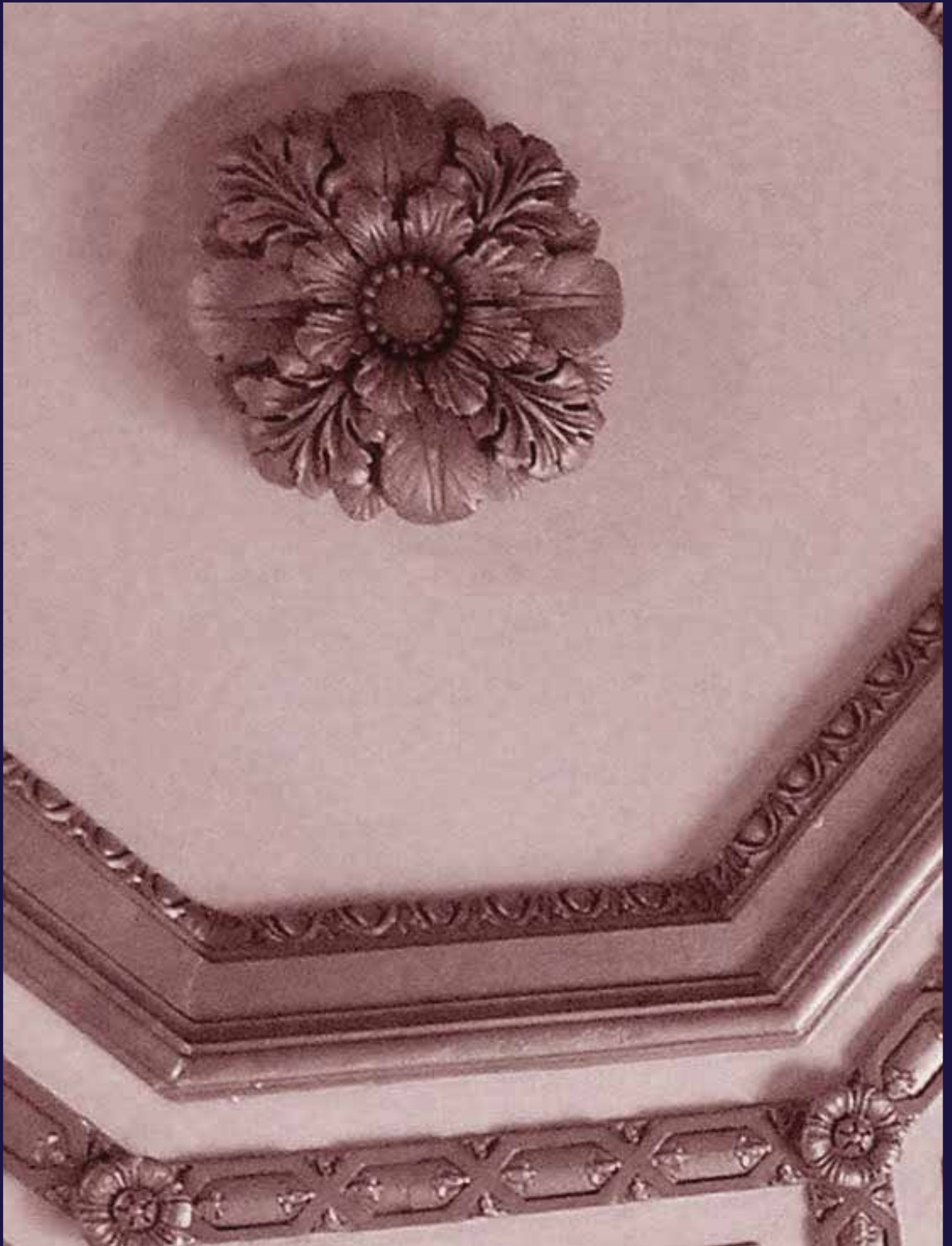




The Buncombe County Courthouse as it stands today

Compliance Report



Gould Killian CPA Group, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND 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 COUNTY COMMISSIONERS
BUNCOMBE COUNTY, NORTH CAROLINA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Buncombe County, North Carolina as of and for the year ended June 30, 2007, which collectively comprises Buncombe County's basic financial statements, and have issued our report thereon dated November 28, 2007. We did not audit the financial statements of the Asheville Area Regional Airport Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Asheville Area Regional Airport Authority is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Buncombe County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance 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 noncompliance or other matters that are required to be reported under Government Auditing Standards. We noted certain matters that we reported to management of Buncombe County in a separate letter dated November 28, 2007.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Buncombe County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buncombe County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

BOARD OF COMMISSIONERS

Page two

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the audit committee, management, members of the Board of Commissioners, and federal and state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Donald Killian CPA Group, P.A.

Asheville, North Carolina

November 28, 2007

Gould Killian CPA Group, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

TO THE BOARD OF COMMISSIONERS
BUNCOMBE COUNTY, NORTH CAROLINA

Compliance

We have audited the compliance of Buncombe County, North Carolina, 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 are applicable to each of its major federal programs for the year ended June 30, 2007. Buncombe County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Buncombe County's management. Our responsibility is to express an opinion on Buncombe County's compliance based on our audit.

Buncombe County's financial statements include the operations of the Asheville Regional Airport Authority, which received \$1,534,753 in federal awards which is not included in the accompanying schedule of expenditures of federal and state awards for the year ended June 30, 2007. Our audit, described below, did not include operations of the Asheville Regional Airport Authority because the Authority engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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 noncompliance 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 Buncombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Buncombe County's compliance with those requirements.

In our opinion, Buncombe County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Buncombe County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Buncombe County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

BOARD OF COMMISSIONERS

Page Two

order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

This report is intended for the information of the audit committee, management, members of the Board of Commissioners, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 28, 2007

Gould Killian CPA Group, P.A.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act

TO THE BOARD OF COMMISSIONERS
BUNCOMBE COUNTY, NORTH CAROLINA

Compliance

We have audited the compliance of Buncombe County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2007. Buncombe County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Buncombe County's management. Our responsibility is to express an opinion on Buncombe County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations as described in the Audit Manual for Governmental Auditors in North Carolina, 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 noncompliance 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 Buncombe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Buncombe County's compliance with those requirements.

In our opinion, Buncombe County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Buncombe County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Buncombe County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned

BOARD OF COMMISSIONERS

Page Two

functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

This report is intended for the information of the audit committee, management, members of the Board of Commissioners, and State awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 28, 2007

**BUNCOMBE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2007

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes Xno
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ___yes Xnone reported

Noncompliance material to financial
statements noted ___yes Xno

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes Xno
- Significant Deficiency(s) identified
that are not considered to be
material weaknesses? ___yes Xnone reported

Type of auditor's report issued on compliance for major federal programs: Unqualified.

Any audit findings disclosed that are
required to be reported in accordance
with Section 510(a) of Circular A-133 ___yes Xno

Major federal programs for Buncombe County for the fiscal year ended June 30, 2007 are:

<u>Program Name</u>	<u>CFDA #</u>
Food Stamp Cluster	10.551, 10.561
WIC	10.557
Foster Care & Adoption Cluster	93.658, 93.659
Title XIX Medicaid	93.778
State Children's Health Insurance Program	93.767

The threshold for determining Federal Type A programs for Buncombe County is \$3,000,000.

Buncombe County does qualify as a low risk auditee under Section .530 of Circular No. A-133.

BUNCOMBE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___yes X no

- Significant Deficiency(s) identified
that are not considered to be
material weaknesses ___yes X none reported

Type of auditor's report issued on compliance for major State programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with the State
Single Audit Implementation Act ___yes X no

Major State programs (over \$300,000) for Buncombe County for the fiscal year ended June 30,
2007 are:

Program Name

Foster Care & Adoption Cluster
Medicaid
State Children's Health Insurance Program
Juvenile Crime Prevention Council
Public School Building Capital Fund

BUNCOMBE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

BUNCOMBE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended June 30, 2007

Finding 06-1

Finding: G.S. 153A-292 states that transfers of property out of a solid waste disposal fund are not permitted except for compensation of administrative or other costs. If used in this manner, the expense should be budgeted and accounted for as a reimbursement of an expenditure. The Solid Waste Disposal Fund reported a transfer out in the amount of \$160,850 to the General Fund. This transfer consisted of vehicles and other equipment.

Current Status / Corrective Action plan: The County agrees with this finding. The Solid Waste Disposal Fund was reimbursed for the fair value of the assets transferred during the year ended June 30, 2007.

Finding 06-2

Finding: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance. Buncombe County expended \$5,452 more for debt service expenditures than appropriated in the annual budget ordinance.

Current Status / Corrective Action plan: The County agrees with this finding. Special care will be taken to insure all necessary budget amendments are made.

BUNCOMBE COUNTY GOVERNMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U. S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through N. C. Department of Agriculture:					
Passed-through Land of the Sky Regional Council:					
Food Stamp Program - Noncash	10.570	NC-77	\$27,593	\$-	\$-
Passed-through N. C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Food Stamp Cluster:</u>					
Food Stamp Program - Noncash	10.551		21,655,003	-	-
State Administrative Matching Grants for the					
Food Stamp Program	10.561		1,185,612	-	1,185,612
Total Food Stamp Cluster			22,868,208	-	1,185,612
Passed-through N. C. Department of Health and Human Services:					
Divison of Public Health					
Administration:					
Special Supplemental Food Program for Women,					
Infants, and Children	10.557		696,917	-	65,206
Breastfeeding Contract	10.557		69,317	-	-
Direct Benefit Payments:					
Special Supplemental Food Program for Women,					
Infants, and Children	10.557		3,113,822	-	-
Administration:					
Child and Adult Care Food Program	10.558		118,333	-	-
Summer Food Service Program for Children	10.559		236	-	-
Passed through the Office of State Budget and Management:					
Schools and Roads - Grants to States and Counties	10.665		22,713	-	-
Total U.S. Department of Agriculture			26,889,546	-	1,250,818
<u>U.S. Department of Housing & Urban Development</u>					
Passed-through N. C. Department of Commerce:					
Community Development Block Grant	14.228		269,525	-	4,576
Passed-through the City of Asheville:					
HOME Investment Partnership Programs	14.239		66,357	-	70,394
Total U.S. Department of Housing & Urban Development			335,882	-	74,970

continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>U.S. Department of Justice</u>					
Safe Havens Grant	16.527		\$65,927	\$ -	\$ -
Passed-Through N.C. Department of Crime Control and Public Safety:					
Juvenile Accountability Incentive Block Grant	16.523		106,406	-	-
Total U.S. Department of Justice			172,333	-	-
<u>U. S. Department of Labor</u>					
<u>Employment and Training Administration</u>					
Passed-through N.C. Department of Commerce:					
Division of Employment and Training:					
TA/Incentive	17.255		412,522	-	-
Workforce Investment Act Cluster:					
WIA Adult Program	17.258		329,643	-	-
WIA Youth Program	17.259		377,554	-	-
WIA Dislocated Workers	17.260		866,907	-	-
Workforce Investment Act	17.255		112,986	-	-
Total Workforce Investment Act Cluster			1,687,090	-	-
Total U. S. Department of Labor			2,099,612	-	-
<u>U.S. Dept. of Transportation</u>					
<u>Federal Transit Administration</u>					
Passed-through N.C. Department of Transportation:					
Public Transportation for Nonurbanized Areas:					
Administration	20.509	36221.3.5.1	-	246,360	-
Capital	20.509	36226.16.7.3	-	344,237	32,423
Total U.S. Department of Transportation			-	590,597	32,423
<u>U.S. Department of Education</u>					
Passed-through N. C. Department of Cultural Resources:					
Public Library Services - LSTA Grant	45.310		27,061	-	-
<u>Environmental Protection Agency</u>					
Passed-through N.C. Department of Environment and Natural Resources:					
Indoor Air Quality	66.034		110	-	-
Clean Air Section 319(h)	66.460		88,675	-	-
Total Environmental Protection Agency			88,785	-	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Crime Control and Public Safety:					
Bulletproof Vest Partnership Program	16.607		19,296	-	-
State Domestic Preparedness Equipment Support Program	97.004		363,559	-	-
Homeland Security Grant Program - Urban Search and Rescue	97.067		26,923	-	-
Hazard Mitigation Planning Grant	97.039		653,035	-	-
Emergency Management Performance Grants	97.042		86,052	-	-

continued on next page

BUNCOMBE COUNTY GOVERNMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Buffer Zone Protection Plan	97.078		47,854	-	-
Total U.S. Department of Homeland Security			1,196,718	-	-
<u>U.S. Election Assistance Commission</u>					
Passed-Through N.C. State Board of Elections: Help America Vote Act Requirements Payments	90.401		1,168,055	-	-
Total U.S. Election Assistance Commission			1,168,055	-	-
<u>U. S. Department of Health and Human Services</u>					
<u>Administration for Children and Families</u>					
Medical Reserve Corps	93.008		47,318	-	-
Passed-through N.C. Department of Health and Human Services: Division of Aging:					
SSBG - In-Home Services	93.667		34,585	-	4,941
SSBG - Adult Day Care	93.667		63,223	53,010	16,605
Total Division of Aging			97,808	53,010	21,546
Division of Social Services:					
Work First/Temporary Assistance for Needy Families (TANF)	93.558		3,067,861	2,704	2,616,104
Work First/TANF- Direct Benefit Payments	93.558		2,105,596	(159)	1,165
Direct Benefit Payments - AFDC	93.560		(5,235)	(683)	(1,435)
Crisis Intervention Program	93.568		789,890	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		696,961	-	-
Low Income Home Energy Assistance Block Grant - Administration	93.568		59,099	-	-
Refugee and Entrant Assistance - Cash & Medical Payments	93.566		14,384	-	-
Refugee and Entrant Assistance - State Administered Program	93.566		297	-	-
N.C. Child Support Enforcement Section	93.563		1,217,457	-	627,175
Permanency Planning Grant - Families for Kids	93.645		121,698	35,628	4,938
Adoption Guardianship	93.645		14,677	4,893	-
Adoption Subsidy - Direct Benefit Payments	93.645		-	990,395	270,294
SSBG - Other Services	93.667		717,923	65,920	263,108
Independent Living Grant - LINKS	93.674		69,034	14,970	-
Total Division of Social Services			8,869,641	1,113,668	3,781,349
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care- Administration	93.658		859,034	30,510	809,173
Foster Care- Direct Benefits Payments	93.658		681,528	134,492	282,221
Foster Care - Adoption	93.658		296,387	-	52
Foster Care IV-E-CPS	93.658		1,490,931	288,505	1,202,425
Adoption Assistance	93.659		108,448	-	108,448
Adoption Assistance-Direct Benefit Payments	93.659		1,295,194	356,742	375,920
Total Foster Care and Adoption Cluster			4,731,521	810,249	2,778,241

continued on next page

BUNCOMBE COUNTY GOVERNMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Subsidized Child Care Cluster:</u>					
<u>Division of Social Services:</u>					
Child Care and Development Fund - Administration	93.596		\$292,873	\$-	\$-
<u>Division of Child Development:</u>					
Child Care and Development Fund - Discretionary	93.575		2,572,758	-	-
Child Care and Development Fund - Mandatory	93.596		1,036,632	-	-
Child Care and Development Fund - Matching	93.596		603,148	381,078	-
Total Child Care Development Fund Cluster			<u>4,505,412</u>	<u>381,078</u>	-
Social Service Block Grant	93.667		158,455	-	-
Katrina Funds	93.667		2,199	-	-
Temporary Assistance for Needy Families	93.558		950,129	-	-
Smart Start	XXXX		-	629,402	-
State Appropriations	XXXX		-	1,299,599	-
TANF - Maintenance of Effort	XXXX		-	717,570	-
Total Subsidized Child Care			<u>5,616,196</u>	<u>3,027,648</u>	-
Total Administration for Children and Families			<u>19,362,485</u>	<u>5,004,575</u>	<u>6,581,135</u>
<u>Health Care Financing Administration</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medical Assistance Program - Administration	93.778		3,855,632	180,581	3,664,502
Medical Assistance Program - Direct Benefit Payments	93.778		150,490,624	74,155,535	12,386,383
Health Choice	93.767		173,403	13,568	43,956
<u>Centers for Disease Control</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
HIV State Funds - Sexually Trans. Diseases Comm. Exp. Budget	93.940		28,000	-	28,970
Immunization Program/Aid to County Funding	93.268		47,612	133	-
Public Health Emergency Preparedness - Pandemic Flu Grant	93.069		34,884	-	-
Division of Community Health:					
Project Assist - Comprehensive State Tobacco Statewide Health Promotion/Risk Reduction Programs	93.283		-	-	-
Administration - Preventive Health	93.991		22,633	11,760	27,731
Administration - Preventive Health	XXXX		-	225,346	4,475,104
Children's Special Health Services	XXXX		-	35,750	74
Women's Preventive Health	93.994		67,933	2,542	-
Women's Preventive Health - TANF	93.558		20,382	-	-

continued on next page

BUNCOMBE COUNTY GOVERNMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Bioterrorism/Bioterrorism Regional Response Team	93.283		651,415	-	1,078
CDC Chronic Disease	93.283		19,257	-	130
CDC Breast and Cervical Cancer	93.283		86,401	-	63,154
CDC Restaurant Heart Healthy Survey	93.283		65,059	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919		85,750	-	17,163
CDC Refugee Health	93.576		1,450	-	1,401
Passed-through N. C. Department of Environmental and Natural Resources:					
Childhood Lead	93.197		55,000	2,991	-
<u>Health Resources and Services Administration</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Facility Services:					
Bioterrorism Hospital Preparedness Grant	93.889		35,208	-	-
Division of Public Health:					
Child Care Coordination	93.994		76,095	-	87,149
Child Health	93.994		121,307	150,000	157,959
Maternal and Child Health Services Block Grant	93.994		111,408	-	136,129
Maternity Care Coordination	XXXX		-	35,160	3,064
Cancer Control	XXXX		-	4,224	-
Cardiovascular Health	XXXX		-	800	-
Adolescent Health Care	XXXX		-	203,946	194,324
<u>Office of Secretary</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services Title X	93.217		131,226	-	-
<u>Administration on Aging</u>					
Division of Social Services:					
Passed-through Land of the Sky Regional Council:					
Social Services Block Grant-Respite	93.667	NC-77	\$51,062	\$1,459	\$18,933
<u>Aging Cluster:</u>					
Special Program for the Aging Title IIIB - Support Services					
Grants for Supportive Services and Senior Centers	93.044	NC-77	253,618	875,461	407,024
Special Program for the Aging Title IIIC -Nutrition Services					
Title III C1 - Congregate	93.045	NC-77	50,911	32,120	66,505
Title III C2 - Home-Delivered Meals	93.045	NC-77	37,519	13,912	58,568
Total Aging Cluster			342,048	921,493	532,097

continued on next page

BUNCOMBE COUNTY GOVERNMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Total U. S. Department of Health and Human Services			175,936,273	80,949,863	28,420,437
Total Federal Awards			207,914,264	81,540,460	29,778,649
State Awards:					
<u>N.C. Department of Cultural Resources</u>					
Division of State Library:					
State Aid to Public Libraries			-	270,709	-
Total N. C. Department of Cultural Resources			-	270,709	-
<u>N.C. Department of Environment & Natural Resources</u>					
Technical Assistance-Soil/Water			-	12,250	-
Soil & Water Conservation			-	42,443	-
NC Clean Water Management Trust Fund			-	87,509	-
Environmental Health			-	6,000	-
Food & Lodging			-	16,827	-
Waste Reduction Trust Fund			-	9,050	-
Total N. C. Department of Environment and Natural Resources			-	174,079	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Child Development:					
Passed-through Buncombe County Smart Start					
Smart Start Health Consultants			-	192,501	22,047
Smart Start Early Intervention			-	122,993	14,662
Smart Start Early Childhood Dental Program			-	99,698	10,327
More at Four			-	13,553	-
Center Incentives			-	45,847	-
Passed-through Madison County Smart Start					
Star Supplement/Subsidy/REWARDS			-	153,864	-
Passed-through Southwest Child Development Commission, Inc.					
Regional Initiatives			-	463,901	48,668
Center Transition Grants			-	7,955	-
Total Division of Child Development			-	1,100,312	95,704
Division of Public Health:					
Communicable Disease Control		9945100011	-	7,807	426,786
Students Eating Smart And Moving More			-	1,000	-
Tuberculosis			-	32,935	55,410
Total Division of Public Health			-	41,742	482,196
Division of Social Services:					
Non-Allocating County Costs			-	-	1,031,277
State/County Special Assistance-Administration			-	-	529,618
State/County Special Assistance for Adults - Direct Benefit Payments			-	2,024,179	2,024,179
State Foster Care Benefits Program			-	163,963	137,318
CP&L Energy Program			-	565	-
CPS Expansion Program			-	295,439	-

continued on next page

BUNCOMBE COUNTY GOVERNMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year ended June 30, 2007

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
DCD Smart Start			-	96,393	-
Energy Assistance - Private Grants			-	29,707	-
State Aid to Counties			-	155,548	-
Other County Funded Programs			-	-	1,504,001
Total Division of Social Services			-	2,765,793	5,226,393
Division of Veterans Affairs:					
Veteran Services		GS 165-6(9)	-	2,000	-
Total N.C. Department of Health and Human Services			-	3,909,847	5,804,293
<u>Office of the Governor</u>					
Department of Juvenile Justice and Delinquency Prevention					
Non-Secure Detention			\$-	\$7,875	\$-
Gang Violence Prevention Program			-	106,430	-
Juvenile Crime Prevention Council Programs			-	516,202	-
Total Office of the Governor			-	630,507	-
<u>N.C. Department of Crime Control and Public Safety</u>					
Hurricane Recovery Assistance			-	227,377	-
Crisis Housing Assistance Fund			-	994,329	-
Total N.C. Department of Crime Control and Public Safety			-	1,221,706	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund			-	530,593	-
Total N.C. Department of Public Instruction			-	530,593	-
<u>N.C. Department of Transportation</u>					
Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	136,434	-
Rural General Public Transportation		DOT-16CL	-	78,740	8,749
Work First/Employment		DOT-16CL	-	18,336	-
Total N.C. Department of Transportation			-	233,510	8,749
Total State Awards			-	6,970,951	5,813,042
Total Federal and State Awards			\$207,914,264	\$88,511,412	\$35,591,691

continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year ended June 30, 2007

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 Buncombe County 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, Audits 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 directly to recipients 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 federal and state expenditures presented in the schedule, Buncombe County provided federal and state awards to subrecipients as follows:

Subrecipient/Program Name	Federal CFDA Number	State Grant Number/Name	Federal	State
Professional Parenting, App State Univ/Home Based Services for Juv Sex Offender		Juv. Crime Prev	\$-	\$73,334
Caring for Children/Trinity Place		Juv. Crime Prev	-	87,500
Caring for Children/Crossroads		Juv. Crime Prev	-	116,875
Caring for Children/Counterpoint		Juv. Crime Prev	-	87,484
Buncombe Alternatives, Inc./Earn and Learn Program		Juv. Crime Prev	-	71,714
The Mediation Center/Youth & Victim Offender Mediation		Juv. Crime Prev	-	11,000
Buncombe Alternatives, Inc./Teen Court		Juv. Crime Prev	-	29,074
Mountin' Hopes/Horsepower		Juv. Crime Prev	-	25,199
Caring for Children/Latino-Paid Mentoring Outreach		Juv. Crime Prev	-	19,208
Partners' Unlimited/New Day Program		Juv. Crime Prev	-	17,575
Horse Sense/Horse Sense		Juv. Crime Prev	-	22,061
YWCA/SOS Program		Juv. Crime Prev	-	19,208
ABCCM/TANF Emergency Assistance	93.558		15,000	-
ABCCM/TANF Crisis Intervention	93.568		300,000	-
ABCCM/Energy Neighbor			-	3,000
			<u>\$315,000</u>	<u>\$583,232</u>

3. 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, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, and Substance Abuse Services.

Buncombe County Department of Finance
828.250.4100
www.buncombecounty.org