

## **Compliance Section**

This section contains various schedules as required by the *U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and other state agencies. It also contains the Independent Auditors' reports on compliance and controls as required by the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, and the North Carolina State Single Audit Implementation Act.

**City of Asheville**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2008**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Federal Expenditures	State Expenditures	Total Expenditures
<b>Federal Awards</b>					
<b>U.S. Department of Transportation</b>					
Direct Programs:					
Federal Transit Cluster:					
Federal Transit Authority - Capital and Operating	20.507	Various	\$ 1,157,848	\$ -	\$ 1,157,848
Capital Investment Grant	20.500	DOT-19	125,599	-	125,599
Total Federal Transit Cluster			<u>1,283,447</u>	<u>-</u>	<u>1,283,447</u>
Passed through NCDOT:					
Intercity Grant - Weaverville	20.509	08-IC-002	51,774	51,774	103,548
Intercity Grant - Black Mountain	20.509	08-IC-003	83,008	83,008	166,016
Highway Planning and Construction Program:					
Federal Transit Metropolitan Planning Grant	20.505	07-08-100	41,673	5,210	46,883
MPO - French Broad River	20.205	MPO-FY07	166,460	-	166,460
TIP Enhancement Grant - East Oakview Bridge	20.205	B-4343	14,905	-	14,905
TIP Enhancement Grant - W. End Cling Ped Impr. 2	20.205	E-4966	6,343	-	6,343
SPR-Bike/Ped Plans	20.205	5877	24,000	-	24,000
Highway Safety Cluster:					
NC Governor's Highway Safety Program	20.605	QN-07-17-01-03	107,163	-	107,163
NC GHSP For Regional Coordinator's Expenses	20.602	K2-08-07-01-11	17,501	-	17,501
Total Highway Safety Cluster			<u>124,664</u>	<u>-</u>	<u>124,664</u>
Total U.S. Department of Transportation			<u>1,796,274</u>	<u>139,992</u>	<u>1,936,266</u>
<b>U.S. Department of Housing and Urban Development</b>					
Direct Programs:					
Community Development Block Grant	14.218	B-07-MC-370001	1,269,191	-	1,269,191
Community Development Block Grant	14.218	B-06-MC-370001	320,306	-	320,306
Community Development Block Grant	14.218	B-05-MC-370001	94,727	-	94,727
HOME Program	14.239	M-07-DC-370201	914,746	-	914,746
HOME Program	14.239	M-06-DC-370201	217,487	-	217,487
HOME Program	14.239	M-05-DC-370201	77,206	-	77,206
HOME Program	14.239	M-04-DC-370201	43,502	-	43,502
Fair Housing Assistance Program-FHAP	14.401	FF204K044018	48,100	-	48,100
Outstanding Section 108 loan balances	14.248		1,144,717	-	1,144,717
Total U.S. Dept of HUD			<u>4,129,982</u>	<u>-</u>	<u>4,129,982</u>
<b>U. S. Department of Agriculture</b>					
Passed through NC Dept of Health & Human Services:					
Summer Day Camp Program Food Service	10.559	7843	12,084	-	12,084
After School Program Food Service	10.559	7197	12,329	-	12,329
Total U.S Department of Agriculture			<u>24,413</u>	<u>-</u>	<u>24,413</u>
<b>U. S. Department of Commerce</b>					
Direct Programs:					
National Weather Service Grant	11.450	NA05NWS4501009	57,620	-	57,620
Total U.S Department of Commerce			<u>57,620</u>	<u>-</u>	<u>57,620</u>

(continued)

**City of Asheville**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2008**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Total Expenditures</u>
<b><u>U. S. Department of Justice</u></b>					
Direct Programs:					
Justice Assistant Grant - BJA	16.738	2006-DJ-BX-0429	\$ 53,580	\$ -	\$ 53,580
Justice Assistant Grant - BJA	16.738	2005-DJ-BX-0508	59,980	-	59,980
Weed & Seed Grant	16.595	2006-WS-Q6-0166	88,440	-	88,440
Weed & Seed Grant	16.595	2007-WS-Q7-0129	54,376	-	54,376
COPS Methamphetamine Initiative	16.710	2006-CK-WX-0467	120,626	-	120,626
Total U. S. Department of Justice			<u>377,002</u>	<u>-</u>	<u>377,002</u>
<b><u>U. S. Department of Homeland Security</u></b>					
Direct:					
SAFER	97.083	EMW-2005-FF-02775	186,764	-	186,764
Passed through NC Dept of Crime Control & Public Safety:					
Hazmat	97.067	2006-GE-T6-0010	97,334	-	97,334
Total U.S. Department of Homeland Security			<u>284,098</u>	<u>-</u>	<u>284,098</u>
<b>State Awards</b>					
<b><u>N. C. Department of Transportation</u></b>					
Direct Programs:					
Powell Bill	N/A	DOT-4	-	2,607,730	2,607,730
State Maintenance Assistance Program	N/A	SMAP	-	759,215	759,215
Transportation Demand Management	N/A	DOT-11	-	33,127	33,127
Pack Square Renaissance Park	N/A	DOT-18	-	25,000	25,000
TIP Enhancement Grant - Pack Square	N/A	E-4816	-	117,761	117,761
Total N.C. Department of Transportation			<u>-</u>	<u>3,542,833</u>	<u>3,542,833</u>
<b><u>N. C. Department of Health and Human Services</u></b>					
Passed through Land of Sky Regional Council:					
Senior Center Gen'l Purpose - Senior Opportunity	N/A	HB-1473	-	11,522	11,522
Senior Center Gen'l Purpose - Harvest House	N/A	HB-1473	-	13,906	13,906
Total N.C. Dept of Health and Human Services			<u>-</u>	<u>25,428</u>	<u>25,428</u>
<b><u>N. C. Department of Environment and Natural Resources</u></b>					
Direct Programs:					
High Unit Cost Grant - DEH0930	N/A	DEH0930	-	550,898	550,898
Special Appropriations-WNC Nature Center	N/A	Grant # 650	-	112,879	112,879
Richmond Hill Park Rain Garden	N/A	2008-2288	-	11,830	11,830
Flood Damage Reduction, Flood Preparedness	N/A	W07019, 07020, 07021	-	993,703	993,703
Passed through Cleanwater Management Trust Fund:					
Dingle Creek Watershed	N/A	CWMTF-2005B-701	-	133,000	133,000
Total N.C. DENR			<u>-</u>	<u>1,802,309</u>	<u>1,802,309</u>
<b><u>N.C. Department of Crime Control and Public Safety</u></b>					
Passed through NC Rural Development Center					
Hurricane Recovery Business Area Redevel Planning	N/A	-	-	125,077	125,077
Total N.C. Dept of Crime Control and Public Safety			<u>-</u>	<u>125,077</u>	<u>125,077</u>
<b>Total Federal and State Awards Expended</b>			<b><u>\$ 6,669,389</u></b>	<b><u>\$ 5,635,639</u></b>	<b><u>\$ 12,305,028</u></b>

(concluded)

**CITY OF ASHEVILLE**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2008**

NOTES TO THE PRECEDING SCHEDULE:

1 . **Significant Accounting Policies**

The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of the City of Asheville 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.

2 . **Federal and State Awards Which Have Been Passed Through to Sub recipients**

<u>Sub recipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
AHC - Tenant-Based Rental Assistance	HOME Investment Partnerships	14.239	\$ 32,914
HB - Tenant-Based Rental Assistance	HOME Investment Partnerships	14.239	21,663
MHO - East Riverside Development	HOME Investment Partnerships	14.239	124,722
MHO - Crowell Park	HOME Investment Partnerships	14.239	108,932
MHO - Clingman Avenue Apartments	HOME Investment Partnerships	14.239	132,072
MHO - Glen Rock Apartments	HOME Investment Partnerships	14.239	39,763
MHO - Housing for Veterans	HOME Investment Partnerships	14.239	33,749
MHO - Self-Help - Bunc. Co.	HOME Investment Partnerships	14.239	105,076
Buncombe Co. - SCA Site Rehab	HOME Investment Partnerships	14.239	75,620
HAC - Three Seeds	HOME Investment Partnerships	14.239	106,780
HAC - Sugar Hill Apartments	HOME Investment Partnerships	14.239	11,451
HAC / Henderson Co. Downpmnt Assist	HOME Investment Partnerships	14.239	10,400
Henderson Co. Habitat - Shuey Knolls	HOME Investment Partnerships	14.239	155,030
Madison Co. Owner - Occupied Rehab	HOME Investment Partnerships	14.239	90,199
MHO - ADDI	HOME Investment Partnerships	14.239	11,500
General Program Admin	HOME Investment Partnerships	14.239	123,740
Member Government Administration	HOME Investment Partnerships	14.239	1,215
CHDO Operating Expenses	HOME Investment Partnerships	14.239	68,016
Total			<u>\$ 1,252,840</u>

See the accompanying Independent Auditors' Report .

**CITY OF ASHEVILLE**  
**Schedule of Revenue and Expenditures -- High Unit Cost Grant--**  
**Project Number DEH0930**

**From Inception and the Year Ended June 30, 2008**

	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Project</u> <u>to Date</u>
Sources of Funds:			
State Funds	\$ 2,442,395	\$ 557,605	\$ 3,000,000
Total Revenues	<u>\$ 2,442,395</u>	<u>\$ 557,605</u>	<u>\$ 3,000,000</u>
Construction Cost:			
WC0201	\$ 583,484	\$ -	\$ 583,484
WC0202	613,090	-	613,090
WC0203	795,511	550,898	1,346,409
Administrative Expense:			
Professional Services	435,418	-	435,418
Advertising	1,062	-	1,062
Legal Fees	13,045	-	13,045
Engineering Fees	3,296	-	3,296
License, Taxes & Fees	96	-	96
Other			
Right of Ways	4,100	-	4,100
Total Expenditures	<u>\$ 2,449,102</u>	<u>\$ 550,898</u>	<u>\$ 3,000,000</u>



**DIXON HUGHES** PLLC

Certified Public Accountants and Advisors

**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***

City of Asheville  
Asheville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of the City of Asheville, North Carolina (the "City"), as of and for the year ended June 30, 2008 which collectively comprises the City's basic financial statements, and have issued our report thereon dated December 30, 2008. We did not audit the financial statements of the City of Asheville ABC Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Asheville ABC Board, is based solely on the report 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. The financial statements of the City of Asheville ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

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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 City's internal control.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*; however, management has disclosed one instance of non-compliance in the notes to the financial statements.

We noted certain matters that we have reported to management of the City in a separate letter dated December 30, 2008.

This report is intended solely for the information and use of the members of City Council, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 30, 2008

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**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**

City of Asheville  
Asheville, North Carolina

Compliance

We have audited the compliance of the City of Asheville, North Carolina (the "City"), 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, 2008. The City's major federal programs are identified in the summary of auditors' 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 the City's management. Our responsibility is to express an opinion on the City'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*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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 the City's compliance with those requirements.

In our opinion, the City of Asheville 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, 2008. However, the results of our auditing procedures disclosed one instance of non-compliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and the State Single Audit

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Implementation Act, and which is described in the accompanying schedule of findings and questioned costs as Finding 2008-1.

Internal Control Over Compliance

The management of the City 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 the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 City'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 non-compliance 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 non-compliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity'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 non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control.

Our consideration of the 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 solely for the information and use of the members of City Council, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 30, 2008

*Dixon Hughes PLLC*



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

City of Asheville  
Asheville, North Carolina

Compliance

We have audited the compliance of the City of Asheville, North Carolina (the "City"), 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, 2008. The City's major State programs are identified in the summary of auditors' 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 the City's management. Our responsibility is to express an opinion on the City'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 applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City 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, 2008.

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Internal Control Over Compliance

The management of the City 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 the City'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 City'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 non-compliance 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 non-compliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the entity'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 non-compliance with a type of compliance requirement of a State program will not be prevented or detected by the entity'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 solely for the information and use of the members of City Council, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 30, 2008

*Dixon Hughes PLLC*

**CITY OF ASHEVILLE, NORTH CAROLINA**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2008

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**Section I--Summary of Auditors' Results**

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*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes                        X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes                        X   none reported

Non-compliance material to financial statements noted? \_\_\_\_\_ yes                        X   no

*Federal Awards*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes                        X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes                        X   none reported

Type of auditors' report issued on compliance for major federal programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   X   yes                      \_\_\_\_\_ no

(continued)

**CITY OF ASHEVILLE, NORTH CAROLINA**

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2008

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Program
14.218	Community Development Block Grant
20.500 & 20.507	Highway Safety Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish  
between Type A and Type B Programs. \$ 300,000

Auditee qualified as low risk auditee?            yes       X       no

*State Awards*

Internal control over major State programs:

- Material weakness(es) identified?            yes       X       no
  
- Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            yes       X       no

Type of auditors' report issued on compliance for major State programs: unqualified

Identification of major State programs:

- Program Name
- Powell Bill
  - State Maintenance Assistance Program
  - High Unit Cost Grant
  - Flood Damage Reduction, Flood Preparedness

(continued)

**CITY OF ASHEVILLE, NORTH CAROLINA**

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2008

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**Section II--Financial Statement Findings**

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There were none.

**CITY OF ASHEVILLE, NORTH CAROLINA**

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2008

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**Section III--Federal Award Findings and Questioned Costs**

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**Finding: 2008-1 Inspection of HOME Projects**

**US Department of Housing and Urban Development (HUD)**

Program Name: HOME

CFDA 14.239

**NON-COMPLIANCE**

Sub-recipient monitoring

Criteria: HUD requires on-site inspections during the period of affordability to determine compliance with property standards and verify the information submitted by the owners no less than: 1) every three years for projects containing 1 to 4 units, 2) every two years for projects containing 5 to 25 units, and 3) every year for projects containing 26 or more units.

Condition: As noted in the Consolidated Annual Performance and Evaluation Report, 22 projects were listed as being subject to inspection. Of these 22 projects, only 13 met the monitoring requirements specified above.

Effect: HOME projects could be out of compliance.

Cause: Recent staff turnover has left the City without sufficient resources to stay current on its inspections.

Recommendation: We recommend the City devote sufficient resources to comply with HOME standards.

Management's Response: See Corrective Action Plan.

(continued)

**CITY OF ASHEVILLE, NORTH CAROLINA**

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2008

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**Section IV--State Award Findings and Questioned Costs**

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There were none.

**CITY OF ASHEVILLE, NORTH CAROLINA**

**Corrective Action Plan**

For the Year Ended June 30, 2008

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**Section III—Federal Award Findings and Questioned Costs**

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**2008-1 Inspection of HOME projects**

**US Department of Housing and Urban Development (HUD)**

Program Name: HOME

CFDA 14.239

**NON-COMPLIANCE**

**Sub-recipient Monitoring**

Name of contact person:

Judy Daniel, Planning & Development Director

Corrective action:

Management will continue to take measures to fill the vacant staff positions. Until those vacant positions are filled, the department is concurrently seeking contracted staffing to be responsible for the workload requirements that are critical to meeting the needs to comply with HOME standards in regards to inspections. Current staff is working toward preparing a plan to bring the nine projects within compliance by June 30, 2009.

Proposed completion date:

June 30, 2009

**CITY OF ASHEVILLE, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2008

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**Section II--Financial Statement Findings**

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**Finding: 2007-1**  
Status: Corrected.

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**Section III--Federal Award Findings and Questioned Costs**

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**Finding: 2007-2**  
Status: Repeated as finding 2008-1.

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**Section IV--State Award Findings and Questioned Costs**

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There were none.